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

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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

### *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, 2025, 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, 2025, 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

March 23, 2026

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

As at December 31,

2025

2024

	General District	Lakeshore Pentecostal Camp	Ottawa Valley Pentecostal Camp	Total	Total
<b>ASSETS</b>					
<b>Current</b>					
Unrestricted cash	\$ 398,420	\$ 267,682	\$ 144,593	\$ 810,695	\$ 1,039,114
Restricted cash (Note 2)	1,006,696	218,842	40,927	1,266,465	577,667
Restricted investments (Note 2)	2,500,000	10,000	-	2,510,000	2,350,000
Loans receivable (Note 3)	80,000	-	-	80,000	-
Accounts receivable	99,953	99,637	76,542	276,132	277,546
Prepaid expenses and deposits	82,491	23,452	6,261	112,204	116,557
	<u>\$ 4,167,560</u>	<u>\$ 619,613</u>	<u>\$ 268,323</u>	<u>\$ 5,055,496</u>	<u>\$ 4,360,884</u>
Loans Receivable (Note 3)	100,000	-	-	100,000	180,000
Investments Held by Lakeshore Foundation Fund (Note 4)	-	210,819	-	210,819	218,054
Interdivisional Loan Receivable (Note 5)	595,089	-	-	595,089	607,591
Capital Assets (Note 6)	144,197	7,219,354	1,804,134	9,167,685	9,110,794
	<u>\$ 5,006,846</u>	<u>\$ 8,049,786</u>	<u>\$ 2,072,457</u>	<u>\$ 15,129,089</u>	<u>\$ 14,477,323</u>
<b>LIABILITIES</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	\$ 308,602	\$ 83,052	\$ 68,804	\$ 460,458	\$ 346,322
Designated funds payable (Note 7)	94,032	34,494	10,821	139,347	182,338
	<u>\$ 402,634</u>	<u>\$ 117,546</u>	<u>\$ 79,625</u>	<u>\$ 599,805</u>	<u>\$ 528,660</u>
Deferred Capital Contributions (Note 8)	-	1,870,491	262,685	2,133,176	1,859,640
Interdivisional Loans Payable (Note 5)	-	220,466	374,623	595,089	607,591
	<u>\$ 402,634</u>	<u>\$ 2,208,503</u>	<u>\$ 716,933</u>	<u>\$ 3,328,070</u>	<u>\$ 2,995,891</u>
<b>NET ASSETS</b>					
Unrestricted	\$ 1,191,548	\$ 5,543,500	\$ 1,325,418	\$ 8,060,466	\$ 8,518,049
Internally restricted (Note 2)	3,412,664	68,820	30,106	3,511,590	2,745,329
Endowment fund (Note 4)	-	228,963	-	228,963	218,054
	<u>\$ 4,604,212</u>	<u>\$ 5,841,283</u>	<u>\$ 1,355,524</u>	<u>\$ 11,801,019</u>	<u>\$ 11,481,432</u>
	<u>\$ 5,006,846</u>	<u>\$ 8,049,786</u>	<u>\$ 2,072,457</u>	<u>\$ 15,129,089</u>	<u>\$ 14,477,323</u>

Contingent Liabilities (Note 11)

Commitments (Note 12)

Subsequent Event (Note 13)

Approved by the Board:

 Director

 Director

See accompanying notes

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**EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

For the year ended December 31,

2025

2024

	General District	Lakeshore Pentecostal Camp	Ottawa Valley Pentecostal Camp	Total	Total
<b>REVENUES</b>					
Tithes - Churches	\$ 2,895,685	\$ -	\$ -	\$ 2,895,685	\$ 2,817,646
Tithes - Credential holders	428,326	-	-	428,326	400,725
Sales and rentals	-	1,297,336	346,876	1,644,212	1,573,113
Contributions and offerings	4,813	234,081	559,609	798,503	885,472
Ministries registration and offerings	336,850	-	-	336,850	237,464
Interest income	94,805	1,011	1,080	96,896	130,524
Government assistance (Note 9)	9,632	67,424	5,213	82,269	68,730
	<u>\$ 3,770,111</u>	<u>\$ 1,599,852</u>	<u>\$ 912,778</u>	<u>\$ 6,282,741</u>	<u>\$ 6,113,674</u>
<b>EXPENSES</b>					
Salaries and benefits	\$ 1,398,198	\$ 573,514	\$ 237,832	\$ 2,209,544	\$ 2,035,232
Building and property	26,550	501,979	222,987	751,516	727,818
Camp operations	-	378,893	277,194	656,087	587,680
Administration and office	328,662	45,201	29,798	403,661	366,229
Master's College and Seminary (Note 3)	382,851	-	-	382,851	321,827
Subsidies and donations	272,696	-	-	272,696	199,274
National Office tithes	289,569	-	-	289,569	281,785
Church ministries	279,073	-	-	279,073	226,948
District conference	159,789	-	-	159,789	12,108
Pastoral and church care	128,623	-	-	128,623	101,927
Missions	-	37,016	38,256	75,272	95,519
Bank charges	16,300	22,062	13,474	51,836	56,420
Loss on disposal of assets	20,837	-	-	20,837	-
	<u>\$ 3,303,148</u>	<u>\$ 1,558,665</u>	<u>\$ 819,541</u>	<u>\$ 5,681,354</u>	<u>\$ 5,012,767</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>					
	<u>\$ 466,963</u>	<u>\$ 41,187</u>	<u>\$ 93,237</u>	<u>\$ 601,387</u>	<u>\$ 1,100,907</u>
Amortization	\$ (12,366)	\$ (181,521)	\$ (98,822)	\$ (292,709)	\$ (266,082)
Interdivisional subsidies (Note 5)	(173,536)	93,832	79,704	-	-
	<u>\$ (185,902)</u>	<u>\$ (87,689)</u>	<u>\$ (19,118)</u>	<u>\$ (292,709)</u>	<u>\$ (266,082)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>					
	\$ 281,061	\$ (46,502)	\$ 74,119	\$ 308,678	\$ 834,825
<b>NET ASSETS - Beginning</b>					
	4,323,151	5,876,876	1,281,405	11,481,432	10,605,090
Endowment contributions	-	10,909	-	-	41,517
<b>NET ASSETS - Ending</b>					
	<u>\$ 4,604,212</u>	<u>\$ 5,841,283</u>	<u>\$ 1,355,524</u>	<u>\$ 11,801,019</u>	<u>\$ 11,481,432</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,

2025

2024

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### CASH WAS PROVIDED BY (USED IN):

#### OPERATING ACTIVITIES

Excess of revenue over expenditures	\$ 308,678	\$ 834,825
Items not affecting cash:		
Amortization	292,709	266,082
Loss on disposal of assets	20,837	-
Designated funds payable recognized (Note 7)	<u>(581,967)</u>	<u>(587,368)</u>
	\$ 40,257	\$ 513,539
Net change in non-cash working capital balances:		
Accounts receivable	1,414	(86,146)
Prepaid expenses and deposits	4,353	(14,276)
Accounts payable and accrued liabilities	114,136	(38,015)
Designated funds payable received (Note 7)	<u>538,976</u>	<u>581,935</u>
	\$ 699,136	\$ 957,037

#### INVESTING ACTIVITIES

Purchase of guaranteed investment certificates	\$ (160,000)	\$ (350,000)
Proceeds (purchase) of investments held by Lakeshore Foundation fund	7,235	(40,917)
New endowment contributions invested in Lakeshore Foundation fund	-	(600)
Purchase of capital assets	(224,630)	(209,955)
Purchases of environmental upgrade capital expenditures	(145,807)	(264,949)
Advances of loans receivable	-	(100,000)
Contributions to endowment fund	<u>10,909</u>	<u>41,517</u>
	\$ (512,293)	\$ (924,904)

#### FINANCING ACTIVITIES

Deferred capital contributions	\$ 273,536	\$ 231,934
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#### INCREASE IN CASH

\$ 460,379 \$ 264,067

CASH - Beginning

1,616,781 1,352,714

CASH - Ending

\$ 2,077,160 \$ 1,616,781

#### SUPPLEMENTARY CASH FLOW INFORMATION

Cash is allocated as follows:

Cash - Unrestricted	\$ 810,695	\$ 1,039,114
Cash - Restricted	<u>1,266,465</u>	<u>577,667</u>
	\$ 2,077,160	\$ 1,616,781

See accompanying notes

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# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 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).

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.

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# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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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.

**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.

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# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 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.

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# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 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, reserve funds for hosting 2030 PAOC General Conference, environmental advance funding for Lakeshore and Ottawa Valley Pentecostal Camps and future District office relocation as follows:

	2025	2024
Designated funds payable (Note 7)	\$ 139,347	\$ 182,338
Unspent capital contributions (Note 8)	125,528	-
Internally restricted net assets	<u>3,511,590</u>	<u>2,745,329</u>
	<u>\$ 3,776,465</u>	<u>\$ 2,927,667</u>

Investments consist of GIC's that mature between February and August 2026 and bear interest ranging from 2.70% to 3.26%.

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# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 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 2024 which is due May 16, 2029.

The District also engaged with MCS in the following transactions:

	2025	2024
Subsidies to MCS	\$ 382,851	\$ 321,827
Awards from District to MCS	500	500
Awards from District Women's Network to MCS	200	200

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, there were \$10,909 (2024 - \$41,517) of endowment contributions 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 2.30% and 5.25% and mature in 2026. Interest of \$4,815 (2024 - \$9,753) earned on the fund is included in designated funds payable under camp sponsorships (Note 7) in accordance with the terms of the endowment.

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# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 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 2026 based on projected cashflows. The balance is as follows:

	2025	2024
Balance - Beginning	\$ 339,631	\$ 591,691
Less: Repayments	<u>(119,165)</u>	<u>(252,060)</u>
Balance - Ending	<u>\$ 220,466</u>	<u>\$ 339,631</u>

The District division also loaned funds to Ottawa Valley Pentecostal Camp. The loan is non-interest bearing with no fixed terms of repayment. The balance is as follows:

	2025	2024
Balance - Beginning	\$ 267,959	\$ 37,189
Plus: Advances	129,664	253,270
Less: Repayments	<u>(23,000)</u>	<u>(22,500)</u>
Balance - Ending	<u>\$ 374,623</u>	<u>\$ 267,959</u>

During the year, the District provided subsidies to Lakeshore Pentecostal Camp of \$93,832 (2024 - \$90,160) and Ottawa Valley Pentecostal Camp of \$79,704 (2024 - \$74,160) for operations.

# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

### 6. CAPITAL ASSETS

Capital assets consist of the following:

	2025			2024
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>General District</b>				
Land	\$ -	\$ -	\$ -	\$ 20,837
Buildings	236,529	116,191	120,338	122,223
Computers	160,050	144,727	15,323	16,312
Equipment	240,613	232,078	8,536	7,980
	<u>\$ 637,192</u>	<u>\$ 492,996</u>	<u>\$ 144,197</u>	<u>\$ 167,352</u>
<b>Lakeshore Pentecostal Camp</b>				
Land	\$ 2,580,000	\$ -	\$ 2,580,000	\$ 2,580,000
Water and sewage	2,967,267	222,884	2,744,383	2,793,935
Buildings	4,289,919	2,552,557	1,737,362	1,791,494
Equipment	906,616	808,393	98,223	106,133
Site improvement and signs	414,947	381,731	33,216	31,871
Drainage	163,297	150,725	12,572	13,969
Computers	5,389	919	4,470	1,897
Vehicles	185,152	176,024	9,128	13,951
	<u>\$ 11,512,587</u>	<u>\$ 4,293,233</u>	<u>\$ 7,219,354</u>	<u>\$ 7,333,250</u>
<b>Ottawa Valley Pentecostal Camp</b>				
Land	\$ 560,000	\$ -	\$ 560,000	\$ 560,000
Buildings	1,120,704	757,991	362,713	387,633
Water and sewage	488,801	19,226	469,575	410,164
Site improvements	640,922	374,897	266,025	143,417
Equipment	389,336	283,283	106,053	76,554
Vehicles	153,095	114,194	38,901	31,340
Computers	4,735	3,868	867	1,084
	<u>\$ 3,357,593</u>	<u>\$ 1,553,459</u>	<u>\$ 1,804,134</u>	<u>\$ 1,610,192</u>
	<u>\$ 15,507,372</u>	<u>\$ 6,339,688</u>	<u>\$ 9,167,685</u>	<u>\$ 9,110,794</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.

# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

### 7. DESIGNATED FUNDS PAYABLE

Designated funds payable consist of the following:

	Balance Beginning	Received	Recognized	Balance Ending
<b>General District</b>				
Women's Network L.I.F.E.	\$ 77,181	\$ 25,344	\$ 25,344	\$ 77,181
Ministers assistance program	7,813	-	-	7,813
Small church assistance fund	7,019	-	-	7,019
CM leadership training	-	2,019	-	2,019
Pastors assistance	11,000	-	11,000	-
Men's OVPC retreat	-	3,007	3,007	-
Youth Ministries Jr High offerings	-	2,398	2,398	-
Youth Ministries Sr High offerings	-	1,253	1,253	-
PAOC Hutchinson Christmas Gift	-	500	500	-
	<u>\$ 103,013</u>	<u>\$ 34,521</u>	<u>\$ 43,502</u>	<u>\$ 94,032</u>
<b>Lakeshore Pentecostal Camp</b>				
Sports and recreation equipment	\$ 15,222	\$ 8,845	\$ 6,490	\$ 17,577
Memorial fund	8,504	630	353	8,781
Camp sponsorships	2,362	6,006	1,250	7,118
Capital funds	1,018	-	-	1,018
Environmental upgrades (Note 8)	-	244,343	244,343	-
Missions	-	37,016	37,016	-
Lakeshore Foundation	-	10,000	10,000	-
Gardening	-	4,204	4,204	-
	<u>\$ 27,106</u>	<u>\$ 311,044</u>	<u>\$ 303,656</u>	<u>\$ 34,494</u>
<b>Ottawa Valley Pentecostal Camp</b>				
Camp projects	\$ 31,308	\$ 129,576	\$ 152,476	\$ 8,408
Camp sponsorship	1,413	1,000	-	2,413
Memorial fund donations	19,498	1,579	21,077	-
Missions	-	38,256	38,256	-
Environmental upgrades (Note 8)	-	23,000	23,000	-
	<u>\$ 52,219</u>	<u>\$ 193,411</u>	<u>\$ 234,809</u>	<u>\$ 10,821</u>
	<u>\$ 182,338</u>	<u>\$ 538,976</u>	<u>\$ 581,967</u>	<u>\$ 139,347</u>

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# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions consist of contributions for capital projects as follows:

<b>Lakeshore Pentecostal Camp</b>	<b>2025</b>	<b>2024</b>
Balance - Beginning	\$ 1,658,495	\$ 1,440,685
Add: Capital contributions received	244,343	249,960
Less: Amounts amortized as revenue in the year	<u>(32,347)</u>	<u>(32,150)</u>
Balance - Ending	<u>\$ 1,870,491</u>	<u>\$ 1,658,495</u>
<b>Ottawa Valley Pentecostal Camp</b>	<b>2025</b>	<b>2024</b>
Balance - Beginning	\$ 201,145	\$ 187,021
Add: Capital contributions received	75,917	23,325
Less: Amounts amortized as revenue in the year	<u>(14,377)</u>	<u>(9,201)</u>
Balance - Ending	<u>\$ 262,685</u>	<u>\$ 201,145</u>

### 9. GOVERNMENT ASSISTANCE

The District has received \$82,269 (2024 - \$68,730) of government assistance from the Canada Summer Jobs grant.

### 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.

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# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 10. PENSION PLAN - Continued

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 2025, 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 \$34,381 (2024 - \$35,221) 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 \$97,920 in 2025 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 is in the process of 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 is nearing completion and the expected cost to finish the septic system upgrades has yet to be determined.

#### Statement of Claim

A statement of claim was issued on March 18, 2025 against five defendants, including The Eastern Ontario District of the Pentecostal Assemblies of Canada. In the opinion of management, the ultimate outcome and the total amount of any potential liability cannot be reasonably estimated. Given the uncertainty, no accrual for a liability has been recorded in these financial statements.

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# EASTERN ONTARIO DISTRICT OF THE PENTECOSTAL ASSEMBLIES OF CANADA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 12. COMMITMENTS

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

2026	<u>\$ 79,800</u>
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The District is in the process of negotiating a new lease.

### 13. SUBSEQUENT EVENT

The loan from the District division to Lakeshore Pentecostal Camp (Note 5) will be repaid on March 31, 2026, from the proceeds of the sale of the related cottage.

### 14. 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, 2025:

#### 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, 2025 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.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

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### **15. CREDIT FACILITY AGREEMENT**

Under the terms of a credit facility agreement with the Royal Bank of Canada dated August 6, 2008, the District has available a \$100,000 revolving demand facility by way of RBP based loans.

At the year end, the revolving demand facility was \$Nil (2024 - \$Nil).