

May 10, 2007

VIA EMAIL AND FIRST CLASS POST

Stephen Pritchard, Jonathan P'ng and David Lio
The Church of Torontonians (the Church)

Dear Steve, Jonathan and David:

Thank you for making the Church's records available for inspection on March 10, 2007. As you know, there was unfortunately insufficient time provided to us to fully review all of the corporate records. It would be helpful if we could arrange by May 25, 2007 for another opportunity to review those records further and to complete our review.

To make inspection more efficient, it would be helpful if you could ensure that the following information is present, in case it is not already in the records you have ready for review:

1. Details of how donations from Sisters Emmeline Chang and Pat Auclair designated for The Lord's Move to Europe and others members' designated donations for entities like the Markham meeting hall, Bibles for Canada, Bibles for America, Rhema, Living Stream Campus, Living Stream Ministry or Church in Anaheim made in the past 5 years, were accounted for, kept segregated and used for that designated purpose. We would hope to be able to trace those funds from receipt to disbursement. It would also be helpful if you would advise us how designated donations from all of the saints are kept segregated from the general operating funds of the Church, so that we can better understand the records and more quickly assure ourselves that those gifts were used for their designated purposes.
2. As mentioned to you on March 10, kindly please provide records with details and documentation of how the Church's funds were spent on activities described as "mental health services and support groups" on the Church's tax return, including any and all minutes or resolution authorizing such.
3. Please ensure that all records of the Church's payments for rent for the workers' housing at 30, 32 and 34 Caracas Road and 41 Anewen Drive or any other address are available so we can determine how much has been spent annually on workers' housing for the last five years. Any minutes or written documentation you have that describes the purpose for these transactions should also be made available during this time.
4. Please have available records of any non-arm length transactions with the Church which including any transaction incurred by any director such as Steve Pritchard or his related company or persons along with any minutes documenting these transactions.
5. In 2005, \$60,199.03 of designated funds was transferred to an accounts payable account. Would you please provide the records related to those designations and the transfer? We do not require copies of the original envelopes or records showing who the donors are; simply sufficient information to follow those designated funds from receipt into that

accounts payable account. It appears these designated donations were related to the Church in Mississauga?

6. We advised you on March 10 that the Church auditors' opinion for the 2005 financial statements was qualified. Kindly please provide an explanation of what steps were taken by the Treasurer to remedy the situations which led to the auditors' qualified opinion?
7. It was not apparent during the Annual General Meeting in 2006 that the auditor's opinion for the 2005 financial statements was qualified. Would you please provide the auditor's report for each of the last 10 years? As advised to you previously, kindly provide the engagement letters for the auditors and their internal control letters?
8. It would appear that in at least 2004, 2005 and 2006, payments were made to the Church in Cleveland. Would you please provide the full records for those payments, so that the total amounts paid can be summarized for each of those years? In addition, if the payments were for a specific purpose, please ensure the correct records containing details as to what those purposes were is available. We would also ask that records such as the cancelled cheques or accompanying letters, showing whether payments were designated specifically for a purpose, be available.
9. Please provide copies of any contracts with any churches in other localities.
10. Please provide records for book sales (including standing orders) of the Church sufficient for us to determine what the revenues and costs of those book sales were.
11. We understand that the Church has also assisted the Church in Markham in holding its meeting hall in trust while waiting for its charitable status to be completed and with its financial records. Would you please provide details and copies of all financial statements prepared for the Church in Markham and all donations from churches for the Markham meeting hall from individuals and churches outside of Toronto along with donations made by the Church to the church in Markham? Finally, any and all documentation you have describing the ownership of those properties from inception should be made available.
12. We would like to review any directors and officers insurance policies in effect over the past 5 years.
13. We would like to review any minutes, resolution or notes concerning \$36,200 in 2005 audit adjustment respecting the 10 month labour work fund.
14. Kindly provide all corporate correspondence, minutes, resolutions, notes, documents and records on file that you have regarding membership decisions, membership records, bylaw changes, and membership changes leading up to the last AGM on March 5, 2007.

We look forward to hearing from you in order to plan this further review on or before May 25, 2007 if possible. It may be useful for us to schedule a longer review than the three hours you previously provided. If it cannot be done all in one day, we should try separating it out over two or three days and arrange for a total inspection time of between 16 – 24 hours.

Thank you,

Mark Chiang
Mark Chiang

for Mark Chiang
Soan-Lin Liu

for Mark Chiang
Bridget Weber

for Mark Chiang
Ron MacVicar

cc. David Tang, Esq.