
**EASTERN ONTARIO DISTRICT OF THE
PENTECOSTAL ASSEMBLIES OF
CANADA**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the District Executive
Eastern Ontario District of the Pentecostal Assemblies of Canada
COBOURG
Ontario

Opinion

We have audited the accompanying consolidated financial statements of Eastern Ontario District of the Pentecostal Assemblies of Canada which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statement of operations and changes in net assets, and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the entity as at December 31, 2024 and the consolidated 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 Opinion

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 Consolidated Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other 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 opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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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 consolidated 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 entity'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 entity'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 consolidated 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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.



NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

April 2, 2025

EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31,

2024

2023

	General District	Heritage Holdings (Note 1 a)	Lakeshore Pentecostal Camp	Ottawa Valley Pentecostal Camp		
ASSETS						
Current						
Unrestricted cash	\$ 788,071	\$ -	\$ 191,967	\$ 59,076	1,039,114	\$ 662,358
Restricted cash (Note 2)	423,282	-	90,549	63,836	577,667	690,356
Restricted investments (Note 2)	2,350,000	-	-	-	2,350,000	2,000,000
Accounts receivable	97,629	-	93,922	85,995	277,546	191,400
Prepaid expenses and deposits	112,235	-	25,986	8,086	146,307	102,281
	<u>\$ 3,771,217</u>	<u>\$ -</u>	<u>\$ 402,424</u>	<u>\$ 216,993</u>	<u>\$ 4,390,634</u>	<u>\$ 3,646,395</u>
Loans Receivable (Note 3)	180,000	-	-	-	180,000	80,000
Investments held by Lakeshore Foundation Fund (Note 4)	-	-	218,054	-	218,054	176,537
Interdivisional Loan Receivable (Note 5)	607,591	-	-	-	607,591	628,881
Capital Assets (Note 6)	167,352	-	7,333,250	1,610,192	9,110,794	8,901,972
	<u>\$ 4,726,160</u>	<u>\$ -</u>	<u>\$ 7,953,728</u>	<u>\$ 1,827,185</u>	<u>\$ 14,507,073</u>	<u>\$ 13,433,785</u>

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 299,996	\$ -	\$ 51,620	\$ 24,456	\$ 376,072	\$ 384,337
Designated funds payable (Note 7)	103,013	-	27,106	52,219	182,338	187,771
	<u>\$ 403,009</u>	<u>\$ -</u>	<u>\$ 78,726</u>	<u>\$ 76,675</u>	<u>\$ 558,410</u>	<u>\$ 572,108</u>
Deferred Capital Contributions (Note 8)	-	-	1,658,495	201,145	1,859,640	1,627,706
Interdivisional Loans Payable (Note 5)	-	-	339,631	267,960	607,591	628,881
	<u>\$ 403,009</u>	<u>\$ -</u>	<u>\$ 2,076,852</u>	<u>\$ 545,780</u>	<u>\$ 3,025,641</u>	<u>\$ 2,828,695</u>

NET ASSETS

Unrestricted	\$ 1,652,882	\$ -	\$ 5,595,379	\$ 1,269,788	\$ 8,518,049	\$ 7,925,968
Internally restricted (Note 2)	2,670,269	-	63,443	11,617	2,745,329	2,502,585
Endowment fund (Note 4)	-	-	218,054	-	218,054	176,537
	<u>\$ 4,323,151</u>	<u>\$ -</u>	<u>\$ 5,876,876</u>	<u>\$ 1,281,405</u>	<u>\$ 11,481,432</u>	<u>\$ 10,605,090</u>
	<u>\$ 4,726,160</u>	<u>\$ -</u>	<u>\$ 7,953,728</u>	<u>\$ 1,827,185</u>	<u>\$ 14,507,073</u>	<u>\$ 13,433,785</u>

Contingent Liabilities (Note 11)

Commitments (Note 12)

Approved by the Board:



Director



Director

EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31,

2024

2023

	General District	Heritage Holdings	Lakeshore Pentecostal Camp	Ottawa Valley Pentecostal Camp		
REVENUES						
Tithes - Churches	\$ 2,817,646	\$ -	\$ -	\$ -	\$ 2,817,646	\$ 2,761,020
Tithes - Credential holders	400,725	-	-	-	400,725	385,835
Sales and rentals	-	-	1,274,642	298,471	1,573,113	1,429,107
Contributions and offerings	75,689	-	259,010	550,773	885,472	754,849
Ministries registration and offerings	237,464	-	-	-	237,464	258,643
Interest income	127,799	-	1,857	868	130,524	87,198
Government assistance (Note 9)	4,634	-	60,242	3,854	68,730	73,160
	<u>\$ 3,663,957</u>	<u>\$ -</u>	<u>\$ 1,595,751</u>	<u>\$ 853,966</u>	<u>\$ 6,113,674</u>	<u>\$ 5,749,812</u>
EXPENSES						
Salaries and benefits	\$ 1,276,494	\$ -	\$ 550,419	\$ 208,319	\$ 2,035,232	\$ 1,884,406
Building and property	26,820	-	504,637	196,361	727,818	650,879
Camp operations	-	-	364,048	223,632	587,680	550,574
Administration and office	287,460	-	52,205	26,564	366,229	343,616
Master's College and Seminary (Note 3)	321,827	-	-	-	321,827	314,686
National Office tithes	281,785	-	-	-	281,785	276,252
Church ministries	226,948	-	-	-	226,948	197,837
Subsidies and donations	199,274	-	-	-	199,274	294,645
Pastoral and church care	101,927	-	-	-	101,927	82,359
Missions	-	-	49,348	46,171	95,519	51,608
Bank charges	16,592	-	28,509	11,319	56,420	53,027
District conference	12,108	-	-	-	12,108	116,287
	<u>\$ 2,751,235</u>	<u>\$ -</u>	<u>\$ 1,549,166</u>	<u>\$ 712,366</u>	<u>\$ 5,012,767</u>	<u>\$ 4,816,176</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>\$ 912,722</u>	<u>\$ -</u>	<u>\$ 46,585</u>	<u>\$ 141,600</u>	<u>\$ 1,100,907</u>	<u>\$ 933,636</u>
Amortization	\$ (11,987)	\$ -	\$ (180,436)	\$ (73,659)	\$ (266,082)	\$ (253,418)
Interdivisional subsidies (Note 5)	(164,320)	-	90,160	74,160	-	-
Gain (loss) on transfer of land (Note 5)	-	(500,000)	500,000	-	-	-
	<u>\$ (176,307)</u>	<u>\$ (500,000)</u>	<u>\$ 409,724</u>	<u>\$ 501</u>	<u>\$ (266,082)</u>	<u>\$ (253,418)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 736,415</u>	<u>\$ (500,000)</u>	<u>\$ 456,309</u>	<u>\$ 142,101</u>	<u>\$ 834,825</u>	<u>\$ 680,218</u>
NET ASSETS - Beginning	<u>3,586,736</u>	<u>500,000</u>	<u>5,379,050</u>	<u>1,139,304</u>	<u>10,605,090</u>	<u>9,916,535</u>
Endowment contributions	-	-	41,517	-	-	-
NET ASSETS - Ending	<u>\$ 4,323,151</u>	<u>\$ -</u>	<u>\$ 5,876,876</u>	<u>\$ 1,281,405</u>	<u>\$ 11,481,432</u>	<u>\$ 10,605,090</u>

See accompanying notes

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EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31,

2024

2023

CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess of revenue over expenditures	\$ 834,825	\$ 680,218
Items not affecting cash:		
Amortization	266,082	253,418
Designated funds payable recognized (Note 7)	<u>(587,368)</u>	<u>(414,009)</u>
	\$ 513,539	\$ 519,627
Net change in non-cash working capital balances:		
Accounts receivable	(86,146)	8,809
Prepaid expenses and deposits	(44,026)	5,916
Accounts payable and accrued liabilities	(8,265)	(104,354)
Deferred capital contributions	231,934	278,644
Designated funds payable received (Note 7)	<u>581,935</u>	<u>389,084</u>
	\$ 1,188,971	\$ 1,097,726

INVESTING ACTIVITIES

Purchase of guaranteed investment certificates	\$ (350,000)	\$ (1,000,000)
Purchase of investments held by Lakeshore Foundation fund	(40,917)	(8,337)
New endowment contributions invested in Lakeshore Foundation fund	(600)	-
Purchase of capital assets	(209,955)	(63,108)
Purchases of environmental upgrade capital expenditures	(264,949)	(42,555)
Advances of loans receivable	(100,000)	(80,000)
Contributions to endowment fund	<u>41,517</u>	<u>8,337</u>
	\$ (924,904)	\$ (1,185,663)

INCREASE (DECREASE) IN CASH

\$ 264,067 \$ (87,937)

CASH - Beginning

1,352,714 1,440,651

CASH - Ending

\$ 1,616,781 \$ 1,352,714

See accompanying notes

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EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

NATURE OF OPERATIONS

The purpose of the Eastern Ontario District of the Pentecostal Assemblies of Canada (the "District") is to promulgate the gospel of Jesus Christ, establish new congregations and provide leadership and support to those churches in Eastern Ontario and Nunavut which are affiliated with The Pentecostal Assemblies of Canada (the "PAOC"). The District is an Ontario not-for-profit corporation, and derives its jurisdiction and authority from the General Conference of The Pentecostal Assemblies of Canada. The District is a registered charity under the Income Tax Act (Canada) and is exempt from income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Principles of Consolidation

The consolidated financial statements include the accounts of the Eastern Ontario District of the Pentecostal Assemblies of Canada (which includes Lakeshore Pentecostal Camp and Ottawa Valley Pentecostal Camp) and Eastern Ontario Heritage Holdings (Non-Profit)("Heritage Holdings").

Heritage Holdings was incorporated without share capital as a not-for-profit organization. The main purpose of the organization was to advance the work of the PAOC by holding land for the District office and a religious retreat centre. The organization was controlled by the District due to common members of the Board of Directors. The land was transferred to the District and then to Lakeshore Pentecostal Camp on March 27, 2024, and on February 21, 2025, EOHH received its certificate of dissolution.

The consolidated financial statements include the accounts of the District after elimination of inter-organizational transactions with the exception of interdivisional loans and subsidies.

b) Use of Estimates

The preparation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used.

Significant estimates include the estimated useful life of capital assets.

EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

c) Fund Accounting

Resources are classified into funds according to the activities or objectives specified as follows:

General District

The General District fund consists of assets, liabilities, revenues and expenses related to the operations of the District. It also includes internally restricted funds for various District initiatives.

Heritage Holdings

The Heritage Holdings fund consisted of the land and would include any revenue relating to the potential gain on the sale of the property. During the year, Heritage Holdings transferred land in the amount of \$500,000 to Lakeshore Pentecostal Camp.

Lakeshore Pentecostal Camp

The Lakeshore Pentecostal Camp fund reports the assets, liabilities, revenues and expenses of the Lakeshore Pentecostal Camp located near Cobourg, Ontario.

Ottawa Valley Pentecostal Camp

The Ottawa Valley Pentecostal Camp fund reports the assets, liabilities, revenues and expenses of the Ottawa Valley Pentecostal Camp located in Cobden, Ontario.

d) Revenue Recognition

The District follows the deferral method of accounting for restricted contributions, tithes and offerings. Restricted contributions, tithes and offerings are recognized as revenue in the year in which the related expenditures are incurred. To the extent that revenue has not been recognized, it has been reflected as designated funds payable. Unrestricted contributions, tithes and offerings are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions for capital purposes are recognized as revenue on the same basis as the related capital asset.

Government assistance is recognized as revenue when received or receivable and collection is reasonably assured and when all conditions as to its use have been met.

Sales and rentals, registration fees, and conference revenues are recognized as revenue when the services are provided. Fees charged for specific projects in advance of the related services are recorded as designated funds payable and recognized as revenue in the year in which the services are provided. Interest and other revenue are recognized when earned.

Endowment contributions are recognized as direct increases in the Endowment Fund when received.

EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

e) Capital Assets

Capital assets are recorded at cost. Amortization is being provided over the estimated useful life of the assets using the following annual rates and methods, except for the Lakeshore Pentecostal Camp buildings which are amortized over 40 years on a straight-line basis:

	<u>Rate</u>	<u>Method</u>
Buildings	4-8%	Straight-line
Computers	30%	declining balance
Equipment	10%-20%	declining balance
Site improvements and signs	10%-20%	declining balance
Drainage	10%	declining balance
Vehicles	30%	declining balance
Water & sewage installation	1.67%	declining balance

f) Impairment of Capital Assets

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

g) Contributed Services

Volunteers contribute significant hours per year to assist the District in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the consolidated financial statements.

EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

h) Financial Instruments

Initial Measurement

The District initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value.

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost.

Subsequent Measurement

The District subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, investments, accounts receivable, and loans receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

2. RESTRICTED CASH AND INVESTMENTS

Cash and investments are set aside for designated funds payable and internally restricted programs related to operational reserves, church health and multiplication, environmental advance funding for Lakeshore and Ottawa Valley Pentecostal Camps and future District office relocation beyond 2026 as follows:

	2024	2023
Designated funds payable (Note 7)	\$ 182,338	\$ 187,771
Internally restricted net assets	<u>2,745,329</u>	<u>2,502,585</u>
	<u>\$ 2,927,667</u>	<u>\$ 2,690,356</u>

Investments consist of GIC's that mature between February and October 2025 and bear interest ranging from 2.75% to 4.95%.

EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

3. RELATED PARTY BALANCES AND TRANSACTIONS

The District is related to Master's College and Seminary (MCS) through some common directors.

The District issued an \$80,000 interest-free loan to MCS in 2023 which is due November 25, 2026 and a \$100,000 interest-free loan to MCS in the current year which is due May 16, 2029.

The District also engaged with MCS in the following transactions:

	2024	2023
Subsidies to MCS	\$ 321,827	\$ 314,686
Awards from District to MCS	500	500
Awards from District Women's Network to MCS	200	200
Special funding assistance to MCS	-	38,033

These transactions were carried out in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration agreed upon by the related parties.

4. INVESTMENTS HELD BY LAKESHORE FOUNDATION FUND

The Lakeshore Foundation Fund was established in 2011. Income earned on the endowment investment is used to subsidize camp registration fees for children and youth.

During the year, the endowment investment increased \$41,517 (2023 - \$8,337) towards the Lakeshore Foundation Fund. Endowment contributions are invested in certificate loans held by the Pentecostal Financial Services Group ("PFSG"), a wholly-owned subsidiary of the PAOC and GIC's from RBC. These certificate loans and GIC's earn interest at rates between 2.75% and 5.00% and mature from 2025 to 2026. Interest of \$9,753 (2023 - \$4,610) earned on the fund is included in designated funds payable under camp sponsorships (Note 7) in accordance with the terms of the endowment.

EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

5. INTERDIVISIONAL LOANS AND TRANSACTIONS

In 2021, the District division loaned funds to Lakeshore Pentecostal Camp division for the ongoing environmental project construction and following that, purchase of a cottage. The loan is non-interest bearing and is expected to be repaid in 2025 based on projected cashflows and fundraising campaigns. During the year, \$252,060 was repaid.

During the year, the District division loaned \$253,270 to and received \$22,500 from Ottawa Valley Pentecostal Camp. The loan is non-interest bearing with no fixed terms of repayment.

During the year, the District provided subsidies to Lakeshore Pentecostal Camp of \$90,160 (2023 - \$80,160) and Ottawa Valley Pentecostal Camp of \$74,160 (2023 - \$69,160) for operations.

During the year, Heritage Holdings transferred land in the amount of \$500,000 to Lakeshore Pentecostal Camp.

6. CAPITAL ASSETS

Capital assets consist of the following:

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
General District				
Land	\$ 20,837	\$ -	\$ 20,837	\$ 20,837
Buildings	233,465	111,242	122,223	127,316
Computers	155,456	139,144	16,312	12,447
Equipment	238,224	230,245	7,980	8,377
	<u>\$ 647,982</u>	<u>\$ 480,631</u>	<u>\$ 167,352</u>	<u>\$ 168,977</u>
Heritage Holdings				
Land	\$ -	\$ -	\$ -	\$ 500,000
Lakeshore Pentecostal Camp				
Land	\$ 2,580,000	\$ -	\$ 2,580,000	\$ 2,080,000
Water and sewage	2,967,267	173,332	2,793,935	2,843,390
Buildings	4,240,701	2,449,207	1,791,494	1,872,972
Equipment	895,938	789,805	106,133	102,977
Site improvement and signs	409,750	377,879	31,871	35,975
Drainage	163,297	149,328	13,969	15,521
Computers	2,108	211	1,897	-
Vehicles	185,902	171,951	13,951	6,827
	<u>\$ 11,444,963</u>	<u>\$ 4,111,713</u>	<u>\$ 7,333,250</u>	<u>\$ 6,957,662</u>

EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. CAPITAL ASSETS - Continued

	2024			2023
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Ottawa Valley Pentecostal Camp				
Land	\$ 560,000	\$ -	\$ 560,000	\$ 560,000
Buildings	1,129,556	741,923	387,633	340,658
Water and sewage	421,875	11,711	410,164	184,084
Site improvements	472,820	329,403	143,417	85,731
Equipment	342,705	266,151	76,554	64,413
Vehicles	133,139	101,799	31,340	39,092
Computers	4,735	3,651	1,084	1,355
	<u>\$ 3,064,830</u>	<u>\$ 1,454,638</u>	<u>\$ 1,610,192</u>	<u>\$ 1,275,333</u>
	<u>\$ 15,157,775</u>	<u>\$ 6,046,982</u>	<u>\$ 9,110,794</u>	<u>\$ 8,901,972</u>

The District is registered as a trustee on the title of certain local churches. As is customary in the PAOC, the properties are recorded in the books and records of the local churches.

7. DESIGNATED FUNDS PAYABLE

Designated funds payable consist of the following:

	Balance Beginning	Received	Recognized	Balance Ending
General District				
Women's Network L.I.F.E.	\$ 77,181	\$ 19,050	\$ 19,050	\$ 77,181
Pastors assistance	12,000	-	1,000	11,000
Ministers assistance program	10,313	-	2,500	7,813
Small church assistance fund	-	10,038	3,019	7,019
Men's OVPC retreat	-	3,648	3,648	-
PAOC youth ministries	-	4,308	4,308	-
PAOC Hutchinson Christmas Gift	-	500	500	-
	<u>\$ 99,494</u>	<u>\$ 37,544</u>	<u>\$ 34,025</u>	<u>\$ 103,013</u>
Lakeshore Pentecostal Camp				
Sports and recreation equipment	\$ 14,557	\$ 6,500	\$ 5,835	\$ 15,222
Camp sponsorships	11,043	9,753	18,434	2,362
Memorial fund	8,970	1,432	1,898	8,504
Capital funds	1,018	7,650	7,650	1,018
Environmental upgrades (Note 8)	-	249,960	249,960	-
Missions	-	49,348	49,348	-
	<u>\$ 35,588</u>	<u>\$ 324,643</u>	<u>\$ 333,125</u>	<u>\$ 27,106</u>

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EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

7. DESIGNATED FUNDS PAYABLE - Continued

	Balance Beginning	Received	Recognized	Balance Ending
Ottawa Valley Pentecostal Camp				
Camp projects	\$ 35,814	\$ 140,881	\$ 145,387	\$ 31,308
Memorial fund donations	15,462	9,850	5,814	19,498
Camp sponsorship	1,413	-	-	1,413
Environmental upgrades (Note 8)	-	23,325	23,325	-
Missions	-	45,692	45,692	-
	<u>\$ 52,689</u>	<u>\$ 219,748</u>	<u>\$ 220,218</u>	<u>\$ 52,219</u>
	<u>\$ 187,771</u>	<u>\$ 581,935</u>	<u>\$ 587,368</u>	<u>\$ 182,338</u>

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of contributions for capital projects follows:

	2024	2023
Lakeshore Pentecostal Camp		
Balance - Beginning	\$ 1,440,685	\$ 1,176,337
Add: Capital contributions received	249,960	289,901
Less: Amounts amortized as revenue in the year	<u>(32,150)</u>	<u>(25,553)</u>
Balance - Ending	<u>\$ 1,658,495</u>	<u>\$ 1,440,685</u>
Ottawa Valley Pentecostal Camp		
Balance - Beginning	\$ 187,021	\$ 172,725
Add: Capital contributions received	23,325	22,610
Less: Amounts amortized as revenue in the year	<u>(9,201)</u>	<u>(8,314)</u>
Balance - Ending	<u>\$ 201,145</u>	<u>\$ 187,021</u>

9. GOVERNMENT ASSISTANCE

The District has received \$68,730 (2023 - \$73,160) of government assistance from the Canada Summer Jobs grant.

EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

10. PENSION PLAN

The District participates in a defined benefit, multi-employer pension plan administered by The Pension Fund (1969) of The Pentecostal Assemblies of Canada (the "Plan"). The Plan is a defined benefit pension plan which specifies the amount of the retirement benefit to be received by the employees based upon the length of services and rates of pay. The District accounts for its participation in this multi-employer pension plan as a defined contribution plan. Because the Plan is a multi-employer plan, any Plan surpluses or deficits are a joint responsibility of the member organizations and their employees. As a result, the District does not recognize any share of the Plan surplus or deficit.

The most recent actuarial valuation of the Plan was conducted at December 31, 2023. The results of this valuation disclosed total actuarial liabilities of \$148,681,696 with respect to benefits accrued for service with actuarial assets at that date of \$170,987,747 indicating an actuarial surplus of \$22,306,051. In 2024, no additional contributions in the form of special payments have been required. Contributions made by the District on behalf of its employees during the year for current services were \$35,221 (2023 - \$35,224) and is included within salaries and benefits expense in the consolidated Statement of Operations.

11. CONTINGENT LIABILITIES

Guarantees

In 2024, the District, along with Master's College and Seminary and the Western Ontario District of The Pentecostal Assemblies of Canada, co-signed a lease for the 2450 Milltower Court property in Mississauga which is the PAOC head office. The annual lease commitment paid by Master's College and Seminary was \$89,920 in 2024 and the term expires on February 28, 2027.

Environmental Assessments

Lakeshore Pentecostal Camp is cooperating with the Ontario Ministry of the Environment with respect to an environmental assessment relating to sewage treatment. The camp will be addressing this issue by connecting to both water and sanitary services provided by the Town of Cobourg. The project will be completed in two phases. Phase 1 was completed in 2022. The costs associated with the next phase of the project have yet to be determined at this time. The upgrades are expected to enhance the value of the Lakeshore Pentecostal Camp property.

The work on the Ottawa Valley Pentecostal Camp's sewage system is being completed in accordance with the Ontario Ministry of the Environment's requirements. The project will be completed in the future and the expected cost to finish the septic system upgrades has yet to be determined.

EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024

12. COMMITMENTS

The District is committed under a lease for its district office to October 31, 2026. Future minimum lease payments for the next two years are as follows:

2025	\$	78,600
2026		<u>79,800</u>
	\$	<u>158,400</u>

13. FINANCIAL INSTRUMENTS

Risks and Concentrations

The District is exposed to various risks through its financial instruments. The following analysis provides a summary of the District's exposure to and concentrations of risk at December 31, 2024:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The District's main credit risks relate to its accounts receivable and loans receivable. There were no concentrations of credit risk as at December 31, 2024 and there has been no change in the assessment of credit risk from the prior year.

b) Liquidity Risk

Liquidity risk is the risk that the District will encounter difficulty in meeting obligations associated with financial liabilities. The District is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The District manages this risk by managing its working capital and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The District is not exposed to significant market risk.