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S P E C I A L  
D I S T R I C T  
C O N F E R E N C E



# Business

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# Contents

<b>ABNWT CREDENTIALS.....</b>	<b>1</b>
<b>PAOC INTERNATIONAL OFFICE REPORT.....</b>	<b>2</b>
<b>VANGUARD COLLEGE REPORT .....</b>	<b>4</b>
<b>VANGUARD COLLEGE FINANCIALS .....</b>	<b>5</b>

## **AGENDA**

**WELCOME**

**CONFERENCE COMMITTEES**

**RATIFICATION OF CREDENTIAL  
MATTERS**

**PRESENTATION OF REPORTS**

## **COMMITTEES**

**ROSTER**

**LOREDANA REDDEKOPP (CH)**

**MADISON EIRICH**

**TELLERS**

**ARNOLD LOTHOLZ (CH)**

# PAOC ALBERTA & NWT DISTRICT

# Credentials Report

Credential Actions that have taken place since the 2022 District Conference through January 19, 2023.

**10** ORDINATION CANDIDATES

**16** NEW APPLICANTS

**2** TRANSFER IN

**29** NEW APPLICATIONS IN PROCESS



CURRENT NUMBER  
OF CREDENTIAL  
HOLDERS

As of January 31, 2023

**491**



**328** ORDAINED

**43** LICENSED MINISTER

**43** RECOGNITION OF MINISTRY

**60** MINISTRY RELATED

**17** OTHER



# PAOC International Office

## REPORT TO THE DISTRICT CONFERENCES

In many Christian circles, 2023 is being commemorated as the 2,000th anniversary of the death and resurrection of Jesus, His ascension, and His outpouring of the Spirit on His church to fulfil His mission. This has resulted in a unified understanding in many parts of the global church that the Lord of the harvest is calling His people to be "aligned for mission." So there will be a decade-long, multi-component focus pointed toward a unified mission that would see the gospel of the kingdom preached in the whole world.

As a Pentecostal mission family, we will work towards fulfilling the Great Commission in this generation. We affirm the numerous 2023 initiatives focused on everyone hearing the gospel of Jesus Christ. We will call upon our member congregations to mobilize prayer, leadership, compassion and resources to contact every unreached person. We believe the next ten years will be the greatest decade of fulfilling the mandate of Jesus as together, empowered by the Spirit, we proclaim the Good News and establish new churches – what exciting times to be living in!

### PAOC Annual General Meeting

We look forward to our PAOC Annual General Meeting (AGM) on March 21, 2023, and encourage you to attend. Our in-person AGM will be held at PORTICO Community Church in Mississauga, Ontario. We will also livestream the various sessions of the day. As we come together with a theme of being "Aligned for Mission," our emphasis as Pentecostal leaders will be on the following:

- A fresh focus on personal witness and evangelism
- Evangelists who are equippers of all believers, along with fulfilling their own distinct calling to reach everyone who has not heard the gospel
- Aligned multiplication network endeavours for a kingdom increase of disciple-making communities
- Enhanced prayer movements where every church in the nation is a "house of prayer"

- Church movements and resource ministries aligned for mission—globally, nationally, regionally, and locally.

### PAOC Statement of Essential Truths

In 2023, we are releasing a commentary on our PAOC Statement of Essential Truths. We are thankful for the good work of our Theological Study Commission and others who have contributed to this book that can be used by our Pentecostal leaders. Please watch for it in both print and PDF formats and in English and French.

### Fellowship Services

We are thankful for the good work of our Fellowship Services department at our PAOC International Office, under the leadership of Craig Burton, our new general secretary-treasurer, as he and the team work to ensure that necessary systems and services are in place for mission to propel forward with excellence.

### Reaching People

Our work as a Fellowship, both nationally and globally, continues to be focused on reaching into unreached areas and to people who have yet to know the good news of the gospel.

Many in our Mission Canada worker family have made ministry adjustments in recent years to include online outreach and discipleship and have seen fruit from their efforts. We are not a people who grow weary in tough times, but rather we embrace challenges, growing, stretching, and trusting God for financial blessings and divine encounters. He never fails us, and we continue to see His provision for mission. Thank you for supporting the work of Mission Canada as we prioritize our efforts in reaching our post-secondary campuses, Canada's Indigenous population, our next generation, our urban centres, newcomers and cultural language groups, and Quebec and Francophone Canadians. This past year, our





partnership with the Canadian government in the private sponsorship of refugees has seen a good number of families brought to safety from countries where they have experienced religious persecution. This included the submission of numerous applications for Christian families who fled Afghanistan. We are thankful for committed churches and congregation members who, because of their stand for Christ, selflessly show care and compassion to those persecuted.

Finally, we are grateful for our Mission Global family, under the leadership of Murray Cornelius, and their commitment as we move forward:



- We promise to passionately pursue every opportunity and use every means possible to give those with little or no access to the gospel an opportunity to hear the message of hope that is Jesus, a message that offers them reconciliation with their Creator.
- We promise to sensitively seek Christ-centred, holistic, and sustainable solutions to injustice and poverty and help build communities of Jesus' followers that reconcile the vulnerable and marginalized with their God, their communities, and their fellow humankind.
- Our promise is to those who have little or no access to the gospel (3.1 billion) and to those with little or no access to the basic necessities of life (2 billion), to the least reached and the socio-economically vulnerable. These two groups of people largely overlap and often live in remote, difficult, and dangerous places. Labourers for the harvest are critically needed to achieve this great task. Our focus is on recruiting and mobilizing those being called by God to go. We go together as Canadians, working alongside our international partners, to be God's witness in word and deed.

In 2022, our PAOC family sent out 17 new global workers, five of whom will be living and working internationally among the least reached in restricted access nations. We are thankful to our Mission Global leadership team, our growing global worker base, and our congregations across Canada. Through our 100 Points of Light initiative, many have contributed seed money so that workers can be released expeditiously to identified areas around the globe. As a missional Fellowship, we pray, we give, and we go.



Global events are part of everyday news, and we have seen God at work through our Fellowship. Global workers, overseas national partners, and our churches took action in various ways in response to the ongoing war in Ukraine, including stepping in to coordinate with local partners and deliver immediate aid. Our Bible college, Lviv Theological Seminary, became a temporary shelter for over 5,000 people, including 1,000 children. Refugees were fed, and food was delivered to branch churches and campuses in the war zone. The generous response of our churches in Canada to the war in Ukraine is truly unprecedented. ERDO (Emergency Relief and Development Overseas) has been a significant part of this impact, supporting war victims with over \$2 million in emergency food and supplies. They continue to see the Lord's blessing with their global food programs doubling over the past year.

Let us share one quick story out of Ukraine: A longstanding community church had decreased from 30 congregants to just 15 because of the war. But, as we partnered to meet physical and spiritual needs in that community, we have seen this church become a beacon of hope—300 people are now attending! When we are aligned for mission, kingdom efforts can advance quickly, are far-reaching, and can be incredibly impactful.

As a Fellowship with over 100 years of rich history, together, we anticipate what the Lord is going to do in this next decade as we focus our efforts with great intentionality. As part of the larger Pentecostal World Fellowship family, we believe the next ten years will be the greatest decade of fulfilling the mandate of Jesus. Together, empowered by the Spirit, let's establish new churches and proclaim the good news until everyone has heard it.



*All for His glory,  
Dave Wells  
General Superintendent  
The Pentecostal Assemblies of Canada*

# Vanguard College

**"Vanguard College exists to develop Spirit-empowered leaders to advance fruitful churches and global mission."**

This is the mission statement for Vanguard College, and it is further supported, directed, and focused on by our four core values:

- The Supremacy of God's Word (II Timothy 3:16-17)
- Disciplined Spiritual Formation (Colossians 1:10-12)
- The Preparation and Mobilization of Ministry Practitioners (Ephesians 4:11-13)
- The Proclamation and Practice of God's Kingdom (Luke 4:18-19)

This is the essence of what we are called to do at Vanguard, and we strive towards that goal.

## Student Numbers

Here are the numbers for the fall of 2022:

- 209 students in total. 156 oncampus, 53 online.
- Of the 209, 68% from AB. Next highest ON at 9% and NFL at 6%.
- 50% Pentecostal (PAOC, PAONL or just pentecostal)
- 22% Alliance
- 8% Baptist

Our overall numbers are down as we recover post-pandemic. We are praying and working towards seeing that trend turn around over the next 3-4 years. A few more numbers worth your attention would be commencement – 39 degree grads, 2 diploma grads, and 15 certificate grads. I choose to pray for the full kingdom potential to be realized.

## Student Housing

Vanguard took possession of a triplex, which is now named D.N. Buntain house, for student housing. It will not only provide a home away from home for students, but it will contribute to our operational budget. Being able to buy it for cash and renovate 2 of the basements (the third to be done this summer)

means that, moving forward, we are able to fill it with students.

## The William David Endowment

Beginning with a conversation in January 2022, Vanguard received a significant stock-based endowment in June. This endowment is a segregated, restricted fund that will resource everything we do towards our second core value into the future. This includes the new William David Spiritual Direction Centre. When fully functioning, all students will receive six sessions a year.

This commitment is to the well-being of our students now and as they move toward the ministry. There is no doubt that the pandemic has impacted students. In conversation with the leaders of our accreditation body as well as presidents of other Canadian schools, this is a common reality. We do not despair but pray and believe that they will develop a healthy resiliency for the future.

## Grateful

Personally, this year marked a transition from being the Acting (think pretending or auditioning) President to an official appointment that was marked in a very meaningful way at our commencement. I am honoured to serve in this capacity and grateful for the encouragement and support from the board, the team at Vanguard and you, our constituency. I also recognize that I need to walk in full dependence upon the Lord. I look forward to sharing further about some of the exciting projects we are working towards.

Coming out of a very uncertain season, the one thing that remains certain is the goodness and faithfulness of God.

I am prayerfully being attentive toward partnership, collaboration and kingdom.



**Mark MacKnight**  
*Vanguard College President*

# Vanguard College

## FINANCIALS

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Accountants

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### INDEPENDENT AUDITOR'S REPORT

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To the Board of Vanguard College

#### *Qualified Opinion*

We have audited the financial statements of Vanguard College (the College), which comprise the statement of financial position as at April 30, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at April 30, 2022, 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 for Qualified Opinion*

In common with many charitable organizations, the College derives part of its revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the College and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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 Financial Statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

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

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

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



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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements. 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 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 College'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 College'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 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 College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

A handwritten signature in black ink that reads "Faber LLP". The signature is written in a cursive, flowing style.

Edmonton, Alberta  
October 14, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

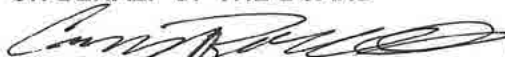



**VANGUARD COLLEGE**  
**Statement of Financial Position**  
**April 30, 2022**

	General Fund	Capital Fund	Endowment Fund	2022	2021
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 403,054	\$ -	\$ -	\$ 403,054	\$ 539,456
Accounts receivable	35,655	-	-	35,655	107,379
Goods and services tax recoverable	2,873	-	-	2,873	3,558
Inventory	55,422	-	-	55,422	31,860
Prepaid expenses	13,447	-	-	13,447	23,600
Deposits	6,750	20,000	-	26,750	12,300
Due from Capital Fund (Note 3)	1,848	-	-	1,848	-
Due from General Fund (Note 3)	-	-	-	-	41,599
	<b>519,049</b>	<b>20,000</b>	<b>-</b>	<b>539,049</b>	<b>759,752</b>
CAPITAL ASSETS (Note 4)	-	3,494,745	-	3,494,745	3,653,010
INTANGIBLE ASSET (Note 5)	-	30,238	-	30,238	30,238
RESTRICTED CASH (Notes 6, 8)	-	1,358,931	298,425	1,657,356	1,418,828
	<b>519,049</b>	<b>4,903,914</b>	<b>298,425</b>	<b>\$ 5,721,388</b>	<b>\$ 5,861,828</b>
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities	\$ 194,338	\$ -	\$ -	\$ 194,338	\$ 184,353
Wages payable	2,605	-	-	2,605	4,820
Deferred contributions (Note 7)	111,339	-	-	111,339	206,902
Deposits received	21,380	-	-	21,380	23,945
Due to General Fund (Note 3)	-	1,848	-	1,848	-
Due to Capital Fund (Note 3)	-	-	-	-	41,599
	<b>329,662</b>	<b>1,848</b>	<b>-</b>	<b>331,510</b>	<b>461,619</b>
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 8)	-	3,194,814	-	3,194,814	3,286,327
	<b>329,662</b>	<b>3,196,662</b>	<b>-</b>	<b>3,526,324</b>	<b>3,747,946</b>
<b>NET ASSETS</b>					
Unrestricted	157,209	-	-	157,209	224,356
Internally restricted (Note 9)	32,178	-	-	32,178	32,178
Invested in capital assets	-	1,707,252	-	1,707,252	1,770,003
Endowment Fund (Note 6)	-	-	298,425	298,425	87,345
	<b>189,387</b>	<b>1,707,252</b>	<b>298,425</b>	<b>2,195,064</b>	<b>2,113,882</b>
	<b>\$ 519,049</b>	<b>\$ 4,903,914</b>	<b>\$ 298,425</b>	<b>\$ 5,721,388</b>	<b>\$ 5,861,828</b>

COMMITMENTS (Note 10)

**ON BEHALF OF THE BOARD**

 Director  
 Director

The accompanying notes are an integral part of these financial statements.

**VANGUARD COLLEGE**  
**Statement of Operations**  
**Year Ended April 30, 2022**

	General Fund	Capital Fund	Endowment Fund	2022	2021
<b>REVENUES</b>					
General Fund (Schedule 1)	\$ 2,972,209	\$ -	\$ -	\$ 2,972,209	\$ 3,254,921
Capital Fund (Schedule 2)	-	117,981	-	117,981	119,987
Endowment Fund (Schedule 3)	-	-	1,000	1,000	1,010
	<b>2,972,209</b>	<b>117,981</b>	<b>1,000</b>	<b>3,091,190</b>	<b>3,375,918</b>
<b>EXPENSES</b>					
General Fund (Schedule 1)	3,039,356	-	-	3,039,356	2,993,732
Capital Fund (Schedule 2)	-	180,732	-	180,732	200,575
Endowment Fund (Schedule 3)	-	-	1,000	1,000	1,010
	<b>3,039,356</b>	<b>180,732</b>	<b>1,000</b>	<b>3,221,088</b>	<b>3,195,317</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(67,147)</b>	<b>(62,751)</b>	<b>-</b>	<b>(129,898)</b>	<b>180,601</b>

The accompanying notes are an integral part of these financial statements.

**VANGUARD COLLEGE**  
**Statement of Changes in Net Assets**  
**Year Ended April 30, 2022**

	General Fund	Capital Fund	Endowment Fund	2022	2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 256,534	\$ 1,770,003	\$ 87,345	\$ 2,113,882	\$ 1,923,925
Excess (deficiency) of revenues over expenses	(67,147)	(62,751)	-	(129,898)	180,601
Contributions	-	-	211,080	211,080	9,356
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 189,387</b>	<b>\$ 1,707,252</b>	<b>\$ 298,425</b>	<b>\$ 2,195,064</b>	<b>\$ 2,113,882</b>

The accompanying notes are an integral part of these financial statements.



**VANGUARD COLLEGE**  
**Statement of Cash Flows**  
**Year Ended April 30, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (129,898)	\$ 180,601
Items not affecting cash:		
Amortization of capital assets	180,732	186,549
Loss (gain) on disposal of capital assets	(279)	1,148
Amortization of deferred contributions relating to capital assets	(111,563)	(115,059)
Impairment loss on intangible asset	-	12,878
	<b>(61,008)</b>	<b>266,117</b>
Changes in non-cash working capital:		
Accounts receivable	71,724	(90,414)
Goods and services tax recoverable	685	(512)
Inventory	(23,562)	15,883
Prepaid expenses	10,153	(17,993)
Restricted cash	(238,528)	(304,270)
Deposits	(14,450)	1,100
Accounts payable and accrued liabilities	9,985	14,865
Wages payable	(2,215)	(7,721)
Deferred contributions	(95,563)	72,793
Deposits received	(2,565)	1,825
	<b>(284,336)</b>	<b>(314,444)</b>
Cash flows from operating activities	<b>(345,344)</b>	<b>(48,327)</b>
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets	(22,988)	(51,264)
Proceeds on disposal of capital assets	800	-
Purchase of intangible asset	-	(30,238)
Contributions received related to capital assets	20,050	358,300
Cash flows from investing activities	<b>(2,138)</b>	<b>276,798</b>
<b>FINANCING ACTIVITY</b>		
Increase in Endowment Fund	211,080	9,356
Cash flows from financing activity	<b>211,080</b>	<b>9,356</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(136,402)</b>	<b>237,827</b>
Cash - beginning of year	539,456	301,629
<b>CASH - END OF YEAR</b>	<b>\$ 403,054</b>	<b>\$ 539,456</b>

The accompanying notes are an integral part of these financial statements.

**1. PURPOSE**

Vanguard College (the College) is a theological college founded by and representing the doctrines of the Alberta and NWT District of the Pentecostal Assemblies of Canada (PAOC).

The College was proclaimed in the Alberta Legislature in 1986. The legislation was proclaimed as the Northwest Bible College Act of the Province of Alberta (the Act). The name of the Act was changed to the Vanguard College Act and the College's name was changed to Vanguard College. The College operates as a registered charity under the Income Tax Act and is exempt from income taxes.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for non-profit organizations.

Cash

Cash consists of funds held on deposit at Canadian financial institutions.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on an average cost basis.

Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is recorded as an expense of the Capital Fund. Donated assets are recorded at the estimated fair market value at the time of donation. The College records amortization using the declining balance method at the following rates:

Buildings	5%
Computer equipment	30%
Furniture and fixtures	20%

Upon retirement or disposition of capital assets, the capitalized cost and related accumulated depreciation are removed from the statement of financial position and any resulting gain or loss is recognized in the Capital Fund.

Intangible assets

Intangible assets are assessed for impairment every year and when events or changes in circumstances indicate that an asset may be impaired. Impairment is assessed by comparing the assets' fair value, based on estimates of discounted future cash flows or other valuation methods, to their carrying value.

If the fair value is less than the carrying value, the difference is included as an expense of the Capital Fund.

*(continues)*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Leases

Leases are classified as either capital or operating leases. At the time the College enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

Fund accounting

The General Fund is used for the College's operating activities. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable provided that the amount to be received can be reasonably estimated and collection is reasonably assured. Pledges are not recorded until received.

The Capital Fund reports the assets, liabilities, revenue and expenditures related to the College's capital assets.

The Endowment Fund reports resources contributed for the establishment of annual scholarships and awards. Endowment contributions are recognized as direct increases in the Endowment Fund balances. Investment income earned on Endowment Fund resources is recorded as revenue of the Endowment Fund.

Revenue recognition

The College follows the deferral method of accounting for contributions. Contributions are included in revenue in the year in which they are received or receivable, with the exception that restricted contributions are initially recorded as a liability and then recognized as revenue in the year in which the related expenses are incurred.

Endowment contributions are recognized in the year received.

Tuition is included in revenue in the fiscal period in which the school semester is held.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the exchange rate in effect on the dates they occur, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of excess of revenues over expenses for the current period.

Contributed goods and services

Volunteers contribute numerous hours to assist the College in carrying out its mandate. The value of these contributed services is not recognized in these financial statements due to the difficulty of determining their fair values.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in excess (deficiency) of revenue over expenditures. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for non-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include providing for amortization of capital assets. Actual results could differ from these estimates.

3. INTERFUND BALANCES

The College transfers and advances funds between the General Fund and the Capital Fund as needed. Advanced funds are non-interest bearing with no specific terms of repayment.

As at April 30, 2022, the Capital Fund was indebted to the General Fund for \$1,848 (2021 - General Fund was indebted to the Capital Fund for \$41,599).

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 465,556	\$ -	\$ 465,556	\$ 465,556
Buildings	5,508,694	2,570,093	2,938,601	3,090,978
Computer equipment	126,620	82,301	44,319	38,630
Furniture and fixtures	238,086	191,817	46,269	57,846
	<u>\$ 6,338,956</u>	<u>\$ 2,844,211</u>	<u>\$ 3,494,745</u>	<u>\$ 3,653,010</u>

Capital assets disposed in the year include computer equipment with a cost of \$2,380, accumulated amortization of \$1,859 and gain on disposal of \$279.

5. INTANGIBLE ASSET

Intangible asset consists of development costs related to the College's website. The website has not been impaired in value so it has not been amortized.

**VANGUARD COLLEGE**  
**Notes to Financial Statements**  
**Year Ended April 30, 2022**

**6. ENDOWMENT FUND**

The Endowment Fund is comprised of the following amounts:

	2022	2021
Joan Elizabeth Petryk Memorial Fund	\$ 211,696	\$ -
Gonam Raju Endowment Fund	29,412	29,781
Lillian Douglass Scholarship Fund	19,565	19,877
Earl Howatt Scholarship Fund	10,400	10,400
Mark Buntain Living Memorial Scholarship	9,295	9,295
M L Olson Scholarship Fund	4,199	4,181
James Hazlett Memorial Award Fund	4,183	4,164
AL Lindoff Memorial Scholarship Fund	3,280	3,265
Jesse F. Lynn Memorial Scholarship	2,107	2,099
Extra Mile Award Fund	2,000	2,000
Linklater Scholarship Fund	1,171	1,171
Ernest Shedden Award Fund	1,117	1,112
	<b>\$ 298,425</b>	<b>\$ 87,345</b>

These funds are required to be maintained permanently as endowments and thus the cash received associated with these endowments is classified as long-term.

**7. DEFERRED CONTRIBUTIONS**

Deferred contributions reported in the General Fund are contributions which relate to expenditures that will be made subsequent to the year end. The balances in deferred contributions are as follows:

	2022	2021
Tuition	\$ 48,986	\$ 45,675
Scholarships	45,860	150,000
Housing Revenue	6,250	-
Mission Donations	5,217	3,700
Pastoral leadership conferences	5,026	5,026
Graduation fees	-	1,651
Student assistance	-	850
	<b>\$ 111,339</b>	<b>\$ 206,902</b>

**8. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

Deferred contributions related to capital assets represent contributions expressly made to acquire assets for the Capital Fund. The changes in the deferred contributions are as follows:

	<b>2022</b>	<b>2021</b>
Balance at beginning of year	\$ 3,286,327	\$ 3,043,086
Contributions received	20,050	358,300
Amortized to revenue	(111,563)	(115,059)
Balance at end of year	\$ 3,194,814	\$ 3,286,327

Cash donated to acquire capital assets is restricted until the funds are spent on their designated purpose. Restricted cash on hand related to capital assets at April 30, 2022 is \$1,358,931 (2021 - \$1,331,483).

During the year, a further \$20,000 was donated to build student housing. The current total designated to this project is \$1,306,256.

**9. INTERNALLY RESTRICTED**

Internally restricted funds represent funds restricted for sabbatical purposes.

**10. COMMITMENTS**

The College is a member of the Networking Edmonton's Online Systems (NEOS) Consortium. The 2022 annual fee for NEOS membership is \$16,585 (2021 - \$16,207). In addition, the College has entered into operating leases for residential properties and photocopiers. Estimated minimum annual payments for residential properties and photocopiers are as follows:

Contractual obligation repayment schedule:

2023	\$ 20,150
2024	9,948
2025	920
	\$ 31,018

**11. BANK INDEBTEDNESS**

The College has available two demand operating lines of credit. Operating line 1(a) has a maximum credit available of \$200,000, while operating line 1(b) has a maximum credit available of \$350,000 which is available only from June 1 to August 31 each year. Both lines of credit bear interest at prime plus 1.55% and are secured by a general security agreement covering all present and after acquired property of the College as well as a specific charge on land. As at April 30, 2022, there was \$nil outstanding on facility 1(a) (2021 - \$nil) and \$nil outstanding on facility 1(b) (2021 - \$nil).

The PAOC has guaranteed the debts outstanding from time to time under the credit facilities. A fee has not been charged for this guarantee.



## **12. RELATED PARTY TRANSACTIONS**

Vanguard College was established under the direction of the Alberta and NWT District of the Pentecostal Assemblies of Canada (PAOC). In addition to four ex-officio members, board members are appointed by both the Alberta NWT District Leadership Team, and the Board of Directors. The PAOC signed a ten year lease effective July 2012. In May 2017, the PAOC took up an option to extend the lease by a further five years which now expires on June 30, 2027. Monthly rent payments are reviewed every two years and adjusted for inflation. During the year, the PAOC donated funds totaling \$153,146 (2021 - \$137,496) to the College and paid rent of \$122,400 (2021 - \$122,400). During the year the College made purchases from the PAOC totaling \$1,975 (2021 - \$nil).

Transactions with the PAOC are in the normal course of operations and are measured at their carrying amount. Advances to and from related parties, if any, are non-interest bearing and are unsecured.

## **13. CAPITAL MANAGEMENT**

The College's goal in managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide services to the public. To accomplish this goal, the College has established policies to preserve its financial condition and protect its assets by setting limitations on the expenditure of funds, incurring debt and investing funds. The Board meets regularly to review the College's financial position.

## **14. CONTRACTUAL AGREEMENT**

### Library Expansion

On May 1, 2011, the College entered into a Library Sharing, Management and Security Agreement with Taylor College and Seminary (Taylor) to expand the Library. In consideration of Taylor relocating their library collection with approximately 46,000 evangelical theological library books to the College, the College has agreed to house, administer and provide Taylor students access to the Library. The College is paying the cost to house the addition of the Taylor books.

On May 1, 2021, Taylor has donated the full collection to the College and the College has agreed to provide access to the collection to Taylor faculty, students and alumni and borrowing access within the NEOS Library Consortium (NEOS) for ten years, as well as maintaining the name of the collection for a period of 20 years. Donated collection is not recognized as revenue because fair value of donated collection cannot be reasonably estimated.

## **15. SUBSEQUENT EVENTS**

- The Board of Directors has appointed the Vice President as the President starting May 1, 2022 for the College.
- Subsequent to year end, the College received a significant Endowment Fund with a value of approximately \$6,000,000. 5% of the annual value is to be disbursed to fund Spiritual Formation initiatives at the College.
- During the year, the Board of Directors approved the possible purchase of a triplex condominium unit up to \$1,040,000 for Student Housing and entered into a contract to purchase a triplex in April 2022. Subsequent to year end, the College took possession of the triplex condominium unit for \$1,000,000 in May 2022.

**16. COVID-19**

In March 2020, the World Health Organization (WHO) declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

The College is closely monitoring the situation and in overall effects of this event on the College. The operations will continue with slight modifications to accommodate physical distancing and other COVID-19 infection prevention protocols. However, management believes this event does not significantly affect the College's ongoing operations.

**17. FINANCIAL INSTRUMENTS**

The College is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of April 30, 2022.

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 College is exposed to credit risk from students and tenants. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The College has a significant number of students and tenants which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The College is exposed to this risk mainly in respect of its receipt of funds from students, customers and other related sources, lease obligations, contributions to the pension plan, and accounts payable. It is management's opinion that the risk is low and is not material.

Currency risk

Currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates. The College is exposed to foreign currency exchange risk on cash held in U.S. dollars. The College does not use derivative instruments to reduce its exposure to foreign currency risk. The College does not hold significant amounts of foreign currency at any one time, therefore, any potential impact on the College from volatility in foreign exchange rates would be minimal.

Unless otherwise noted, it is management's opinion that the College is not exposed to significant other price risks arising from these financial instruments.

**18. COMPARATIVE FIGURES**

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

**19. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been approved by the Board of Directors.



**VANGUARD COLLEGE**  
**General Fund (Schedule 1)**  
**Year Ended April 30, 2022**

	2022	2021
<b>REVENUES</b>		
Constituency support	\$ 396,121	\$ 416,325
Donations	372,335	410,046
Government assistance and subsidies	104,394	96,244
Housing revenue	66,798	100,070
Operations revenue	310,074	320,991
Outreach donations	200	300
Student fees	137,165	119,160
Textbook sales	43,655	59,016
Tuition and course fees	1,541,467	1,732,769
	<b>2,972,209</b>	<b>3,254,921</b>
<b>EXPENSES</b>		
Administration	213,663	208,270
Facilities expenses	245,656	209,284
Interest and bank charges	20,776	24,501
Learning resources	40,258	41,366
Outreach expenses	900	1,531
Program expenses	39,798	34,937
Promotion and Recruitment	61,666	38,095
Rent	100,710	121,105
Salaries and benefits	2,052,069	2,010,913
Scholarships and bursaries	176,549	226,968
Student activities	47,213	20,296
Textbook costs	40,098	56,466
	<b>3,039,356</b>	<b>2,993,732</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ (67,147)</b>	<b>\$ 261,189</b>

The accompanying notes are an integral part of these financial statements.



**VANGUARD COLLEGE**  
**Capital Fund (Schedule 2)**  
**Year Ended April 30, 2022**

	2022	2021
<b>REVENUES</b>		
Amortization of deferred contributions related to capital assets	\$ 111,563	\$ 115,059
Gain on disposal of capital assets	279	-
Interest income	6,139	4,928
	<b>117,981</b>	<b>119,987</b>
<b>EXPENSES</b>		
Amortization of capital assets	180,732	186,549
Impairment loss on intangible asset	-	12,878
Loss on disposal of capital assets	-	1,148
	<b>180,732</b>	<b>200,575</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (62,751)</b>	<b>\$ (80,588)</b>

**Endowment Fund (Schedule 3)**  
**Year Ended April 30, 2022**

	2022	2021
<b>REVENUE</b>		
Interest income	\$ 1,000	\$ 1,010
<b>EXPENSES</b>		
Scholarships	1,000	1,010
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.



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