

THE PENTECOSTAL ASSEMBLIES OF CANADA
NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

THE PENTECOSTAL ASSEMBLIES OF CANADA
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YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of: The Pentecostal Assemblies of Canada

Opinion

We have audited the accompanying non-consolidated financial statements of The Pentecostal Assemblies of Canada, which comprise the non-consolidated statement of financial position as at December 31, 2024 and the non-consolidated statements of changes in operating and fund balances, operating fund activities, trust fund and property fund activities and changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of The Pentecostal Assemblies of Canada as at December 31, 2024 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 of 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 Non-Consolidated Financial Statements section of our report. We are independent of The Pentecostal Assemblies of Canada in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 opinion.

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

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

In preparing the non-consolidated financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 Non-Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the non-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 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 non-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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-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.



Guelph, Ontario
March 19, 2025

Chartered Professional Accountants
Licensed Public Accountants

THE PENTECOSTAL ASSEMBLIES OF CANADA
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Operating Funds	Trust Funds (note 18)	Property Funds	2024 Total	2023 Total
ASSETS					
CURRENT					
Cash	\$ 3,155,365	\$ 0	\$ 0	\$ 3,155,365	\$ 1,780,232
Accounts receivable	174,652	119,931	0	294,583	288,642
Due from (to) other funds (note 7)	7,960,569	(7,960,569)	0	0	0
Inventory and prepaids	86,839	0	0	86,839	177,363
Interfund investment (note 8)	4,135,891	(4,135,891)	0	0	0
Current portion of mission loans receivable (note 10)	0	648,305	0	648,305	672,826
	<u>15,513,316</u>	<u>(11,328,224)</u>	<u>0</u>	<u>4,185,092</u>	<u>2,919,063</u>
Mission loans receivable (note 10)	0	8,710,865	0	8,710,865	8,855,043
Long term investments (note 11)	0	20,422,531	0	20,422,531	22,400,767
Property, land, and equipment (note 12)	0	0	2,565,523	2,565,523	2,021,193
Trust fund - land (note 12)	0	950,000	0	950,000	3,000,000
Long term investments held to fund annuities (note 9)	0	0	0	0	1,403
Preferred shares held in PFSG (note 19)	0	2,287,798	0	2,287,798	2,287,798
Investment in PFSG (note 19)	1	0	0	1	1
Investment in CSC (note 20)	1,720	0	0	1,720	3,298
	<u>1,720</u>	<u>0</u>	<u>0</u>	<u>1,720</u>	<u>3,298</u>
	<u>\$ 15,515,037</u>	<u>\$ 21,042,970</u>	<u>\$ 2,565,523</u>	<u>\$ 39,123,530</u>	<u>\$ 41,488,566</u>
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	\$ 646,899	\$ 96,773	\$ 0	\$ 743,672	\$ 697,428
Due to related parties (note 21)	95,697	0	0	95,697	722,243
Current portion of loans payable (note 14)	0	1,006,791	0	1,006,791	1,024,033
	<u>742,596</u>	<u>1,103,564</u>	<u>0</u>	<u>1,846,160</u>	<u>2,443,704</u>
Gift annuities and agreements (note 9)	0	984,339	0	984,339	957,834
Revocable gift agreements (note 15)	0	4,000	0	4,000	4,000
Global worker repatriation (note 16)	0	1,517,197	0	1,517,197	1,417,366
Loans payable (note 14)	0	2,500,000	0	2,500,000	1,664,689
	<u>742,596</u>	<u>6,109,100</u>	<u>0</u>	<u>6,851,696</u>	<u>6,487,593</u>
FUND BALANCES					
Operations	(650,816)	0	0	(650,816)	121,880
Internally restricted					
- shared funding	6,333,300	0	0	6,333,300	6,775,918
- designated funds	2,729,580	0	0	2,729,580	2,289,086
Externally restricted					
- designated funds	6,360,377	0	0	6,360,377	7,003,624
- trust funds	0	14,933,870	0	14,933,870	16,789,272
Invested in property and equipment	0	0	2,565,523	2,565,523	2,021,193
	<u>14,772,441</u>	<u>14,933,870</u>	<u>2,565,523</u>	<u>32,271,834</u>	<u>35,000,973</u>
	<u>\$ 15,515,037</u>	<u>\$ 21,042,970</u>	<u>\$ 2,565,523</u>	<u>\$ 39,123,530</u>	<u>\$ 41,488,566</u>

THE PENTECOSTAL ASSEMBLIES OF CANADA

NON-CONSOLIDATED STATEMENT OF CHANGES IN OPERATING AND FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Operations (note 2) <i>unrestricted</i>	Shared Funding (note 4) <i>internally restricted</i>	Designated Internal (note 4) <i>internally restricted</i>	Designated External (note 4) <i>externally restricted</i>	2024 Total	2023 Total
NET ASSETS, beginning of year	\$ 121,880	\$ 6,775,918	\$ 2,289,086	\$ 7,003,624	\$16,190,508	\$15,813,436
Interfund transfers (note 17)	(385,618)	(661,452)	80,911	314,695	(651,464)	21,719
Net (expenses over revenue) revenues over expenses for the year	<u>(387,078)</u>	<u>218,834</u>	<u>359,583</u>	<u>(957,942)</u>	<u>(766,603)</u>	<u>355,353</u>
NET ASSETS, end of year	<u>\$ (650,816)</u>	<u>\$ 6,333,300</u>	<u>\$ 2,729,580</u>	<u>\$ 6,360,377</u>	<u>\$14,772,441</u>	<u>\$16,190,508</u>

THE PENTECOSTAL ASSEMBLIES OF CANADA
NON-CONSOLIDATED STATEMENT OF OPERATING FUND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Operations (note 2)	Shared Funding (note 4)	Designated Funds (note 4)	2024 Total	2023 Total
REVENUES (note 5)					
Donations - shared funding					
Mission Global	\$ 0	\$ 11,773,397	\$ 0	\$ 11,773,397	\$ 11,931,098
Mission Canada	0	2,372,706	0	2,372,706	2,317,159
Donations (note 21)	2,413,573	0	7,679,869	10,093,442	10,063,058
Fellowship tithe	1,717,501	0	0	1,717,501	1,798,508
Sales and services (note 21)	1,170,470	0	592,598	1,763,068	1,413,386
Bequests	102,317	0	759,591	861,908	1,191,209
Investment revenues	861,745	0	115,763	977,508	1,044,333
Credential fees	484,834	0	0	484,834	465,585
	<u>6,750,440</u>	<u>14,146,103</u>	<u>9,147,821</u>	<u>30,044,364</u>	<u>30,224,336</u>
EXPENSES					
Mission Global	2,661,182	11,520,632	8,220,442	22,402,256	22,386,584
Fellowship Services (note 6)	3,487,844	0	985,066	4,472,910	3,742,304
Mission Canada	986,914	2,406,637	540,672	3,934,223	3,726,262
	<u>7,135,940</u>	<u>13,927,269</u>	<u>9,746,180</u>	<u>30,809,389</u>	<u>29,855,150</u>
(DEFICIT) EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS					
	(385,500)	218,834	(598,359)	(765,025)	369,186
Loss on investment in PFSG (note 19)	0	0	0	0	(2,370)
Loss on investment in CSC (note 20)	<u>(1,578)</u>	<u>0</u>	<u>0</u>	<u>(1,578)</u>	<u>(11,463)</u>
NET (EXPENSES OVER REVENUES) REVENUES OVER EXPENSES for the year					
	(387,078)	218,834	(598,359)	(766,603)	355,353
Interfund transfers (note 17)	<u>(385,618)</u>	<u>(661,452)</u>	<u>395,606</u>	<u>(651,464)</u>	<u>21,719</u>
NET (EXPENSES OVER REVENUES) REVENUES OVER EXPENSES for the year after transfers					
	<u>\$ (772,696)</u>	<u>\$ (442,618)</u>	<u>\$ (202,753)</u>	<u>\$ (1,418,067)</u>	<u>\$ 377,072</u>

THE PENTECOSTAL ASSEMBLIES OF CANADA

NON-CONSOLIDATED STATEMENT OF TRUST FUND AND PROPERTY FUND ACTIVITIES AND
CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Trust Funds		Property Fund	
	2024	2023	2024	2023
REVENUES				
Investment revenues	\$ 708,351	\$ 768,299	\$ 0	\$ 0
Recovery	171	124	0	0
Actuarial adjustment on annuities	73,495	106,056	0	0
	<u>782,017</u>	<u>874,479</u>	<u>0</u>	<u>0</u>
EXPENSES				
Amortization	0	0	107,134	143,196
Distributions to other ministries	69,196	57,715	0	0
Benefit payments	173,400	175,605	0	0
Interest expense (note 14)	314,759	331,864	0	0
Trust funds management fee	7,953	9,429	0	0
Administrative expenses	22,111	15,676	0	0
Land impairment (note 12)	2,050,000	0	0	0
	<u>2,637,419</u>	<u>590,289</u>	<u>107,134</u>	<u>143,196</u>
Net (decrease) increase in funds	(1,855,402)	284,190	(107,134)	(143,196)
Fund balances, beginning of year	16,789,272	16,558,082	2,021,193	2,133,108
Interfund transfers (note 17)	<u>0</u>	<u>(53,000)</u>	<u>651,464</u>	<u>31,281</u>
Fund balances, end of year	<u>\$ 14,933,870</u>	<u>\$ 16,789,272</u>	<u>\$ 2,565,523</u>	<u>\$ 2,021,193</u>

THE PENTECOSTAL ASSEMBLIES OF CANADA
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	\$ (766,603)	\$ 355,353
Net decrease in trust funds	(1,855,402)	284,190
Net decrease in property fund	<u>(107,134)</u>	<u>(143,196)</u>
	(2,729,139)	496,347
Items not requiring an outlay of cash		
Amortization	107,134	143,196
Impairment of land	2,050,000	0
Investment in PFSG	0	2,370
Investment in CSC	<u>1,578</u>	<u>11,463</u>
	(570,427)	653,376
Changes in non-cash working capital		
Accounts receivable	(5,941)	(71,504)
Inventory and prepaids	90,524	(126,958)
Accounts payable and accrued liabilities	46,244	129,714
Due to related parties	(626,546)	708,497
Global worker repatriation	<u>99,831</u>	<u>58,072</u>
	<u>(966,315)</u>	<u>1,351,197</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Gift annuities issued (net)	26,505	(56,056)
Issuance (repayment) of loans payable (net)	818,069	(64,997)
Line of credit	<u>0</u>	<u>(859,198)</u>
	<u>844,574</u>	<u>(980,251)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Mission loans receivable (net)	168,699	283,087
Long term investments held to fund annuities	1,403	8,191
Long term investments (net)	1,978,236	395,549
Purchase of property and equipment	<u>(651,464)</u>	<u>(31,281)</u>
	<u>1,496,874</u>	<u>655,546</u>
NET INCREASE IN CASH	1,375,133	1,026,492
NET CASH, BEGINNING OF YEAR	<u>1,780,232</u>	<u>753,740</u>
NET CASH, END OF YEAR	<u>\$ 3,155,365</u>	<u>\$ 1,780,232</u>

THE PENTECOSTAL ASSEMBLIES OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. NATURE OF ORGANIZATION

The Pentecostal Assemblies of Canada (the "PAOC") was established by letters patent issued by the federal government on May 17, 1919 and is a registered charity under the Income Tax Act, and, accordingly, is exempt from income tax. Its purpose is to:

- (a) conduct public worship;
- (b) provide places of worship;
- (c) provide a basis of fellowship among Christians of like faith by approving all scriptural teaching, method, and conduct;
- (d) organize and conduct schools of religious instruction;
- (e) carry on charitable and philanthropic work of every kind;
- (f) carry on mission work for the spreading of the gospel;
- (g) publish, sell, and distribute Christian literature;
- (h) collect, solicit, and accept funds or other subscriptions for carrying on the work of the organization, and for any other religious or benevolent purposes;
- (i) exercise any of the powers usually conferred on duly incorporated benevolent societies by either federal or provincial authorities; and
- (j) to exercise the right to own, hold in trust, use, sell, convey, mortgage, lease, or otherwise dispose of such property, real or personal, as may be needed for the execution of the work and to invest and keep invested such funds as may be placed at its disposition for the furtherance of the objectives of the PAOC, and to dispose of the entire undertaking of the organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund accounting

The organization's accounts follow the principles of fund accounting, under which resources for particular purposes are classified, for accounting and reporting, into funds corresponding to those purposes.

Operating Funds

Operating Funds include Operations, Shared Funding and Designated Funds. Operations consist of donations, other revenues, and related expenditures pertaining to the operations of the organization, which are not included in other funds. Shared Funding includes donations designated for the approved budgets of Global and Mission Canada Workers. Designated Funds include donations designated for approved PAOC projects.

THE PENTECOSTAL ASSEMBLIES OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Trust Funds

Trust Funds are comprised of endowment funds and externally restricted funds. The income earned on these accounts represent either unrestricted, restricted, or endowment amounts. Income and expenditures are recognized in accordance with specifications made by the donor subject to their initial approval by the PAOC at the time of donation.

Property Fund

The Property Fund consists of assets, liabilities, donations, amortization, and gains and losses related to the property and equipment of the PAOC.

Revenue recognition

The organization follows the restricted fund method of accounting for contributions in which externally restricted contributions are recognized upon receipt in the appropriate fund corresponding to the purpose for which they were contributed. Unrestricted donations, bequests, and fellowship tithes are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Designated donations are recognized as revenue of the appropriate designated fund in the year received.

Contributions of encroachable capital are recognized as revenue of the Trust Funds in the year received.

Sales and services and credential fees are recorded as services are performed. Investment revenues are recorded as earned.

Inventory

Inventory is recorded at the lower of cost and net replacement cost, with cost being determined on a first-in, first-out basis.

Property and equipment

Property and equipment are recorded at cost less amortization. Contributed property and equipment are recorded at fair value at the date of contribution unless fair value is not easily determinable. Amortization commences in the year subsequent to the year in which the asset is purchased or received and is calculated to depreciate the cost of the assets over their estimated useful lives on a straight-line basis as follows:

International office building	2.5%
Furniture, fixtures, and office equipment	10%
Vehicle	30%
Computer equipment	50%

THE PENTECOSTAL ASSEMBLIES OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenue and expenditures during the year. Significant estimates requiring the use of management estimates and assumptions relate to the useful lives of property, land, and equipment and the fair value of the annuity liability. Actual results could differ from these estimates.

Allocation of administration expenditures

The PAOC allocates the following expenditures to departments of the organization based on the following:

- Accounting – based on functions used
- Computers / information technology – based on number of users and usage
- Premises – based on square footage used
- Human resources support and reception – based on number of staff and the number of calls received

Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for related party transactions, which are recorded at cost and measured using the carrying amount or exchange amount depending on the circumstances.

The organization subsequently measures all of its financial assets and liabilities at amortized cost, unless otherwise noted below.

Cost in a related party transaction with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor.

The mortgages held to fund annuities, loans, and mortgages receivable and loans payable are measured at amortized cost using the effective interest method, with gains and losses recognized in the excess of revenue over expenditures when the asset or liability is repaid or written off. The effective interest method allocates the interest income or expense over the term of the investment or debt, using the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial instrument, to the net carrying amount of the financial asset or financial liability.

Gift annuities, gift agreements, and the revocable gift agreements balance in the Trust Funds are subsequently measured at fair value, with gains and losses recognized immediately in the excess of revenue over expenditures.

THE PENTECOSTAL ASSEMBLIES OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in excess of revenue over expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenditures.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in excess of revenue over expenditures in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in excess of revenue over expenditures over the life of the instrument using the straight-line method.

Foreign operations, assets, and measurement uncertainty

The PAOC has consistently followed the policy of expensing all costs for overseas operations, and property and equipment through Mission Global expenditures, unless these amounts represent advances which are to be repaid to the PAOC. This policy is based upon the practice that such assets, while generally redeployable under the direction of the Mission Global Committee, are not always accessible for redeployment due to foreign property titling regulations, as well as international fund transfer and foreign currency exchange limitations. While the PAOC may specifically assign title to national ministries overseas, it generally retains control of title while considering an orderly transfer of assets to stable national ministries overseas. Accordingly, these assets and operations are not included in the non-consolidated financial statements.

Contributed services

The value of contributed services is not reflected in these non-consolidated financial statements as the fair value of these services cannot be reasonably estimated.

Investment in subsidiaries

Following CPA Canada Handbook Section 4450, reporting controlled and related entities by not-for-profit organizations, the long-term investments in subsidiaries have been accounted for using the equity method of accounting as well as providing the appropriate disclosure.

THE PENTECOSTAL ASSEMBLIES OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

3. RELATED PARTY TRANSACTIONS

The following are organizations related to the PAOC:

Pentecostal Financial Services Group Inc.

Pentecostal Financial Services Group Inc. ("PFSG") is a wholly-owned subsidiary of the PAOC and was incorporated on March 24, 2005 under the Canada Business Corporations Act. PFSG provides mortgage loans to charities within the PAOC (i.e., building and renovating churches and bible colleges), and funds these mortgage loans by issuing and distributing notes to investors. PFSG is subject to credit and liquidity risks arising from its mortgages receivable and loans payable.

Emergency Relief and Development Overseas

Effective December 1, 2005, the PAOC operation for Emergency Relief and Development Overseas ("ERDO") was incorporated by letters patent as a separate legal entity. ERDO was also registered as a charitable organization with the Canada Revenue Agency and, as such, is exempt from income taxes under the Income Tax Act (Canada). ERDO is related to the PAOC through the membership level of the organizations. ERDO was established to provide short-term relief in times of severe emergency and innovative assistance for communities experiencing extreme poverty.

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

The Pension Fund (1969) of The Pentecostal Assemblies of Canada (the "Pension Fund") is a Specified Ontario Multi-Employer Pension Plan ("SOMEPP"), of which the PAOC is a member. Specified contributions made by eligible employees are matched by the employers.

Villages of Hope: Africa Society

Villages of Hope: Africa Society is a Canadian charity that facilitates the establishment and administration of excellent care for children-at-risk by partnering with various African-based organizations. The organization has developed a set of standards for quality childcare and holds each village accountable to those standards. The organization is related to the PAOC through the membership level of the organizations.

Asian Outreach Canada

Asian Outreach International (Canada) is a Canadian charity that facilitates important health, education, community development, spiritual development, leadership training, and literature and resources programs in Cambodia, China, Mongolia, Nepal, Thailand, and Vietnam. The organization follows these core values: national leadership with international partnership, indigenous program with global experience, local support with worldwide investment, kingdom networking with strategic alliances, and total accountability with practical experience. The organization is related to the PAOC through the membership level of the organization.

Covenant Securities Corp.

The Covenant Securities Corp. ("CSC") is a wholly-owned subsidiary of the PAOC and was incorporated June 15, 2017 under the Canada Business Corporations Act. CSC was formed for the sole purpose of distribution and trading in certain evidences of indebtedness, issued by PFSG. CSC and PFSG are affiliates through common control by the PAOC.

THE PENTECOSTAL ASSEMBLIES OF CANADA
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

3. RELATED PARTY TRANSACTIONS (continued)

Pentecostal Assemblies of Canada Foundation

The Pentecostal Assemblies of Canada ("PAOC") Foundation was incorporated on January 28, 2016. Subject to the Certificate of Incorporation, the PAOC Foundation seeks to promote, solicit, accept, and utilize gifts for the ministries and mission of the PAOC as well as other ministries whose objectives are in alignment with the mission of the PAOC and the Evangelical Fellowship of Canada. The PAOC Foundation's purpose is the promotion of the Gospel of Jesus Christ, education, and alleviation of poverty in Canada and overseas.

4. OBJECTIVES, POLICIES, AND PROCESSES FOR MANAGING CAPITAL

The PAOC's capital is comprised of the net amounts invested in unrestricted funds, internally restricted funds – shared funding, externally restricted funds – designated funds, externally restricted funds – trust funds, and property and equipment.

Unrestricted funds

The Board's objective is to maintain an unrestricted fund balance sufficient to meet both the annual operational budget requirements and the annual maintenance of property and equipment. The General Secretary Treasurer and the Director of Finance and Accounting prepare the annual budget, which includes the property requirements. The Board then approves this budget, and the General Secretary Treasurer monitors the results against the forecast and notifies the Board when changes to plans are required.

Internally restricted funds – shared funding

The objective of the internally restricted funds, or shared funding fund, is to hold these Global and Mission Canada Worker balances from year to year in order to care for the ongoing personal and ministry requirements of them. Each family is required to prepare an annual budget, which is approved by their Regional Director. These budgets are monitored throughout the year by Mission Global and Mission Canada and are adjusted accordingly as required.

Internally restricted funds – designated funds

The internally restricted funds are all the funds set aside by the Board for future projects or ministries. Each project or ministry must be carrying out the charitable objectives of the PAOC. Where the funds are not required in the short term, the Treasurer invests their balances in accordance with Board policy, which allows that they be held in short term, low risk, and highly liquid financial instruments.

Externally restricted funds – designated funds

The externally restricted funds – designated are all the funds set aside by the Board to fulfil the donor wishes in providing for projects or ministries. Each project or ministry must be carrying out the charitable objectives of the PAOC. The Officers monitor these funds to ensure they are being distributed for their intended purposes. Where the funds are not required in the short term, the Treasurer invests their balances in accordance with Board policy, which allows that they be held in short term, low risk, and highly liquid financial instruments.

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4. OBJECTIVES, POLICIES, AND PROCESSES FOR MANAGING CAPITAL (continued)

Externally restricted funds – trust funds

The externally restricted funds – trusts are maintained in accordance with the terms of their contributors. The Board has established investment policies for these funds, and its main objective is to assure the maintenance of the contributed capital in order to secure healthy investment revenues annually. The annual revenues from these investments are then distributed to various PAOC projects and programs, as per the original terms of their contributors.

Property and equipment

The organization invests in property and equipment in order to facilitate the highly technical service needs of the organization and its constituents, and to maintain a building accommodating these services. The Officers of the PAOC are responsible for this investment and direct all decisions made to improve or upgrade computer systems, as well as all building improvements. These costs are ultimately approved by the Board in the annual budget approval process to ensure they are in keeping with the current strategies of the organization.

5. OPERATING FUND REVENUE

a) Operating Funds revenue classified by the department to which it is directed consists of:

		2024			2023	
	Mission Global	Mission Canada	Fellowship Services	Total	Total	
Donations	\$ 13,675,528	\$ 2,732,881	\$ 151,267	\$ 16,559,676	\$ 16,639,509	
Designated donations	6,933,905	366,856	379,108	7,679,869	7,671,806	
Bequests	<u>105,107</u>	<u>431,353</u>	<u>325,448</u>	<u>861,908</u>	<u>1,191,209</u>	
	20,714,540	3,531,090	855,823	25,101,453	25,502,524	
Fellowship tithe	0	443,142	1,274,359	1,717,501	1,798,508	
Sales and services	225,185	121,027	1,416,856	1,763,068	1,413,386	
Investment revenues	571,282	75,098	331,128	977,508	1,044,333	
Credential fees	<u>0</u>	<u>0</u>	<u>484,834</u>	<u>484,834</u>	<u>465,585</u>	
	<u>\$ 21,511,007</u>	<u>\$ 4,170,357</u>	<u>\$ 4,363,000</u>	<u>\$ 30,044,364</u>	<u>\$ 30,224,336</u>	

b) Total donations consist of:

	2024	2023
Operations	\$ 2,413,573	\$ 2,391,252
Shared funding	14,146,103	14,248,257
Designated funds	7,679,869	7,671,806
Bequests	<u>861,908</u>	<u>1,191,209</u>
	<u>\$ 25,101,453</u>	<u>\$ 25,502,524</u>

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6. FELLOWSHIP SERVICES

PAOC Fellowship Services is a diverse team of ministry specialists providing leadership and organizational support for the PAOC constituency, International Office, and others, enabling effective fulfillment of the PAOC's mission.

Fellowship Services operational expenses consisted of the following:

	2024	2023
Communications / Publications	\$ 343,623	\$ 351,954
Stewardship	523,996	445,855
Governance	1,854,760	1,873,763
Committees	<u>765,465</u>	<u>730,642</u>
	<u>\$ 3,487,844</u>	<u>\$ 3,402,214</u>

7. DUE FROM (TO) OTHER FUNDS

The balances from (to) other funds are unsecured, non-interest bearing, and have no set terms of repayment.

8. INTERFUND INVESTMENT

An investment totaling \$4,135,891 (2023 - \$5,289,685), up to a maximum of \$10,000,000, was invested by the Operating Fund into the Mission Loan Fund. The investment is bearing interest of 4% per annum and is due December 31, 2025.

9. GIFT ANNUITIES

Gift annuities are agreements whereby, in return for providing an initial payment to the PAOC, the annuitant is issued annual payments of agreed amounts until written notice is received to terminate the annuity or notice is received of the death of the annuitant. Upon termination, the net balance of the annuity is distributed under the PAOC's discretion, within the terms of the annuitant's directions.

The estimated obligation for gift annuity payments is \$984,339 (2023 - \$957,834).

New gift annuities issued during the year totaled \$100,000 (2023 - \$50,000). Gift annuities terminated during the year totaled \$174,868 (2023 - \$183,885).

10. MISSION LOANS RECEIVABLE

Mission loans receivable consist of the following:

	2024	2023
Interest bearing	\$ 9,359,170	\$ 9,527,869
Less: current portion	<u>(648,305)</u>	<u>(672,826)</u>
	<u>\$ 8,710,865</u>	<u>\$ 8,855,043</u>

The interest bearing mission loans receivable are due on demand and bear interest at rates between 4.00% and 8.00% (2023 - 4.00% and 7.75%) per annum.

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11. LONG TERM INVESTMENTS

	2024	2023
Loans and mortgages	\$ 2,135,292	\$ 2,348,418
Loan to PFSG	7,100,000	8,845,567
Alternative mortgage	<u>11,187,239</u>	<u>11,206,782</u>
	<u>\$ 20,422,531</u>	<u>\$ 22,400,767</u>

The loans and mortgages are due at various dates between January 1, 2025 and December 23, 2029 (2023 - January 1, 2024 and December 23, 2029) and earn interest at rates in the range of 4.0% and 8.00% (2023 - 4.0% and 7.75%). It is management's intention to reinvest the funds as they come due. Included in the loans and mortgages total are interest-free church planting loans with a combined principal amount of \$133,812 (2023 - \$195,067), which are due on demand.

The loan from PFSG is unsecured, bears interest at 5.75% (2023 - 5.39%), and is due August 1, 2026 (2023 - June 30, 2024).

12. PROPERTY, LAND, AND EQUIPMENT

a) Land, property, and equipment consists of the following:

	Cost	Accumulated Amortization	Net 2024	Net 2023
Trust Fund				
Land	\$ <u>950,000</u>	\$ <u>0</u>	\$ <u>950,000</u>	\$ <u>3,000,000</u>
Property Fund				
Land	392,851	0	392,851	392,851
International office building	3,188,498	1,484,878	1,703,620	1,536,100
Furniture, fixtures, office and computer equipment	3,850,118	3,451,068	399,050	92,240
Vehicle	70,000	0	70,000	0
Other property (b)	<u>2</u>	<u>0</u>	<u>2</u>	<u>2</u>
	<u>7,501,469</u>	<u>4,935,946</u>	<u>2,565,523</u>	<u>2,021,193</u>
	<u>\$ 8,451,469</u>	<u>\$ 4,935,946</u>	<u>\$ 3,515,523</u>	<u>\$ 5,021,193</u>

During the year, the organization held assets not in use in the amount of \$147,843 (2023 - \$0) for an IT development project which is expected to be completed in 2025.

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12. PROPERTY, LAND, AND EQUIPMENT (continued)

Trust Fund Land write down

The Strathcona property has been listed on the organization's non-consolidated statement of financial position at \$3,000,000 as Trust Fund Land for many years. This property was a designated donation to the PAOC. As part of the organization's ongoing review of its financial processes, management obtained an appraisal of the property from Frost Valuations of Edmonton. Property in this area is subject to fluctuations in the local economy, and the organization must recognize the decrease in the estimated value since the original donation. The property value is being written down on the non-consolidated statement of financial position to the expected proceeds of \$950,000. The Strathcona property also has a caveat (i.e., a form of a lien) attached to it, which includes a provision to provide two serviced lots to the previous owners on the assumption the property would be developed. This idea has since been abandoned. The caveat has also negatively impacted the overall marketability of the property. This write down in value does not impact the day-to-day operations of the PAOC; the donation objective is unchanged, and all proceeds from the property will be distributed according to the wishes of the Donor.

b) Other property

Other property consists of one donated mineral right and various overseas properties. As a result of the nature of these acquisitions and their indeterminable value, the PAOC has recorded these properties at a nominal amount of \$2.

13. LINE OF CREDIT

The PAOC has access to \$3,000,000 in a line of credit, at an interest rate of prime, secured by a general security agreement and a charge on the international office land and building. The balance outstanding at year end was \$0 (2023 - \$0).

14. LOANS PAYABLE

Loans payable consist of unsecured amounts advanced by private individuals or private organizations to assist in financing specific projects and include the following:

	2024	2023
Loan payable, bearing interest at 3.50%, due May 1, 2024	\$ 0	\$ 24,033
Loan payable, bearing interest at 3.25%, due September 30, 2024	0	1,000,000
Loan payable, bearing interest at 4.00%, due August 10, 2025	6,791	14,689
Loan payable, bearing interest at 4.25%, due August 23, 2025	1,000,000	1,000,000
Loan payable, bearing interest at 5.25%, due March 1, 2026	400,000	400,000
Loan payable, bearing interest at 4.25%, due March 1, 2026	250,000	250,000
Loan payable, bearing interest at 4.0%, due December 1, 2027	500,000	0
Loan payable, bearing interest at 4.5%, due October 19, 2029	1,000,000	0
Loan payable, bearing interest at 5.5%, due August 15, 2030	<u>350,000</u>	<u>0</u>
Loans payable	3,506,791	2,688,722
Less current portion	<u>1,006,791</u>	<u>1,024,033</u>
	<u>\$ 2,500,000</u>	<u>\$ 1,664,689</u>

Interest in the amount of \$314,759 (2023 - \$331,864) related to the above loans payable has been recorded in interest expense of the Trust Funds.

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14. LOANS PAYABLE (continued)

Future minimum payments on long term obligations are as follows:

2025	\$ 1,006,791
2026	650,000
2027	50,000
2028	0
2029	1,000,000
Thereafter	<u>350,000</u>
	<u>\$ 3,056,791</u>

15. REVOCABLE GIFT AGREEMENTS

Revocable gift agreements stipulate that the donor is entitled to withdraw a portion of the capital and accrued interest until their death, at which time the remaining principal and accrued interest is donated to the PAOC. The organization reflects the donation and accrued interest as a long-term liability until the death of the donor, at which time the funds are recognized as revenue.

16. GLOBAL WORKER REPATRIATION

Global Worker repatriation balance is a fund to which monthly contributions are made for 100 Global Workers (2023 - 118). These funds are invested in loans and mortgages (note 11). Each Global Worker's total investment in these funds is withdrawn to assist with their financial needs upon their return to Canada when they retire from service overseas.

17. INTERFUND TRANSFERS

The net transfer to (from) the Operating Funds resulted from the following transactions:

	2024	2023
Trust Funds		
Trust for Mission Global	\$ <u>0</u>	\$ <u>53,000</u>
Property Fund		
Purchase of property and equipment	<u>(651,464)</u>	<u>(31,281)</u>
	<u>\$ (651,464)</u>	<u>\$ 21,719</u>

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18. TRUST FUNDS - CHANGES IN FUND BALANCES

	Jan. 1, 2024 Opening Balance	Increase	Decrease	Transfers In (Out)	Dec. 31, 2024 Ending Balance
PAOC Endowment	\$ 6,919,235	\$ 54,611	\$ 0	\$ 0	\$ 6,973,846
McKay Trust	2,629,988	63,795	(53,474)	0	2,640,309
Mission Loan Fund	1,656,522	477,533	(314,759)	0	1,819,296
John & Lydia Rebman Trust	3,044,235	17,153	(2,072,111)	0	989,277
Church Planting Trust	748,722	26,076	0	0	774,798
Santroc Trust	469,246	12,201	(21,306)	0	460,141
Harrison Trust	323,793	1,064	(788)	0	324,069
Hutchinson Trust	279,533	915	(680)	0	279,768
Annuity Fund	307,231	139,720	(173,400)	0	273,551
Kirk Trust	106,162	5,126	(256)	0	111,032
Non-Quon Fund	100,006	565	0	0	100,571
Memorial Fund	69,733	465	(339)	0	69,859
Buchanan Trust	40,293	1,908	0	0	42,201
Dean Trust	39,931	228	(194)	0	39,965
Putrus Trust	37,378	(20,458)	(112)	0	16,808
Revocable Trust	13,550	827	0	0	14,377
Literature Fund	<u>3,714</u>	<u>288</u>	<u>0</u>	<u>0</u>	<u>4,002</u>
	<u>\$ 16,789,272</u>	<u>\$ 782,017</u>	<u>\$ (2,637,419)</u>	<u>\$ 0</u>	<u>\$ 14,933,870</u>

The availability of the above fund balances for operations of the PAOC is restricted in that a number of the funds only allow the interest earned on the principal donated to be used for the PAOC ministries. As of December 31, 2024, this restricted portion amounted to \$6,735,843 (2023 - \$10,140,507).

19. INVESTMENT IN PENTECOSTAL FINANCIAL SERVICES GROUP INC. (PFSG)

The PAOC is the sole shareholder and, therefore, controls PFSG. PFSG, a for-profit corporation, has not been consolidated in the PAOC's financial statements. The investment has been accounted for using the equity method.

On December 8, 2023, the Board of Directors of PFSG approved a motion to begin the strategic wind-down of PFSG. This decision was influenced by several factors, including:

1. Increased Regulatory Environment: Regulatory changes starting in 2017 significantly impacted PFSG operations. Challenges in complying with new regulations prohibited the company's ability to attract deposits, putting pressure on PFSG's operations and viability.
2. Post-Pandemic Realities: The COVID-19 pandemic brought about significant economic shifts, including higher investment rates and changes in demand for church mortgages.

The progress of the PFSG wind-down has been very positive in 2024 and there have been no issues. The overarching objective of PFSG and the PAOC is the protection of these investors. PFSG is winding down the Note Program by having shut down the sale of new Notes and by paying out each existing Note at its maturity date. PFSG is winding down the mortgage loan component of its operations by making no new mortgage loans and by requiring each existing mortgage loan to be paid out at its maturity date, which may require refinancing by a third-party lender. Mortgages not repaid or refinanced will be sold to another lender, including sale to PAOC or a PAOC-related institution. When the wind-down of the Note Program is completed and no mortgage loans remain at PFSG, PFSG itself will then be wound down and cease operations.

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19. INVESTMENT IN PENTECOSTAL FINANCIAL SERVICES GROUP INC. (PFSG) (continued)

	2024	2023
Gain on investment in PFSG		
Net loss	\$ <u>(16,924)</u>	\$ <u>(66,888)</u>
	2024	2023
Financial Position		
Assets	\$ <u>16,981,914</u>	\$ <u>27,076,764</u>
Liabilities	\$ 14,775,557	\$ 24,853,483
Common shares	1	1
Preferred shares	2,287,798	2,287,798
Accumulated deficit	<u>(81,442)</u>	<u>(64,518)</u>
Total liabilities and retained earnings	\$ <u>16,981,914</u>	\$ <u>27,076,764</u>
Results of operations		
Revenue	\$ 1,256,181	\$ 1,423,553
Expenses	<u>1,272,478</u>	<u>1,502,380</u>
Net loss before income taxes	(16,297)	(78,827)
Provision for (recovery of) income taxes	<u>627</u>	<u>(11,939)</u>
Net loss	\$ <u>(16,924)</u>	\$ <u>(66,888)</u>
Cash used in operations	\$ (47,282)	\$ (57,272)
Cash (used in) provided by financing and investing activities	<u>(58,582)</u>	<u>232,815</u>
Net (decrease) increase in cash	\$ <u>(105,864)</u>	\$ <u>175,543</u>

20. INVESTMENT IN COVENANT SECURITIES CORP. (CSC)

The PAOC is the sole shareholder and, therefore, controls CSC. CSC, a for-profit corporation, has not been consolidated in the PAOC's financial statements. The investment has been accounted for using the equity method.

CSC receives fee revenue from PFSG for the issuance of investor certificates. With the Board of Directors of PFSG approving its strategic wind-up, subsequent to year-end, the Board of Directors of CSC approved a motion to dissolve the corporation with any remaining funds upon dissolution to be transferred to PAOC.

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20. INVESTMENT IN COVENANT SECURITIES CORP. (CSC) (continued)

	2024	2023
Gain on investment in CSC		
Net loss	\$ <u>(1,578)</u>	\$ <u>(11,463)</u>
Financial Position		
Assets	\$ <u>110,257</u>	\$ <u>129,994</u>
Liabilities	\$ 108,537	\$ 126,696
Common shares	1	1
Retained earnings	<u>1,719</u>	<u>3,297</u>
Total liabilities and retained earnings	\$ <u>110,257</u>	\$ <u>129,994</u>
Results of operations		
Revenue	\$ 131,569	\$ 200,997
Expenses	<u>133,651</u>	<u>217,055</u>
Net loss before income taxes	(2,082)	(16,058)
Recovery of income taxes	<u>(504)</u>	<u>(4,595)</u>
Net loss	\$ <u>(1,578)</u>	\$ <u>(11,463)</u>
Cash used in operations	\$ <u>(11,754)</u>	\$ <u>(37,117)</u>
Net decrease in cash	\$ <u>(11,754)</u>	\$ <u>(37,117)</u>

21. DUE FROM (TO) RELATED PARTIES AND RELATED PARTY TRANSACTIONS

	2024	2023
Due from PFSG	\$ 457,963	\$ 76,422
Due to ERDO	(132,665)	(42,552)
Due to the Pension Fund	(390,597)	(229,944)
Due from (to) Villages of Hope Africa Society	71,922	(396,034)
Due to Asian Outreach Canada	(4,054)	(2,258)
Due to PAOC Foundation	(54,260)	(87,760)
Due to CSC	<u>(44,006)</u>	<u>(40,117)</u>
	\$ <u>(95,697)</u>	\$ <u>(722,243)</u>

The balances due from (to) related parties are unsecured, non-interest bearing, and have no set terms of repayment.

Included in donations revenue are contributions of \$0 (2023 - \$0), \$52,013 (2023 - \$3,283), \$7,432 (2023 - \$31,000), \$130,882 (2023 - \$116,516), \$1,621,020 (2023 - \$1,552,689) \$0 (2023 - \$0), \$0 (2023 - \$0) received from PFSG, ERDO, VOHAS, AOC, Mission Global USA, the Pension Fund, and CSC, respectively.

Included in sales and services revenue is \$171,957 (2023 - \$154,317), \$173,495 (2023 - \$157,285), \$74,119 (2023 - \$61,550), \$486,515 (2023 - \$417,073), and \$18,083 (2023 - \$26,949) paid to the PAOC for management and administrative functions by PFSG, ERDO, VOHAS, the Pension Fund, and CSC, respectively.

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22. FINANCIAL INSTRUMENTS

It is management's opinion that the PAOC is not exposed to significant currency risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in 2024 compared to the previous period.

Transacting in financial instruments exposes the organization to certain financial risks and uncertainties. These risks include:

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the organization by failing to discharge an obligation. The organization's credit risk is mainly related to loans and mortgages and loans payable. The company provides credit to its clients in the normal course of its operations.

Market risk

Market risk is the risk that the fair value or future cash flows of the organization's financial instruments will fluctuate because of changes in market prices. Some of the organization's financial instruments expose it to this risk, which comprises currency risk and interest rate risk.

Currency risk

The currency risk refers to the risk that the fair value of the financial instruments or future cash flows associated with them will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The organization is exposed to United States currency rate risk on foreign cash account balances in the amount of \$533,503 (2023 - \$343,757) and EURO currency rate risk on foreign cash account balances in the amount of \$13,364 (2023 - \$(23,930)). Included in sales and services is an exchange gain (loss) of \$57,000 (2023 - \$(41)).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk as a result of the floating interest rate on the bank line of credit.

23. GIFTS OF LIFE INSURANCE POLICIES AS CHARITABLE DONATIONS

The PAOC is the owner and partial beneficiary of life insurance policies gifted in accordance with provisions of the Income Tax Act (Canada).

	2024	2023
Number of policies in good standing	14	18
Face value of policies	\$ 1,545,000	\$ 1,845,000
Cash surrender value	274,045	328,727

24. CONTINGENT LIABILITIES

In the normal course of its operations, the organization is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time. However, the organization's management believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

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25. PENSION PLAN

The organization makes contributions to The Pension Fund (1969) of The Pentecostal Assemblies of Canada (the "Pension Fund), which is a multi-employer plan. The plan is a defined benefit plan that specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to the Pension Fund for 2024 was \$588,865 (2023 - \$588,707). Amounts paid for current service have been included as an expenditure on the non-consolidated statement of operating fund activities. There are no past service contribution obligations.

The last available report for the Pension Fund was December 31, 2023. At that time, the Pension Fund reported \$173.8 million in net assets available for benefits (2023 - \$173.8 million). Section 76 of Regulation 909 to the Pension Benefits Act of Ontario permits the Pension Fund to exclude information regarding its pension obligation from its reports.