United Christian Broadcasters Media Canada
Financial Statements
December 31, 2025

Contents

For the year ended December 31, 2025

Independent Auditor's Report

To the Members of United Christian Broadcasters Media Canada:

Qualified Opinion

We have audited the financial statements of United Christian Broadcasters Media Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenue over expenditures, assets and changes in net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Kingston, Ontario

Chartered Professional Accountants

June 11, 2026

Licensed Public Accountants

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United Christian Broadcasters Media Canada
Statement of Financial Position
As at December 31, 2025

	2025	2024
Assets		
Current		
Cash and bank *(Note 2)*	**113,309**	28,598
Accounts receivable and other amounts receivable *(Note 3)*	**247,539**	251,486
Prepaid expenses	**72,306**	75,128
	433,154	355,212
Capital assets *(Note 4)*	**1,702,125**	1,766,915
	2,135,279	2,122,127
Liabilities		
Current		
Bank indebtedness *(Note 5)*	**119,946**	175,126
Accounts payable and accruals	**120,246**	226,441
Current portion of deferred revenue *(Note 6)*	**33,702**	33,923
Current portion of long-term debt *(Note 7)*	**-**	655,540
	273,894	1,091,030
Long-term debt *(Note 7)*	**1,262,759**	300,000
Deferred contributions *(Note 6)*	**400,168**	359,495
	1,662,927	659,495
	1,936,821	1,750,525
Net Assets		
General	**(1,503,667)**	(1,395,313)
Invested in Capital Assets	**1,702,125**	1,766,915
	198,458	371,602
	2,135,279	2,122,127

Approved on behalf of the Board

Director — **Phil Wild**

Director — **Peter Lammers**

The accompanying notes are an integral part of these financial statements

United Christian Broadcasters Media Canada
Statement of Operations
For the year ended December 31, 2025

	2025	2024
Revenue		
Advertising revenue	**618,245**	596,956
Donations - Fundraising	**1,063,510**	983,804
Donations - Other	**1,617,819**	1,411,812
Donations - WFYT	**24,266**	59,577
Event revenue	**3,990**	27,182
Grant revenue	**-**	22,165
Interest revenue	**367**	3,544
Other income	**10,010**	37,997
Program revenue	**9,120**	13,533
Subscriptions - WFYT	**22,440**	22,913
	3,369,767	3,179,483
Expenses		
Salaries and benefits	**1,915,735**	1,800,897
Transmitter site expenses	**354,809**	316,580
Computer equipment maintenance	**223,333**	273,732
General and administrative	**108,073**	70,457
Broadcasting fees	**101,322**	91,692
WFYT	**100,931**	93,734
Amortization	**97,296**	89,783
Fundraising	**87,670**	55,549
Credit card charges	**67,786**	64,310
Telephone and utilities	**62,874**	91,033
Advertising	**55,828**	88,223
Interest on long-term debt	**51,349**	47,236
Insurance	**50,201**	53,903
Bank charges and interest	**44,721**	35,041
Professional fees	**39,490**	45,112
Repairs and maintenance	**35,188**	19,837
Rent	**30,623**	43,768
Vehicle expenses	**25,164**	35,238
Training	**20,330**	21,164
Property Tax	**18,183**	27,708
Travel and entertainment	**12,930**	35,606
Event expenses	**12,771**	36,027
Bad debts	**9,616**	1,846
Office supplies	**7,466**	15,201
Miscellaneous	**5,208**	8,498
Dues and fees	**1,820**	12,855
Engineering services	**1,819**	1,564
Security	**375**	-
Total expenses	**3,542,911**	3,476,594
Deficiency of revenue over expenses before other items	**(173,144)**	(297,111)
Other items		
Gain on disposal of capital assets	**-**	19,928
Deficiency of revenue over expenses	**(173,144)**	(277,183)

The accompanying notes are an integral part of these financial statements

United Christian Broadcasters Media Canada
Statement of Changes in Net Assets
For the year ended December 31, 2025

	General	Invested in Capital Assets	2025	2024
Net assets, beginning of year	**(1,395,313)**	**1,766,915**	**371,602**	648,785
Deficiency of revenue over expenses	**(75,848)**	**(97,296)**	**(173,144)**	(277,183)
Purchases of capital assets during the year	**(32,506)**	**32,506**	**-**	-
Net assets, end of year	**(1,503,667)**	**1,702,125**	**198,458**	371,602

The accompanying notes are an integral part of these financial statements

United Christian Broadcasters Media Canada
Statement of Cash Flows
For the year ended December 31, 2025

	2025	*2024*
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	**(173,144)**	(277,183)
Amortization	**97,296**	89,783
Gain on disposal of capital assets	**-**	(19,928)
	(75,848)	(207,328)
Changes in working capital accounts		
Accounts receivable and other amounts receivable	**3,947**	(22,649)
Prepaid expenses and deposits	**2,822**	(26,765)
Accounts payable and accruals	**(106,195)**	102,071
	(175,274)	(154,671)
Financing		
Net Advances (repayment) on bank indebtedness	**(55,180)**	95,126
Advances of long-term debt	**340,000**	75,000
Repayment of long-term debt	**(32,781)**	(36,998)
Deferred revenue	**40,452**	(50,526)
	292,491	82,602
Investing		
Purchase of capital assets	**(32,506)**	(131,158)
Proceeds on disposal of capital assets	**-**	25,989
	(32,506)	(105,169)
Increase (decrease) in cash resources	**84,711**	(177,238)
Cash resources, beginning of year	**28,598**	205,836
Cash resources, end of year	**113,309**	28,598

The accompanying notes are an integral part of these financial statements

1. Significant accounting policies

Nature of Business

United Christian Broadcasters Media Canada (the "Organization") is a Christian Media company operating radio stations specializing in Christian programming and print material.

The Organization was originally incorporated with Letters Patent dated August 17, 2001 under the Canada Corporations Act as a corporation without share capital. The Organization was continued under the Canada Not-For-Profit Corporations Act by a Certificate of Continuance dated May 6, 2014.

The Organization operates as a registered charitable organization and is exempt from income tax under subparagraph 149(1)(f) for the Canadian Income Tax Act.

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and cash in the bank.

Capital assets

Capital assets are stated at cost less accumulated amortization.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	**Years**
Buildings	straight-line	25 to 50 years
Vehicle	straight-line	6 to 8 years
Computer equipment	straight-line	4 to 10 years
Radio equipment	straight-line	5 to 50 years
Furniture and equipment	straight-line	10 to 20 years
Radio transmitters	straight-line	10 to 20 years
Website	straight-line	3 years

Accounting for Cloud Computing Arrangement

The Organization has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Organization recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, immaterial expenses have been recognized and are included in Computer Equipment Maintenance.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations related to the purchase of land are netted against the purchase cost of the land.

Contributed materials

Volunteers contribute an indeterminable number of hours each year to assist the Organization in carrying out its activities. Because of the difficulty in determining their fair value, contributions of such services are not recognized in the financial statements.

Non-monetary transactions

In the normal course of its business, the Organization enters into non-monetary transactions under which goods and services are acquired in exchange for advertising and other services. These goods and services, which would otherwise be payable in cash, are accounted for at their fair market value.

1. **Significant accounting policies** *(Continued from previous page)*

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the period.

All financial assets and liabilities are subsequently accounted for using amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accruals, government remittances payable, and long-term-debt.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in deficiency of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

Investments in equity instruments quoted in an active market;
Debt instruments quoted in an active market;
Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Organization has not made such an election during the period, thus all such related party debt instruments are subsequently measured at amortized cost.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

1. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in deficiency of revenues over expenses.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the period.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in deficiency of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in deficiency of revenue over expenses in the year the reversal occurs.

2. Cash and bank

The Organization's bank accounts are held at three chartered banks and financial institutions. The bank accounts earn interest at nominal rates up to 1.45% annually.

3. Accounts receivable and other amounts receivable

	2025	*2024*
Trade accounts receivable	**137,841**	137,113
HST recoverable	**35,305**	27,172
Donations in transit	**74,393**	87,201
	247,539	251,486

4. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Buildings	**1,543,306**	**275,586**	**1,267,720**	1,298,334
Vehicle	**7,672**	**5,509**	**2,163**	3,207
Computer equipment	**62,232**	**49,661**	**12,571**	7,727
Radio equipment	**265,997**	**170,339**	**95,658**	101,531
Furniture and equipment	**160,905**	**145,440**	**15,465**	25,118
Radio transmitters	**617,341**	**317,464**	**299,877**	323,887
Website	**5,290**	**3,278**	**2,012**	3,116
Assets not in use	**6,659**	**-**	**6,659**	3,995
	2,669,402	**967,277**	**1,702,125**	1,766,915

During the year, capital assets were acquired at an aggregate cost of $32,506 (2024 - $131,158) of which $Nil (2024 - $Nil) were acquired by means of long-term debt.
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5. Bank indebtedness

	2025	2024
Operating line of credit	**80,000**	160,000
Bank indebtedness	**39,946**	15,126
	119,946	175,126

The Organization has an unused balance of $120,000 on the line of credit with a total credit limit of $200,000, that is due on demand and bears interest at the bank's prime rate plus 1.80%.

6. Deferred contributions

Deferred revenue consists of donations received for future capital and expansion costs.

	2025	2024
Balance, beginning of year	**393,418**	443,944
Amount received during the year	**85,507**	41,699
Less: Amounts recognized as revenue during the year	**(45,055)**	(92,225)
	433,870	393,418
Less: current portion	**33,702**	33,923
Balance, end of year	**400,168**	359,495

7. Long-term debt

	2025	*2024*
Mortgage payable - bank's prime + 1.50%, due January 2028, monthly payments of $4,764 interest only, secured by a general security agreement	**962,759**	655,540
1300800 Ontario Inc. loan - 5%, due June 2027, annual payments of interest only	**300,000**	300,000
	1,262,759	955,540
Less: Current portion	**-**	655,540
	1,262,759	300,000

8. Commitments

The Organization has various operating leases for its premises expiring no later than January 2029.

The Organization has various operating leases for its vehicles, expiring no later than April 2027.

The Organization has various tower leases expiring no later than January 2034.

The Organization has an operating lease for scheduling software expiring no later than 2034.

The Organization has entered into various lease agreements with estimated minimum annual payments as follows:

2026	212,385
2027	208,218
2028	175,003
2029	65,246
2030	32,273
Thereafter	10,150
	703,275

9. Financial Instruments

Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay another party cash or other financial assets.

Financial instruments consist of cash and bank, accounts receivable and other amounts receivable, bank indebtedness, accounts payable and accruals, and long-term debt.

The Organization initially recognized its financial instruments at fair value and subsequently measure them at amortized cost.

Financial assets measured at cost or amortized cost are tested for impairment at the end of each year and the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed the original cost.

Credit Risk

The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The maximum exposure to credit risk is the carrying value of accounts receivable, being $124,635 at year-end.

Interest Risk

Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The exposure of the Organization to interest rate risk arises from its interest bearing bank financial instruments which are bank indebtedness and long-term debt. A significant portion of the Organization’s exposure with the above financial instruments is limited due to interest rates being fixed. The Organization has not quantified the impact that changes in interest rate will have on these instruments, but the risk is deemed to be within normal operating risk levels.