

June 2, 2020

MNP LLP
1473 John Counter Blvd, Suite 201
Kingston, Ontario K7M 8Z6

To Whom It May Concern:

In connection with your audit of the financial statements of United Christian Broadcasters Media Canada ("the Organization") as at December 31, 2019 and for the year then ended, we hereby confirm to the best of our knowledge and belief, the following representations made to you during the course of your audit.

We understand that your audit was made in accordance with Canadian generally accepted auditing standards. Accordingly, the audit included an examination of the accounting system, controls and related data, and tests of the accounting records and such other auditing procedures as you considered necessary in the circumstances, for the purpose of expressing an opinion on the financial statements. We also understand that such an audit is not designed to identify, nor can it necessarily be expected to disclose, misstatements, non-compliance with laws and regulations, fraud or other irregularities, should there be any.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 2, 2020, for the preparation and fair presentation of the Organization's financial statements in accordance with Canadian accounting standards for not-for-profit organizations. We believe these financial statements are complete and present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and the results of its operations and its cash flows, in accordance with Canadian accounting standards for not-for-profit organizations.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements, and are reported in the appropriate period.
3. We acknowledge that we are responsible for the accounting policies followed in the preparation of the Organization's financial statements. Significant accounting policies, and any related changes to significant accounting policies, are disclosed in the financial statements. The selection of accounting policies is appropriate in accordance with the requirements of Canadian accounting standards for not-for-profit organizations, and are applied consistently throughout the financial statements.
4. We have disclosed to you all significant assumptions used in making accounting estimates and judgments, and believe they are reasonable.
5. We are aware of and concur with the contents and results of the attached journal entries prepared by you, and accept responsibility for the financial statement effects of the entries.
6. We believe the effects of those uncorrected financial statement differences aggregated by you during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A summary of these differences has been attached to this written representation.
7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.
8. All events or transactions that have occurred subsequent to the statement of financial position and for which

Canadian accounting standards for not-for-profit organizations require adjustment or disclosure have been adjusted or disclosed appropriately in the financial statements.

9. All plans or intentions that may affect the carrying value or classification of assets and liabilities are appropriately reflected in the financial statements in accordance with Canadian accounting standards for not-for-profit organizations.
10. All liabilities, both known and contingent, requiring recognition or disclosure in the financial statements in accordance with the requirements of Canadian accounting standards for not-for-profit organizations have been adjusted or disclosed as appropriate.
11. All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
12. All assets, wherever located, to which the Organization had satisfactory title at the year-end, have been fairly stated and recorded in the financial statements. The assets are free from hypothecation, liens and encumbrances, except as noted in the financial statements. We have disclosed the nature and carrying amounts of any assets pledged as collateral. All assets of uncertain value, and restrictions imposed on assets, are appropriately reported in the financial statements.
13. All aspects of laws, regulations or contractual agreements, including non-compliance, are appropriately reflected in the financial statements.
14. Revenue has been recognized only where sales have been made and items delivered, or services rendered, and the amounts have been collected or are collectible. Revenues do not include any amounts arising from consignment sales or from any other transaction from which the Organization is not entitled to the proceeds.

Information provided

1. We have responded fully to all inquiries made to us and have made available to you:
 - A complete record of all financial records that are relevant to the preparation and presentation of the financial statements, and related data and minutes of the meetings of members and board of directors held throughout the year to the present date;
 - Additional information that you have requested from us for the purpose of your audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. We acknowledge management's responsibility for the design, implementation and operation of controls that have been designed to prevent and detect fraud.
3. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low.
4. Where the impact of any frauds or suspected frauds, and non-compliance or possible non-compliance with laws and regulations, has a material effect on the financial statements, we have disclosed to you all known significant facts relating thereto, including circumstances involving management, employees having significant roles over controls, and others. We have made known to you any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators and others. The effects of such events, if any, are properly presented in the financial statements.
5. We have disclosed to you all deficiencies in the design or operation of internal controls over financial reporting of which we are aware.
6. We have disclosed to you all aspects of laws, regulations or contractual agreements that may affect the financial statements, including non-compliance.


7. We have disclosed to you the identities of all related parties to the Organization and all related party relationships and transactions of which we are aware.
8. We have no knowledge of side agreements (contractual or otherwise) with any parties that have not been disclosed to you.
9. There are no discussions with your firm's personnel regarding employment with the Organization.

Professional Services

1. We acknowledge the engagement letter dated January 2, 2020, which states the terms of reference regarding your professional services.
2. We are not aware of any reason why MNP LLP would not be considered independent for purposes of the Organization's audit.

Sincerely,

United Christian Broadcasters Media Canada

DocuSigned by:

Signature 99AC4A37402...

Chair of the Board
Title



January 2, 2020

Board of Directors
United Christian Broadcasters Media Canada
10 Dundas Street West
Belleville, ON K8P 1A1

Dear Board of Directors:

This letter will confirm the arrangements discussed with you regarding the services we will render to United Christian Broadcasters Media Canada (the "Organization") commencing with the fiscal year ending December 31, 2019.

Our responsibilities

We will audit the financial statements of United Christian Broadcasters Media Canada for the year ended December 31, 2019.

Our audit will be conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we will plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements taken as a whole are free of material misstatement, whether caused by fraud or error.

Our responsibilities, objective, scope, independence and the inherent limitations of an audit conducted in accordance with Canadian generally accepted auditing standards are detailed in Appendix A, which forms part of our mutual understanding of the terms of this engagement.

Management's responsibilities

The operations of the Organization are under the control of management, which has responsibility for the accurate recording of transactions and the preparation [and fair presentation] of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. This includes the design, implementation and maintenance of internal controls relating to the preparation and presentation of the financial statements.

Appendix B, which describes in detail management's responsibilities with respect to this engagement, forms part of our mutual understanding of the terms of this engagement.

Reporting

Unless unanticipated difficulties are encountered, our report will be substantially in the form illustrated in Appendix C.

Fees and expenses

Our fees and expenses are discussed in detail in Appendix D.

Other matters

Based on our firm's client acceptance and continuance procedures, we will make inquiries and require certain information from the Organization before final client acceptance is approved. We reserve the right to decline appointment if the results of our client acceptance procedures are not satisfactory.

We will, as permitted by the Code of Professional Conduct, provide additional services upon request, in areas such as taxation, leadership and human resource management, communication, marketing, strategic planning, financial management and technology consulting.

Our standard terms and conditions, included as Appendix E, form part of our mutual understanding of the terms of this engagement. In the event that you choose to terminate this engagement based on the terms outlined in Appendix E, we reserve the right to notify all financial statement users of the change.

The privacy and security of the personal information you provide is important to us. We strive to ensure the strictest compliance with all applicable provincial and federal standards of protection and disclosure of personal information by any and all of our employees, agents, divisions and/or affiliates (referred to collectively as "MNP"). You may review our privacy policy at www.mnp.ca. We will not collect, use, or disclose any of your personal information without your knowledge and consent, unless required to do so by legal authority or the applicable provincial Code of Professional Conduct.

By signing this engagement letter you agree that for the purposes of this engagement MNP may collect, use, and disclose personal information in accordance with our privacy policy. You also agree that MNP may collect and use personal information from you for the purposes of providing other services or informing you of other opportunities from time to time ("Other Matters"). Personal information that is not relevant to the purposes of this engagement or to any Other Matters will not be disclosed to anyone for any reason without your further prior consent.

In accordance with professional regulations (and by Firm policy), our client files must be periodically reviewed by provincial or national practice inspectors and by other Firm personnel to ensure we are adhering to professional and Firm standards. Confidentiality of client information will be maintained throughout this process.

The arrangements outlined in this letter and its appendices will continue in effect from year to year, unless changed in writing.

We believe the foregoing correctly sets forth our understanding, but if you have any questions, please let us know. If you find the arrangements acceptable, please acknowledge your agreement to the understanding by signing and returning the engagement letter to us.

It is a pleasure for us to be of service to you. We look forward to many years of association with you and United Christian Broadcasters Media Canada.

Sincerely,


MNP LLP

**Chartered Professional Accountants
Licensed Public Accountants**

encls.

RESPONSE:

This letter correctly sets forth the understanding of United Christian Broadcasters Media Canada.



Officer Signature

CEO

Title

June 12, 2020

Date

Appendix A: Our Audit Responsibilities, Objective, Scope and Limitations

The following details our responsibilities as auditors and the objective, scope, independence and inherent limitations of an audit conducted in accordance with Canadian generally accepted auditing standards.

Our responsibilities, objective and scope

Our audit will be planned and performed to obtain reasonable assurance that the financial statements taken as a whole are free of material misstatement, whether caused by fraud or error. If any of the following matters are identified, they will be communicated to the appropriate level of management:

- Misstatements, resulting from error, other than immaterial misstatements;
- Fraud or any information obtained that indicates that a fraud may exist;
- Material uncertainties related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern;
- Any evidence obtained that indicates non-compliance or possible non-compliance with laws and regulations has occurred;
- Significant deficiencies in the design or implementation of controls to prevent and detect fraud or misstatements; and
- Related party transactions identified that are not in the normal course of operations and that involve significant judgments made by management concerning measurement or disclosure.

The matters communicated will be those that we identify during the course of our audit. Audits do not usually identify all matters that may be of interest to management in discharging its responsibilities. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed.

Furthermore, we will consider the Organization's controls over financial reporting for the purpose of identifying types of potential misstatement, considering factors that affect the risks of material misstatement, and determining the nature, timing and extent of auditing procedures necessary for expressing our opinion on the financial statements. This consideration will not be sufficient to enable us to render an opinion on the effectiveness of controls over financial reporting nor to identify all significant deficiencies in the Organization's system of financial controls.

Independence

The Code of Professional Conduct require that we are independent when conducting this engagement. We will communicate to the [Audit Committee/or equivalent] any relationships between the Organization (including related entities) and MNP LLP ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence.

If matters should arise during this engagement that can reasonably be assumed to have impaired our independence, we may need to withdraw from this engagement.

Audit limitations

An audit involves performing procedures to obtain audit evidence regarding the amounts and disclosures in the financial statements. This includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation, structure and content of the financial statements, including disclosures.

It is important to recognize that an auditor cannot obtain absolute assurance that material misstatements in the financial statements will be detected because of factors such as the use of judgment, selective testing of data, inherent limitations of controls, and the fact that much of the audit evidence available is persuasive rather than conclusive in nature.

Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material misstatement due to fraud.

Appendix A: Our Audit Responsibilities, Objective, Scope and Limitations *(continued from previous page)*

While effective controls reduce the likelihood that misstatements will occur and remain undetected, they do not eliminate that possibility. Therefore, we cannot guarantee that fraud, misstatements and non-compliance with laws and regulations, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards.

The audit of the financial statements and the issuance of our audit opinion are solely for the use of the Organization and those to whom our report is specifically addressed. We make no representations of any kind to any third party in respect of these financial statements and we accept no responsibility for their use by any third party. If our name is to be used in connection with the financial statements, you will attach our independent audit report when distributing the financial statements to third parties.

We ask that our names be used only with our consent and that any information to which we have attached a communication be issued with that communication unless otherwise agreed to by us.

Appendix B: Management Responsibilities

During the course of our audit, you will be required to provide and make available complete information that is relevant to the preparation and presentation of the financial statements, including:

- Financial records and related data, including data relevant to disclosures made in the financial statements;
- Copies of all minutes of meetings of directors;
- Access to personnel to whom we may direct our inquiries;
- Information relating to any known or possible instances of non-compliance with laws, legislative or regulatory requirements (including financial reporting requirements);
- Information relating to all related parties and related party transactions; and
- Allowing access to those within the entity from whom the auditor determines it necessary to obtain audit evidence.

Management's responsibility with respect to fraud and misstatement includes:

- The design and implementation of controls for its prevention and detection;
- An assessment of the risk that the financial statements may be materially misstated;
- Disclosure of situations where fraud or suspected fraud involving management, employees who have significant roles in controls, or others, where the fraud could have a material effect on the financial statements, have been identified or allegations have been made; and
- Communicating your belief that the effects of any uncorrected financial statement misstatements aggregated during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In accordance with Canadian generally accepted auditing standards, we will request a letter of representation from management at the close of our audit in order to confirm oral representations given to us and reduce the possibility of misunderstanding concerning matters that are the subject of the representations. These representations are used as evidence to assist us in deriving reasonable conclusions upon which our audit opinion is based.

If the Organization plans any reproduction or publication of our report, or a portion thereof, printer's proofs of the complete documents should be submitted to us in sufficient time for our review, prior to making such documents publicly available. It will also be necessary for you to furnish us with a copy of the printed report. Further, it is agreed that in any electronic distribution, for example on United Christian Broadcasters Media Canada's website, management is solely responsible for the accurate and complete reproduction of our report and the subject matter on which we reported, and for informing us of any subsequent changes to such documents. However, we are responsible to read the documents to ensure accuracy, and consider the appropriateness of other information accompanying the audited financial statements, upon initial posting.

Appendix C: Illustrative 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, 2019, 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, 2019, 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.

Other Matter

The financial statements of the Organization for the year ended December 31, 2018 were audited by Baker Tilly SEO LLP of Kingston, Ontario, Canada. Baker Tilly SEO LLP expressed a qualified opinion on those statements on May 6, 2019 for the reasons described in the Basis for Qualified Opinion paragraph.

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

Appendix C: Illustrative Independent Auditor's Report (continued from previous page)

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.

Kingston, Ontario

June 2, 2020

Chartered Professional Accountants

Licensed Public Accountants

Illustrative Report

Appendix D: Fees and Expenses

Our fees are determined on the basis of time spent on the engagement at the tariff rates of various members of our team. Any disbursements will be added to the billing.

Our estimated fees are based on our past experience and our knowledge of the Organization. This estimate relies on the following assumptions:

- No significant deficiencies in internal controls which cause procedures to be extended;
- No major unadjusted misstatement(s) or un-reconciled balances;
- Significantly all adjusting entries are completed prior to trial balance and journal entries being provided to the audit team;
- All management and required staff are available as needed;
- Information and working papers required, as outlined in our letter of fiscal year-end requirements, are provided in the mutually agreed form and timing; and
- There are no changes to the agreed upon engagement timetable and reporting requirements.

We will ask that your personnel, to the extent possible, prepare various schedules and analysis, and make various invoices and other documents available to our team. This assistance will facilitate the progress of our work and minimize the cost of our service to you.

If any significant issues arise during the course of our audit work which indicate a possibility of increased procedures or a change in the audit timetable, these will be discussed with management by the practitioner leading your engagement so a mutually agreeable solution can be reached. In accordance with our standard terms and conditions, included as Appendix E, if significant changes to the arrangements set forth in this engagement letter are required, any change in scope of the engagement will need to be agreed in writing, in a "Change Order" agreement.

Appendix E: Standard Terms and Conditions

The following standard terms and conditions and the engagement letter to which they are attached form one agreement and set out the terms and conditions upon which MNP LLP ("MNP") will provide services to you (the "Organization").

1. **Timely Performance** - MNP will use all reasonable efforts to complete, within any agreed-upon time frame, the performance of the services described in the engagement letter to which these terms and conditions are attached. However, MNP shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by the Organization of its obligations as set out in the engagement letter.
2. **Right to Terminate Services** - The Organization may terminate the engagement upon 30 days written notice. If this occurs, the Organization shall pay for time and expenses incurred by MNP up to the termination date, together with reasonable time and expenses incurred to bring the services to a close in a prompt and orderly manner. Should the Organization not fulfil its obligations as set out herein and in the engagement letter, and in the event that the Organization fails to remedy such default within 30 days following receipt of notice from MNP to that effect, MNP may, upon written notification and without prejudice to its other rights and resources, terminate provision of our services as described in the engagement letter. In such case, MNP shall not be responsible for any loss, costs, expenses, or damages resulting from such termination.
3. **Change Order** - If, subsequent to the date of this engagement letter, the Organization requires significant changes to the arrangements set forth in this engagement letter, the Organization will be required to agree to the change in scope of the engagement in writing, in a "Change Order" agreement. The "Change Order" agreement will set forth the revised arrangements and scope of services to be performed and any related additional fees associated.
4. **Fees** - Any fee estimates by MNP take into account the agreed-upon level of preparation and assistance from the Organization's personnel. MNP undertakes to advise the Organization's management on a timely basis should this preparation and assistance not be provided, or should any other circumstances arise which cause actual time to exceed the estimate.
5. **Administrative Expenses** - Administrative expenses include costs such as long distance telephone and telecommunication charges, photocopying, delivery, postage, and clerical assistance. These expenses are based on a percentage of our fees for professional services (5%). Where applicable, federal, provincial, or other goods and services or sales taxes have been paid on these expenses. Other major costs such as travel, meals, accommodation and other significant expenses will be charged as incurred.
6. **Billing** - Bills will be rendered on a regular basis as the assignment progresses/as indicated in the letter above. Accounts are due and payable upon receipt. Interest may be charged on the balance of any accounts remaining unpaid for more than 30 days, at a rate of 1.5% per month (19.56% per annum).
7. **Taxes** - All fees and other charges do not include any applicable federal, provincial, or other goods and services or sales taxes, or any other taxes or duties whether presently in force or imposed in the future. The Organization shall assume and pay any such taxes or duties, without deduction from the fees and charges hereunder.
8. **Governing Law** - The engagement will be governed and construed in accordance with the laws of the Province of Ontario, and shall be deemed in all respects to be an Ontario contract. The Organization and MNP submit to the courts of that jurisdiction with respect to all matters arising under or by virtue of this Agreement.

Appendix E: Standard Terms and Conditions *(continued from previous page)*

9. **Working Papers** - MNP owns all working papers and files, other materials, reports and work created, developed or performed during the course of the engagement, including intellectual property used in the preparation thereof. We will provide management with a copy of all practitioner-prepared working papers necessary for the Organization's accounting records. MNP may develop software, including spreadsheets, documents, databases, and other electronic tools, to assist us with our assignment. As these tools and working papers were developed specifically for our purposes and without consideration of any purpose for which the Organization might use them, any such tools which may be provided to the Organization, will be made available on an "as is" basis only, at our discretion, and should not be distributed to or shared with any third party. Except as indicated in the Code of Professional Conduct or by any legal proceeding, we have no responsibility to share our working papers with you or with any other parties.
10. **Out-sourcing** - MNP may out-source to third party service providers certain data-entry functions. To protect our clients, we have imposed detailed contractual obligations on these service providers regarding the safeguarding, confidentiality and security of your personal information. Nevertheless, our service provider may be required by the applicable laws of a foreign country to disclose personal information in its custody to that country's government or agencies pursuant to a lawful court order made in that country.
11. **Nature of the Limited Liability Partnership (LLP)** - MNP is a registered limited liability partnership, as permitted by legislation enacted in our governing jurisdiction of the Province of Alberta. This legislation provides that a partner of an LLP is not personally liable for any of the debts, obligations, or liabilities of the LLP or any of the other partners which may arise as a result of any negligent act or omission of another partner of the LLP, or by any employee of the partnership, unless such act or omission is committed by the partner him or herself or by a person under the partner's direct supervision and control. All partners of an LLP remain personally liable for any acts or omissions arising as a result of their own negligence, and for the acts or omissions of those directly under their supervision or control, and shall continue to be subject to unlimited personal liability for all of the other liabilities of the partnership. The legislation does not reduce or limit in any way the liability of the partnership itself, and all of the partnership's assets and insurance coverage remain at risk.
12. **Release and Limitation of Liability** - The Organization and MNP agree to the following with respect to MNP's liability to the Organization:
 - a. In any action, claim, loss or damage arising out of the engagement, the Organization agrees that MNP's liability will be several and not joint and the Organization may only claim payment from MNP of MNP's proportionate share of the total liability based on the degree of fault of MNP as finally determined by a court of competent jurisdiction.
 - b. Other than for matters finally determined to have resulted from the gross negligence, fraud or willful misconduct of MNP, whether the claim be in tort, contract, or otherwise:
 - i. MNP shall not be liable to the Organization and the Organization releases MNP for all claims, damages, costs, charges and expenses (including legal fees and disbursements) incurred or suffered by the Organization related to, arising out of, or in any way associated with the engagement to the extent that the aggregate of such amounts is in excess of the total professional fees paid by the Organization to MNP in connection with this engagement during the 12 month period commencing from the date of the engagement letter to which these terms and conditions are attached; and,
 - ii. MNP shall not be liable to the Organization for any consequential, indirect, lost profit or similar damages, or failure to realize expected savings, relating to MNP's services provided under the engagement letter to which these terms and conditions are attached.

Appendix E: Standard Terms and Conditions *(continued from previous page)*

13. **Indemnity** - The Organization agrees to jointly and severally indemnify and hold harmless MNP against:
- a. All claims, damages, costs, charges and expenses (including legal fees and disbursements) which are related to, arise out of, or are in any way associated with the engagement, whether the claims are civil, penal, regulatory, or administrative in nature, other than those finally determined by a court of competent jurisdiction to have resulted from MNP's gross negligence, fraud or willful misconduct; and,
 - b. Notwithstanding "a.," all claims, damages, costs, charges and expenses (including legal fees and disbursements) which are related to, arise out of, or are in any way associated with the engagement, whether the claims are civil, penal, regulatory, or administrative in nature, that arise from or are based on any deliberate misstatement or omission in any material, information or representation supplied or approved by any officer or member of the Board of Directors of the Organization.

For the purposes of paragraph 12. and 13., "MNP" shall mean MNP LLP and its directors, officers, partners, professional corporations, employees, subsidiaries and affiliates and to the extent providing services under the engagement letter to which these terms are attached, MNP LLP, its member firms, and all of their partners, principals, members, owners, directors, staff and agents; and in all cases any successor or assignee.

14. **Survival of Terms** - The Organization and MNP agree that clauses 12. and 13. will survive termination of the engagement.
15. **Electronic Communications** - Unless the Organization prefers we use a particular manner of communication and specifies as much in writing, MNP will use whatever form of communication it deems most efficient in the circumstances. In many instances, this will involve the use of internet e-mail. With respect to internet e-mail, MNP and the Organization both acknowledge that neither party has control over the performance, reliability, availability, or security of internet e-mail. Additionally, MNP staff may be required or requested to work from your offices during which visits access to and use of and reliance upon your electronic environment (including but not limited to, your network, Internet, and extranet resources) is necessitated. The Organization accepts that MNP shall not be liable for any loss, damage, expense, harm or inconvenience resulting from any loss, delay, interception, corruption, security breach, delivery failure, incompatibility, incompleteness or alteration of any document or transmission arising from the use of e-mail or the transmission of any document outside of MNP's electronic environment.
16. **Confirmation.com** - By signing this engagement letter, you agree to the use by MNP of Capital Confirmation Inc. ("CCI") as a third party service provider and the use of CCI's platform (the "Platform") to prepare, request and receive confirmations required to perform the engagement. You acknowledge and agree that data being uploaded/downloaded via the Platform may reside on servers located in the United States and that CCI could be required to disclose data, including personal information, in its custody to the United States government, government agencies, courts or law enforcement or regulatory agencies pursuant to the laws of the United States. MNP shall not be liable for any loss or damage arising from your or MNP's use of CCI as a service provider or use of the Platform, including any losses relating to CCI's collection, use, disclosure or loss of your data or personal information. You agree to pay all fees for requesting and receiving confirmations. For more information, you can review the third party service provider's Terms and Conditions and Privacy Policy on CCI's website at: <https://www.confirmation.com/>



June 4, 2020

United Christian Broadcasters Media Canada
10 Dundas Street West
Belleville, ON K8P 1A1

PRIVATE AND CONFIDENTIAL

Dear Board of Directors:

RE: Fiscal Year-end December 31, 2019

We have completed our audit of the financial statements of United Christian Broadcasters Media Canada ("the Organization") for the year ended December 31, 2019 and enclose the following:

FINANCIAL STATEMENTS

1. 5 bound copies and 1 unbound copy of the December 31, 2019 audited financial statements.

The statement of financial position should be signed by the Directors as indicated before distributing to your board members, financial institution, and any other third party. A signed copy should also be retained for your files. Please sign an unbound copy of the financial statements and return to us [in the envelope provided].

OTHER ENCLOSURES

1. One copy of the year-end journal entries as previously reviewed and approved by you and one copy of the closing trial balance for your records. Please ensure that these journal entries are posted to your general ledger, the general ledger is properly closed and your retained earnings balance agrees to the enclosed financial statements.

All records and documents should be retained in safekeeping for a minimum of seven years in the event that the Canada Revenue Agency demands them for audit purposes. This seven-year period is by Statute and, even after this time, the Canada Revenue Agency's permission to destroy records should be obtained.

We thank you for appointing our Firm as your auditors. Please contact us at any time if you have questions on accounting, finance, tax or other general business concerns. We would also be pleased to discuss our suite of services with your friends and business associates. We appreciate your business and any referrals you may make to our Firm.

If you have any questions or comments, or if we can be of additional assistance, please feel free to contact me at (613) 544-2903.

Sincerely,

Brent Wilson, CPA, CA, LPA
Partner

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United Christian Broadcasters Media Canada
Financial Statements
December 31, 2019

United Christian Broadcasters Media Canada Contents

For the year ended December 31, 2019

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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, 2019, 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, 2019, 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.

Other Matter

The financial statements of the Organization for the year ended December 31, 2018 were audited by Baker Tilly SEO LLP of Kingston, Ontario, Canada. Baker Tilly SEO LLP expressed a qualified opinion on those statements on May 6, 2019 for the reasons described in the Basis for Qualified opinion paragraph.

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.

Kingston, Ontario

June 2, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

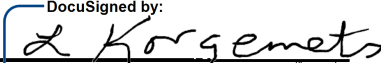
United Christian Broadcasters Media Canada

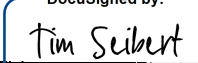
Statement of Financial Position

As at December 31, 2019

	2019	2018
Assets		
Current		
Cash and bank (Note 2)	78,672	-
Accounts receivable (Note 3)	161,536	291,770
Prepaid expenses	31,172	19,247
	271,380	311,017
Capital assets (Note 4)	1,778,439	1,711,461
	2,049,819	2,022,478
Liabilities		
Current		
Bank indebtedness (Note 5)	93,000	177,341
Accounts payable and accruals (Note 6)	382,641	265,945
Current portion of deferred revenue (Note 7)	71,206	70,958
Due to related party (Note 8)	50,000	-
Loans payable (Note 9)	90,245	-
Current portion of long-term debt (Note 10)	330,392	356,000
	1,017,484	870,244
Long-term debt (Note 10)	708,661	900,000
Deferred revenue (Note 7)	474,028	399,412
	1,182,689	1,299,412
	2,200,173	2,169,656
Net Assets		
General	(1,928,793)	(1,858,639)
Invested in Capital Assets	1,778,439	1,711,461
	(150,354)	(147,178)
	2,049,819	2,022,478

Approved on behalf of the Board

DocuSigned by:

 Director CA4499AC4A37402...

DocuSigned by:

 Director 445D1CA635D54A1...

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, 2019

	2019	2018
Revenue		
Advertising revenue	849,800	706,458
Donations - Fundraising	669,225	661,624
Donations - Other	998,692	793,557
Donations - WFYT	153,385	101,746
Other income	24,294	12,598
Program revenue	85,390	78,366
	2,780,786	2,354,349
Expenses		
Salaries and benefits	1,363,804	1,421,502
Rent	278,063	176,284
Amortization	147,688	125,003
Advertising	131,480	140,263
Telephone and utilities	114,047	135,068
WFYT	112,655	131,086
General and administrative	108,755	110,991
Computer equipment maintenance	80,220	62,584
Broadcasting fees	72,842	84,414
Interest on long-term debt	59,888	-
Bank charges and interest	50,345	34,870
Fundraising	51,412	31,466
Vehicle expenses	50,560	44,150
Repairs and maintenance	37,860	7,973
Insurance	33,225	24,179
Travel and entertainment	26,540	16,959
Training	20,496	23,917
Bad debts	11,459	2,748
Professional fees	10,920	11,169
Office supplies	10,184	13,856
Talent quest	5,000	5,200
Dues and fees	3,670	3,144
Miscellaneous	910	95
	2,782,023	2,606,921
Total expenses		
	(1,237)	(252,572)
Deficiency of revenue over expenses before other items		
Other items		
Loss on disposal of capital assets	(1,939)	-
Deficiency of revenue over expenses	(3,176)	(252,572)

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, 2019

	<i>General</i>	<i>Invested in Capital Assets</i>	2019	2018
Net assets, beginning of year	(1,858,639)	1,711,461	(147,178)	105,394
Excess (deficiency) of revenue over expenses	146,451	(149,627)	(3,176)	(252,572)
Purchases of capital assets during the year	(216,605)	216,605	-	-
Net assets, end of year	(1,928,793)	1,778,439	(150,354)	(147,178)

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, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(3,176)	(252,572)
Amortization	147,688	125,003
Gain (loss) on disposal of capital assets	1,939	-
	146,451	(127,569)
Changes in working capital accounts		
Accounts receivable	130,234	(121,101)
Prepaid expenses and deposits	(11,925)	12,510
Accounts payable and accruals	116,696	48,452
	381,456	(187,708)
Financing		
Advances from related party	70,000	-
Repayment of advances from related party	(20,000)	-
Advances of long-term debt	1,075	1,256,000
Repayment of long-term debt	(229,811)	-
Advances of loans payable	90,245	-
Net advances (repayment) of demand loan	(54,000)	122,000
Deferred revenue	(10,955)	175,003
	(153,446)	1,553,003
Investing		
Purchase of capital assets	(118,997)	(1,547,767)
Donations used for purchase of land	-	160,000
	(118,997)	(1,387,767)
Increase (decrease) in cash resources	109,013	(22,472)
Cash resources, beginning of year	(30,341)	(7,869)
Cash resources, end of year	78,672	(30,341)
Cash resources are composed of:		
Cash and bank	78,672	-
Bank overdraft	-	(30,341)
	78,672	(30,341)

The accompanying notes are an integral part of these financial statements

United Christian Broadcasters Media Canada

Notes to the Financial Statements

For the year ended December 31, 2019

1. Significant Accounting Policies

Nature of Business

United Christian Broadcasters Media Canada (the "organization") operates radio stations specializing in Christian programming.

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 declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings	declining balance	3 %
Computer equipment	declining balance	30 %
Furniture and equipment	declining balance	30 %
Leasehold improvements	declining balance	20 %
Radio equipment	declining balance	20 %
Radio transmitters	declining balance	30 %
Vehicle	declining balance	20 %
Website	declining balance	50 %

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 Services

Volunteers contributed 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.

United Christian Broadcasters Media Canada

Notes to the Financial Statements

For the year ended December 31, 2019

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.

2. Cash and Bank

The organization's bank accounts are held at two chartered banks. The bank accounts earn interest at nominal rates.

3. Accounts Receivable

	2019	2018
Trade accounts receivable	127,763	138,452
HST recoverable	33,773	153,318
	161,536	291,770

4. Capital Assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Buildings	1,395,007	61,311	1,333,696	1,267,866
Computer equipment	121,352	108,197	13,155	17,611
Furniture and equipment	161,183	56,221	104,962	23,928
Leasehold improvements	64,175	62,854	1,321	1,886
Radio equipment	255,499	164,760	90,739	103,024
Radio transmitters	574,671	377,273	197,398	246,741
Vehicle	45,851	31,926	13,925	5,855
Website	60,690	37,447	23,243	44,550
	2,678,428	899,989	1,778,439	1,711,461

Included in furniture and equipment is \$85,819 of assets not yet in use and therefore no amortization has been taken on these assets.

During the year, capital assets were acquired at an aggregate cost of \$130,786, (2018 - \$1,547,767) of which \$11,789 (2018 - \$1,050,838) were acquired by means of long-term debt.

During the year, the Organization received donated furniture and equipment. These contributed capital assets have been recorded at their fair value of \$85,819 (2018 - \$Nil).

5. Bank Indebtedness

	2019	2018
Operating line of credit	93,000	147,000
Bank overdraft	-	30,341
	93,000	177,341

The line of credit has a credit limit of \$150,000, is due on demand and bears interest at the bank's prime rate plus 1.80%.

United Christian Broadcasters Media Canada
Notes to the Financial Statements
For the year ended December 31, 2019

6. Accounts Payable and Accruals

	2019	2018
Accounts payable and accruals	295,348	178,652
HST payable (Note 11)	87,293	87,293
	382,641	265,945

7. Deferred Revenue

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

	2019	2018
Balance, beginning of year	470,370	295,367
Amount received during the year	168,289	426,812
Less: Amount recognized as revenue during the year	(93,425)	(91,809)
Less: Amounts recognized against the purchase of land	-	(160,000)
Subtotal	545,234	470,370
Less: current portion	71,206	70,958
Balance, end of year	474,028	399,412

8. Related Party Transactions

During the year a board member issued loans to the organization totalling \$70,000 (2018 - \$Nil).

Amounts due to/from related parties are as follows:

	2019	2018
Due to:		
Loan payable, due on demand, no fixed terms of repayment, bearing 7% annual interest.	50,000	-

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value.

United Christian Broadcasters Media Canada
Notes to the Financial Statements
For the year ended December 31, 2019

9. Loans Payable

	2019	2018
Loans payable - due on demand, bearing interest ranging from 0% to 4.50% annually	90,245	-

10. Long-term Debt

	2019	2018
Mortgage payable - prime + 2%, due December 2023, monthly payments of \$4,958 interest and annual payments of \$100,000 principal, secured by a general security agreement	899,530	1,000,000
Honda Financial loan - 4.99%, due May 2024, monthly combined payments of principal and interest of \$243	11,523	-
Loan payable - 2%, due December 2020, repayable in installments continuing until December 2020	100,000	100,000
Promissory note - non-interest bearing, due March 2020, no specific payment terms	28,000	156,000
	1,039,053	1,256,000
Less: Current portion	330,392	356,000
	708,661	900,000

Principal repayments on long-term debt in each of the next five years are estimated as follows:

	<i>Principal</i>
2020	330,392
2021	102,514
2022	102,641
2023	502,307
2024	1,199
	1,039,053

11. Contingencies

The organization obtained a Canada Revenue Agency (CRA) ruling that the supply of advertising services, radio airtime and sponsorship fees by the charity are not subject to HST. As advised by the CRA, the organization has de-registered for HST purposes and has advised customers of the changes as of May 2017. The organization has accrued \$87,293 representing their best estimate of a potential tax liability. The matter is still being resolved with the CRA and the outcome is unknown.

The organization received a discount on equipment purchased during the year contingent on purchasing another piece of equipment from the same vendor. In the event that the organization does not purchase the second piece of equipment, the potential liability is \$28,962.

United Christian Broadcasters Media Canada
Notes to the Financial Statements
For the year ended December 31, 2019

12. Commitments

The organization has various operating leases for its premises expiring no later than October 2024. The organization has various operating leases for its vehicles, expiring no later than March 2022.

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

2020	136,194
2021	76,824
2022	49,873
2023	37,187
2024	3,224
	<u>303,302</u>

13. Subsequent Events

On February 28, 2020, the Organization sold vacant land for a sale price of \$200,000 and repaid the related mortgage in the amount of \$100,000.

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The extent of the impact on the Organization's operations and financial condition is unknown.

14. 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, bank indebtedness, accounts payable and accruals, amount due to a related party, loans payable 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 \$161,536 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.
