

# Fellowship Services

REPORT BY DAVID HAZZARD, ASSISTANT SUPERINTENDENT



If there is one area of life that requires “Every Day Faith,” it is in the basic administration of our lives and our ministries. Fellowship Services has the privilege of seeing the results of everyday faith as we quantify valuable metrics within the Fellowship, including our finances, our ministries and the number of leaders serving across Canada and around the world. As you read this report, allow your heart to be grateful for the cadre of Spirit-filled men and women who serve in places of administration faithfully—every day!

## Financial Overview

We are able to report a very positive financial position and thank God for generous provision throughout the 2012-2013 biennium. Total revenues of \$20,692,714 in 2012 and \$20,919,755 in 2013 respectively represented a 2% increase over the last biennium. As well, the five-year analysis below reflects that total revenue has increased 7% over the past five years.

PAOC 5-Year Revenue Analysis

	2013	2012	2011	2010	2009
Donations	17,943	16,884	17,735	16,757	17,749
Fellowship Tithe	1,412	1,331	1,336	1,314	1,202
Credentials	434	433	421	417	413
Investments	440	410	290	294	413
Sales/Service	1,648	1,635	1,241	1,219	713
<b>TOTAL DONATIONS</b>	<b>21,877</b>	<b>20,693</b>	<b>21,023</b>	<b>20,001</b>	<b>20,490</b>

Further, an operational excess of revenue over expenditures is reported for both 2013 and 2012 (below). We note that the biennial net surplus of \$500,000 has been applied to the remaining balance on the 2003 loan provided from the Endowment Fund.

### Annual Operations (000's)

	2013	2012
Donations	2,590	2,509
Fellowship Tithe	1,412	1,331
Credential Fees	434	433
Interest/Other	<u>1,644</u>	<u>1,481</u>
	6,080	5,754
EXPENSES	<u>5,814</u>	<u>5,519</u>
<b>NET INC. (LOSS): \$</b>	<b>266</b>	<b>235</b>

### Debt Reduction 2004-2013



The complete 2013 audited financial statement is included in this magazine on pages 114 to 135.

Across Canada, the base of local church giving continues to be strong in spite of global economic challenges. Nationally, the tithing support of local churches through district offices to the International Office totaled \$2,742,980 for the 2012-2013 biennium, again up 3.5% from \$2,650,318 for the previous biennium. In 2010, the General Executive requested that each assembly in

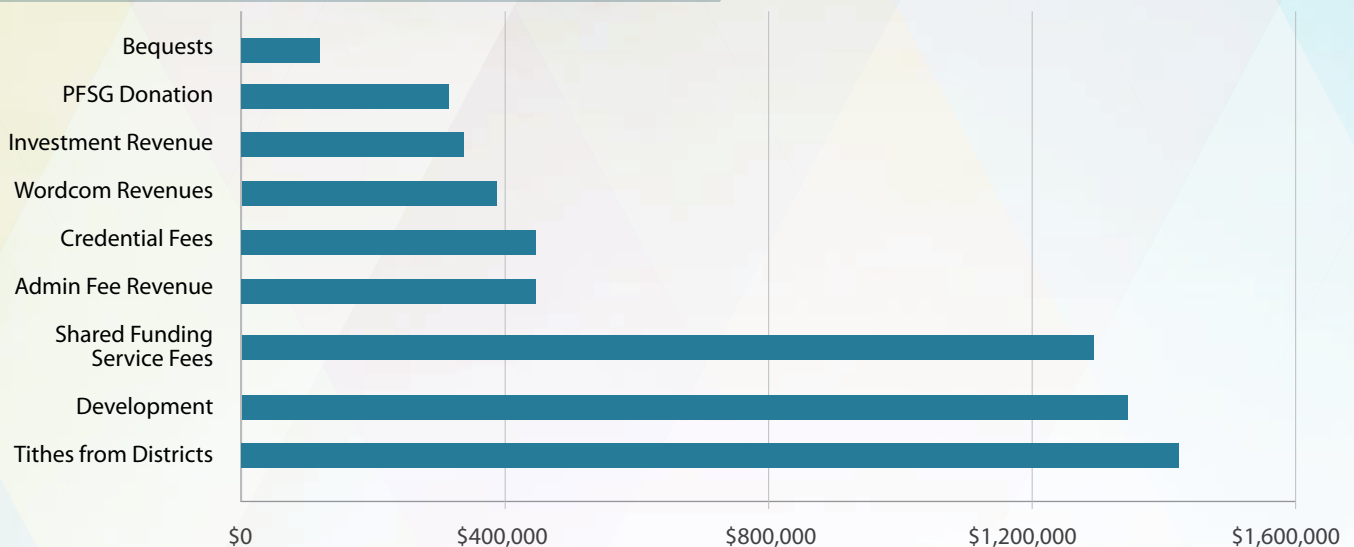
the Fellowship be specifically encouraged to financially support our collective mission. This would include tithes to our district offices and support of PAOC missional endeavours in Canada and around the globe. We are seeing this in increased support from our constituency over recent years. It is appreciated, encouraging and necessary as we share our mission together in the ministry of the PAOC.

## Operational Funding

The ministry departments of the International Office (International Missions, Mission Canada and Fellowship Services) are funded through the combined revenue of several sources as noted below. Tithes received from districts, totalling \$1,412,307 in 2013, were primarily utilized to fund Fellowship Services (\$975,807) and Mission Canada (\$436,500).

International Missions is primarily funded by the International Missions service fee, various contributions included in the International Missions Development Fund, and a portion of investment revenue, bequests, and the PFSG donation.

## Operational Funding Sources - 2013



## Properties

Current Annual Church Life Reports (ACLRs) indicate that 1,064 PAOC churches own properties valued at approximately \$1.3 billion. Estimated current indebtedness on these church properties is approximately \$195 million, producing a national debt/asset ratio of approximately 14.9%, slightly decreased from the 16.9% reported at the 2012 General Conference.

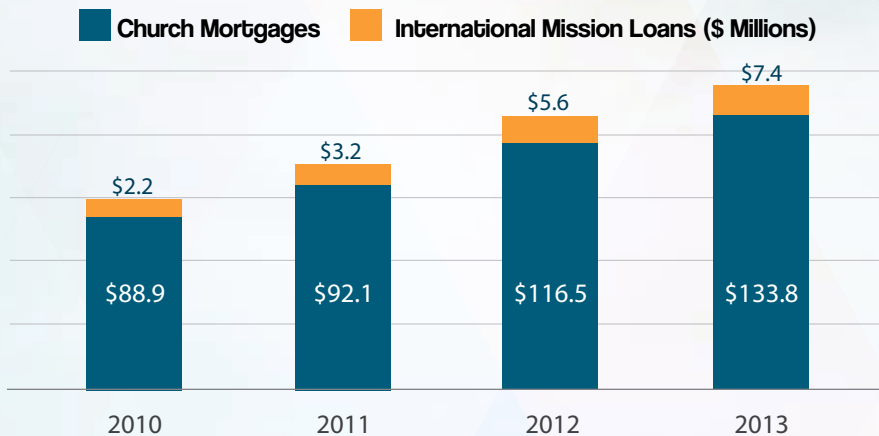
To ensure future Pentecostal ministry, approximately 600 property titles continue to be held in the name of The Pentecostal

Assemblies of Canada, in accordance with The Declaration of Trust for the local church. One of the ministries of the International Office is servicing the transactions of these assemblies related to property sales and commercial mortgaging through banks and other public institutions. While the local churches involved do carry all legal costs related to their titles, the administration services for these titles are provided to local churches by the International Office at no cost to the local churches.

## PAOC Church Loan Services

The Pentecostal Assemblies of Canada offers first mortgages to PAOC churches through three lending facilities including the Pension Fund, Pentecostal Financial Services Group Inc. (PFSG), and PAOC Trust Funds. Currently, 187 mortgages and loans are provided by the three facilities with a current balance of \$133.8 million. Of these, 142 are Pension Fund mortgages (\$71.9 M), 36 are PFSG mortgages

(\$59.4 M), with nine remaining being PAOC Trust Fund Mortgages (\$2.5 M). In addition, and as reported in note 8 of the 2013 Financial Report, an additional \$7.4 million is invested in 19 international ministry projects, enabling the work of God to move forward in areas served by PAOC global workers and partners.



## New PAOC Churches Since General Conference 2012

Together, we either planted or welcomed 23 new churches into the PAOC since the 2012 General Conference. Of the 23 new churches, three are English with the remaining 20 representing the rich and increasing cultural diversity within our PAOC family.

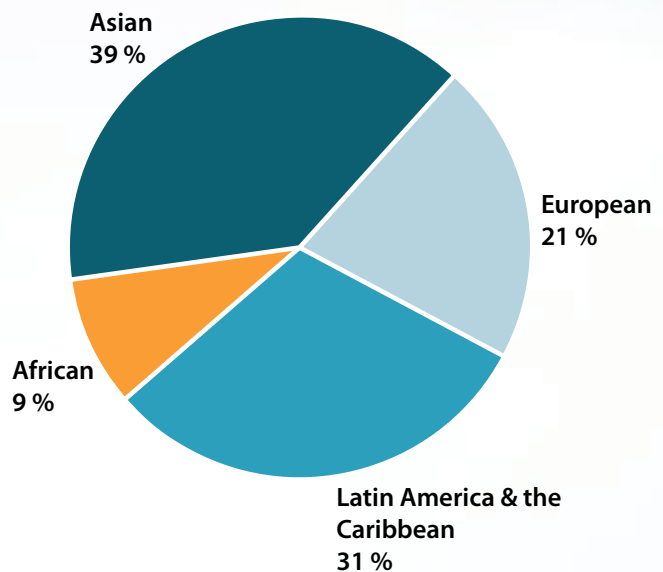
Looking back 90 years, the PAOC has grown from 100 churches in 1924 to 10 times that size in 2014. We do recognize the changing dynamics of church planting and outreach and have included separate categorization for church plants, satellites and preaching points over the last few years.

*"Of the 23 new churches, three are English with the remaining 20 representing the rich and increasing cultural diversity within our PAOC family."*

## Congregational Statistics

	<b>2013</b> Affiliated Assemblies	<b>2013</b> Church Plants, Satellites & Preaching Points	<b>2012</b> Affiliated Assemblies	<b>2012</b> Church Plants, Satellites & Preaching Points	<b>2011</b> Affiliated Assemblies	<b>2011</b> Church Plants, Satellites & Preaching Points
<b>TOTAL ASSEMBLIES</b>	<b>1064</b>	<b>54</b>	<b>1,070</b>	<b>65</b>	<b>1,069</b>	<b>30</b>
BC/Yukon District	171	13	170	13	173	8
Alberta/NWT District	113	14	116	4	116	4
Saskatchewan District	55	1	54	5	53	
Manitoba/NW Ontario District	77	5	77	7	78	7
Western Ontario District	319	3	319	14	309	1
Eastern Ontario District	138	11	138	18	142	10
Quebec District	98	4	102	4	103	
Maritime District	68		68		68	
Finnish (Branch Conference)	7		7		7	
Slavic (Branch Conference)	18	3	19		20	

With the increasing number of cultural language churches, the following graph represents the cultural language groupings that make up the PAOC outside of English, French, First Nation and Deaf churches:



## Bible College Enrolment

The five Bible colleges, two seminaries and various Bible training centres of PAOC provide valuable leadership development for future leaders in the Fellowship. Given that colleges accommodate both full-time and part-time students, statistical reporting is provided for

the Full-Time Equivalent (FTE). The following represents the total FTE enrolment of the five Bible colleges over the past seven academic years. It is encouraging to note the 8.5% increase over the past three years.

## FTE – As of October 21, 2013

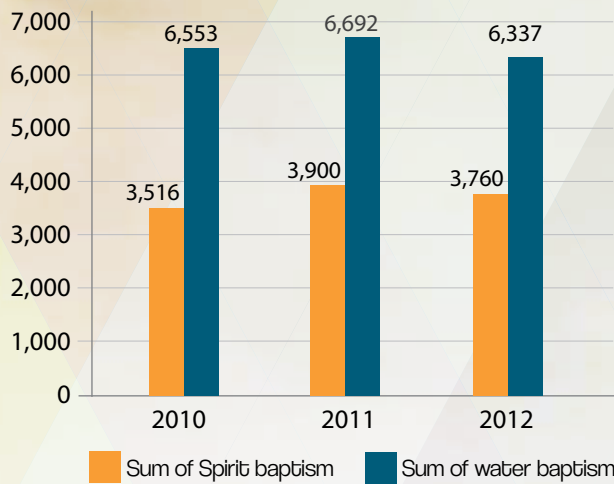
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
<b>TOTAL</b>	708	630	645.5	693	721	766	782

## Annual Church Life Report (ACLR):

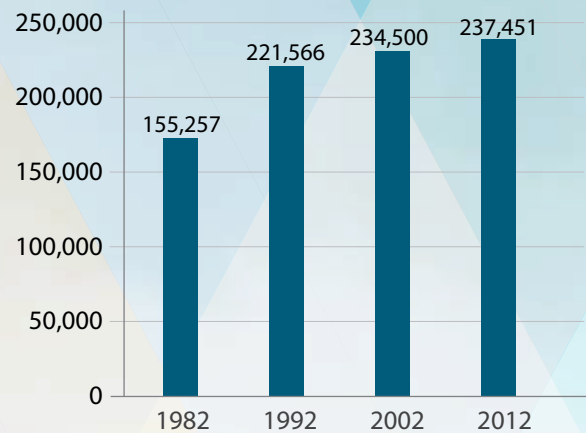
Because the ACLR information is provided by the senior pastor simultaneously with credential renewal details, the latest PAOC data represents the year 2012.

<b>Statistics for the Year Ending December 31, 2012</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Conversions Reported	14,583	13,937	14,433	14,034	14,570
Persons Receiving the Baptism in the Holy Spirit	3,743	3,529	3,516	3,900	3,760
Believer Water Baptisms Reported	6,106	5,971	6,553	6,692	6,337
Sunday Morning Attendance	160,547	154,630	154,134	152,064	154,743
<b>Total Number Served</b>	<b>233,400</b>	<b>234,385</b>	<b>236,557</b>	<b>231,196</b>	<b>237,451</b>
Yearly Change in Number Served	1%	0.4%	0.9%	-2.3%	2.7%

### Spirit & Water Baptism



### Total Served by Decade



## The Pension Fund (1969) of The Pentecostal Assemblies of Canada

We are pleased to introduce Rev. Ron Davis as the Pension Fund's new executive director effective January 2014. Ron comes to us from the British Columbia and Yukon District, having served there as secretary treasurer for 17 years.

The past six years have been challenging years for the Pension Fund of the PAOC, resulting in a solvency deficiency for the first time in its history. The Trustees have initiated a shared strategy to address this deficiency and protect the Fund on a go forward basis:

- Effective July 1, 2012, the member benefit accruals were decreased from 12% to 10%.
- Employer special contribution invoices of \$1.6 million were distributed in Spring 2013.
- The Pensioner Cost of Living Allowance (COLA) benefit was suspended since 2011.

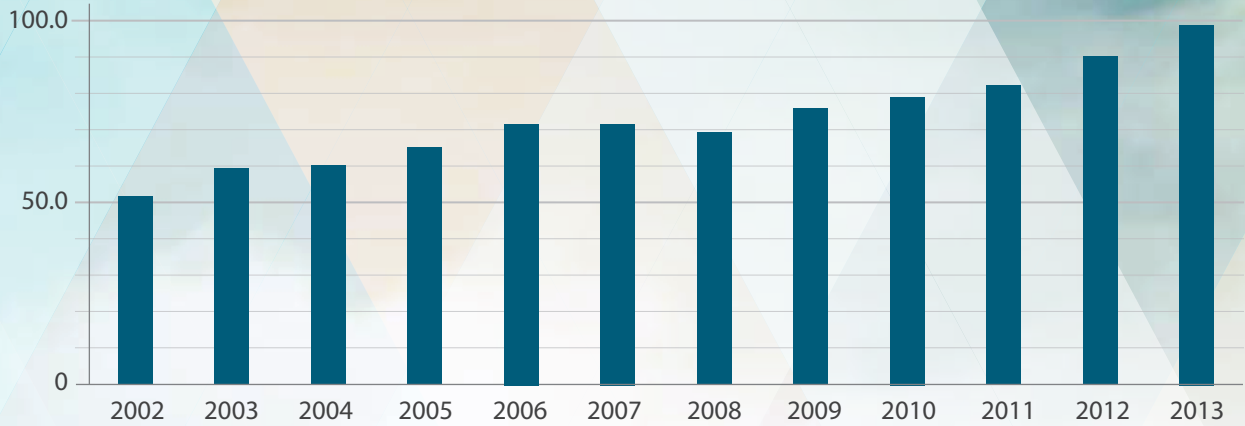
The most recent actuarial valuation dated September 30, 2013, however, reflects a strong improvement to the Pension Fund's solvency

deficiency position, bringing the Plan from 79.8% funded in 2012 to 84.1% funded in 2013. A number of key factors have caused this 12-month turnaround:

- Improved government bond rates – up 60 basis points.
- Strong equity markets over the past 12 months.
- Addition of required employer special payments to the Plan over the past two years (\$889,970 in 2012 and \$1,714,273 in 2013).

On a positive note, the Pension Fund continues to experience strong asset growth as reflected below, with the total assets of the Plan reaching \$99,874,193 in 2013. The Plan's Investment Committee has made considerable efforts over the past year to strengthen the Plan portfolio, ensuring continued growth and health over the long term.

### Growth of Pension Plan Assets 2002 - 2013 (\$ Millions)



### Multi-Employer Pension Plan (MEPP)

The Pension Fund is a Multi-Employer Pension Plan (MEPP), and thus allows the Trustees of the Plan to make decisions where both the employers and the members of the Plan share the solvency deficiency responsibilities. Possible solutions to a deficiency in the Plan are:

- Employer special contribution as required.
- Possible member benefit amendments if necessary.

As we continue to manage the solvency deficiency of the Plan, these considerations will be important to remember.

Additional information will be provided at the Pension Fund Membership Meeting concurrent with this General Conference. It is important that all current members and pastors of employer churches, past and present, invest the time to attend this meeting.

### The Ministers Assistance Fund

Credential holders have an opportunity to provide compassionate assistance to fellow ministers at the time of credential renewals.

Since the 2012 General Conference, \$17,750 has been provided on an emergency basis to 14 credential holders or their surviving spouses and family from this fund.

These funds are distributed by the International Office on the recommendation of a district office, and are often matched by the district office, depending on the nature of the financial need. The Ministers Assistance Fund provides very necessary and valuable aid which would not otherwise be available. We are very grateful for the privilege of providing this assistance in time of need on behalf of all PAOC credential holders.



## Credential Renewals

Credential holders total 3,573, serving in a wide variety of ministries through 2013. We prayerfully thank God for the valuable ministry of every PAOC credential holder.

Credential renewal forms for the period July 1, 2014 to June 30, 2015 were mailed out on April 1, 2014.

Our IT system provides PAOC credential holders with the option of online credential renewal for the 2014–2015 credential renewal period. The link to facilitate online credential renewals can be found at [www.paoc.org](http://www.paoc.org). Detailed information is included in your Credential Renewal Application mailing.

	2013	2012	2011	2010	2009
<b>PAOC CREDENTIAL HOLDERS</b>	<b>3,573</b>	<b>3,550</b>	<b>3,547</b>	<b>3,555</b>	<b>3,551</b>
Ordained	2184	2,180	2,195	2,181	2,166
Licensed	351	327	316	333	355
Ministerial License for Women	14	16	20	22	23
Recognition of Ministry	367	361	371	351	346
Deaconess	214	223	232	234	242
Ministry Related	402	397	364	371	354
Ministry Related (Lay Preacher)	16	19	21	22	25
Ordained Provisional	18	18	19	27	30
Licensed Provisional	3	3	4	8	5
Recognition of Ministry Provisional	4	6	5	6	5

## On a Personal Note

It has again been my sincere privilege to serve the Fellowship over the past 24 months as assistant superintendent for Fellowship Services alongside Dave Wells, Murray Cornelius and the general executive. Calvin Howson, as executive assistant, Judy Hearn, as director of finance and accounting, Tanya Couch, Ruth Stagg, Annie Herbert, Lori-Ann Simmons and Karen Maier as administrative assistants, all provide invaluable support with the myriad details associated with this office.

The collective ministry of the International Office would not be possible without the dedication and efficiency of the entire staff. Each embraces their service as ministry first to the Lord, and provide a meaningful and

valuable contribution to PAOC as a whole. Beyond words, I deeply appreciate the encouragement and support of my wife, Stacey, who is a wonderful friend, adding spiritual insight, grace, charm and delightful humour to my life. Our four children, Joshua (Esther Blumer), Jordan (Josh Hageman), Bethany (Philip Van Kesteren) and Luke, are a source of great thankfulness and joy as noted in 3 John 4. I am blessed as a husband, father, father-in-law and ... seven time grandfather!

David Hazzard

Assistant Superintendent for Fellowship Services