

**THE CANADIAN COUNCIL OF CHURCHES**

**CONSOLIDATED  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014**

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**MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING  
DECEMBER 31, 2014**

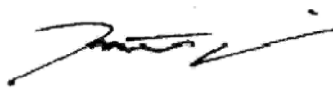
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The accompanying consolidated financial statements and all other information contained in this annual report are the responsibility of the management of The Canadian Council of Churches. The Finance Committee reviews the financial statements and recommends them for approval to the Governing Board. The Governing Board reviews the financial statements and the report from the Finance Committee and approves the annual audited financial statements. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and have been approved by the Governing Board.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of The Canadian Council of Churches. Management maintains a system of internal accounting and administration controls which are designed to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial information. Such information also includes data based on management's best estimates and judgments. Management has determined that the enclosed financial statements are presented fairly and on a consistent basis with prior years, in all material respects.

The Governing Board reviews and approves the annual financial statements. In addition, the financial officer of The Canadian Council of Churches meets with the external auditors, and reports to the Governing Board thereon. The Governing Board also reviews the annual report in its entirety.

The accompanying consolidated financial statements have been audited by Graham Mathew Professional Corporation, the external auditors of the organization, who are engaged by the Governing Board and whose appointment was ratified by the Governing Board. The Independent Auditors' Report, dated June 23, 2015, expresses their opinion on the 2014 consolidated financial statements.



Matthew Pupic  
Director of Finance and Development  
Project Ploughshares



Peter Noteboom  
Deputy Secretary  
The Canadian Council of Churches

## INDEPENDENT AUDITORS' REPORT

To the Governing Board of  
**The Canadian Council of Churches**

We have audited the accompanying consolidated financial statements of **The Canadian Council of Churches**, which comprise the statement of financial position as at December 31, 2014, and the consolidated statements of revenues, expenses and fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation revenue was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses and fund balances.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **The Canadian Council of Churches** as at December 31, 2014, 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.



Cambridge, Ontario  
June 23, 2015

CHARTERED ACCOUNTANTS, authorized to practise public  
accounting by the Chartered Professional Accountants of Ontario

**CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND FUND BALANCES  
YEAR ENDED DECEMBER 31, 2014**

	Canadian Council of Churches		Project Ploughshares		2014	Canadian Council of Churches		Project Ploughshares		2013
	Operating Fund \$	Restricted Funds \$	Operating Fund \$	Restricted Funds \$		Operating Fund \$	Restricted Funds \$	Operating Fund \$	Restricted Funds \$	
<b>Revenues</b>										
Donations (note 10)			625,684	28,014	653,698			569,428	42,542	611,970
Member/sponsors grants	310,561		28,750		339,311	320,937		27,960		348,897
Government grant			172,266		172,266			184,488		184,488
Contributions							178,760			178,760
Stewardship	58,041	8,873			66,914	61,862				61,862
Assembly	63,279				63,279					
Investment income	17,365	42,803	1,365	31,484	93,017	19,514	28,197	3,930	80,404	132,045
Other income		9,018	3,402		12,420		9,459	1,851		11,310
	<b>449,246</b>	<b>60,694</b>	<b>831,467</b>	<b>59,498</b>	<b>1,400,905</b>	<b>402,313</b>	<b>216,416</b>	<b>787,657</b>	<b>122,946</b>	<b>1,529,332</b>

The explanatory financial notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND FUND BALANCES (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2014**

	Canadian Council of Churches		Project Ploughshares		2014	Canadian Council of Churches		Project Ploughshares		2013
	Operating Fund \$	Restricted Funds \$	Operating Fund \$	Restricted Funds \$		Operating Fund \$	Restricted Funds \$	Operating Fund \$	Restricted Funds \$	
<b>Expenses</b>										
Salaries and benefits	270,792		527,963		798,755	255,969		583,886		839,855
Conferences and special projects			103,336		103,336			136,746		136,746
Fundraising	17,814		64,355		82,169	21,322		92,343		113,665
Office administration (note 4)	62,509		75,710		138,219	63,618		77,553		141,171
Biotech reference group	2,160				2,160					
Publishing			27,992		27,992			31,183		31,183
Professional services	14,313		44,466		58,779	14,496		24,371		38,867
Staff travel	7,269		7,655		14,924	16,431		10,612		27,043
Resources and membership fee			4,672		4,672			3,928		3,928
Program										
Commission on:										
Justice and Peace	5,428				5,428	4,087				4,087
Faith and Witness	5,105				5,105	6,509				6,509
Christian Interfaith Group	3,913				3,913	1,155				1,155
Communications Committee	3,623				3,623	2,683				2,683
Governing Board/ Executive Committee	14,405				14,405	1,180				1,180
Assembly	61,420				61,420					
Program - other	591	41,504			42,095	5,424	33,973			39,397
	<b>469,342</b>	<b>41,504</b>	<b>856,149</b>		<b>1,366,995</b>	<b>392,874</b>	<b>33,973</b>	<b>960,622</b>		<b>1,387,469</b>
Excess (deficiency) of revenues over expenses for year	( 20,096)	19,190	( 24,682)	59,498	33,910	9,439	182,443	( 172,965)	122,946	141,863
Fund balances, beginning of year	216,965	490,501	221,454	1,074,341	2,003,261	197,566	241,000	354,419	991,395	1,784,380
Endowment contributions for year					491,877		77,018			77,018
	196,869	509,691	196,772	1,133,839	2,529,048	207,005	500,461	181,454	1,114,341	2,003,261
Interfund transfer (note 3)	17,814	( 17,814)	60,000	( 60,000)		9,960	( 9,960)	40,000	( 40,000)	
<b>Fund balances, end of year</b>	<b>214,683</b>	<b>491,877</b>	<b>256,772</b>	<b>1,073,839</b>	<b>2,037,171</b>	<b>216,965</b>	<b>490,501</b>	<b>221,454</b>	<b>1,074,341</b>	<b>2,003,261</b>

The explanatory financial notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2014**

	Canadian Council of Churches		Project Ploughshares		2014	Canadian Council of Churches		Project Ploughshares		2013
	Operating	Restricted	Operating	Restricted		Operating	Restricted	Operating	Restricted	
	Fund	Funds	Fund	Funds		Fund	Funds	Fund	Funds	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash	31,014		163,594		194,608	49,690		130,565		180,255
Investments (note 5)	4,549	12,754	53,379	1,073,839	1,144,521	39,761	127,311	11,032	1,074,341	1,252,445
Accounts receivable	12,414		98,754		111,168	35,557		124,608		160,165
Prepays	3,310		14,868		18,178	4,640		15,047		19,687
<b>Current assets</b>	<b>51,287</b>	<b>12,754</b>	<b>330,595</b>	<b>1,073,839</b>	<b>1,468,475</b>	<b>129,648</b>	<b>127,311</b>	<b>281,252</b>	<b>1,074,341</b>	<b>1,612,552</b>
Capital assets (note 6)	4,043		7,286		11,329	619		893		1,512
Investments (note 5)	170,932	479,123			650,055	102,279	363,190			465,468
	<b>226,262</b>	<b>491,877</b>	<b>337,881</b>	<b>1,073,839</b>	<b>2,129,859</b>	<b>232,546</b>	<b>490,501</b>	<b>282,145</b>	<b>1,074,341</b>	<b>2,079,532</b>
<b>LIABILITIES</b>										
Accounts payable and accrued liabilities (note 7)	11,579		76,444		88,023	15,581		55,008		70,588
Deferred contributions (note 8)			4,665		4,665			5,683		5,683
	<b>11,579</b>		<b>81,109</b>		<b>92,688</b>	<b>15,581</b>		<b>60,691</b>		<b>76,271</b>
<b>FUND BALANCES</b>										
Unrestricted funds	214,683		256,772		471,455	216,965		221,454		438,419
Internally restricted		313,481		1,073,839	1,387,320		308,377		1,074,341	1,382,718
Endowment funds (note 11)		178,396			178,396		182,124			182,124
	<b>214,683</b>	<b>491,877</b>	<b>256,772</b>	<b>1,073,839</b>	<b>2,037,171</b>	<b>216,965</b>	<b>490,501</b>	<b>221,454</b>	<b>1,074,341</b>	<b>2,003,261</b>
	<b>226,262</b>	<b>491,877</b>	<b>337,881</b>	<b>1,073,839</b>	<b>2,129,859</b>	<b>232,546</b>	<b>490,501</b>	<b>282,145</b>	<b>1,074,341</b>	<b>2,079,532</b>

**APPROVED BY THE GOVERNING BOARD:**



Director



Director

The explanatory financial notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2014**

	2014 \$	2013 \$
<b>Cash flows from operating activities:</b>		
Excess of revenues over expenses for the year:	33,910	141,863
Add non-cash items:		
Amortization	5,108	2,030
	<b>39,018</b>	143,893
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	48,997	( 45,079)
Prepaid expenses	1,509	( 582)
Accounts payable and accrued liabilities	17,435	33,721
Deferred contributions	( 1,018)	( 38,027)
	<b>105,941</b>	93,926
<b>Cash flows from investing activities:</b>		
Purchase of capital assets	( 14,925)	( 1,339)
Net purchase of investments	( 76,663)	( 356,273)
	<b>( 91,588)</b>	( 357,612)
<b>Cash flows from financing activities:</b>		
Endowment contributions received		77,018
<b>Net increase (decrease) in cash</b>	<b>14,353</b>	<b>( 186,668)</b>
Cash position, beginning of year	180,255	366,923
<b>Cash position, end of year</b>	<b>194,608</b>	<b>180,255</b>



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## CONSOLIDATED EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2014

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### 1. Purpose of the Organization

The Canadian Council of Churches "the Council" was founded in 1944, incorporated federally by an Act of Parliament on June 7, 1956, is a registered charity under the Income Tax Act. The Council brings together representatives from 25 churches out of a vision for unity and the need to identify common agendas of faith, witness, justice and peace concerns for joint action. The Council primarily focuses on Canadian questions, but also addresses global and other issues from a Canadian perspective. Its participation in, and experience of ecumenism is widened by the establishment of connection with councils of churches and other ecumenical councils in Canada and throughout the world.

Project Ploughshares is an operating agency of the Council and sponsored by Canadian churches and church agencies. Established in 1976, Project Ploughshares works with churches, governments and civil society, in Canada and abroad, to advance policies and actions that prevent war and armed violence and build peace.

The Canadian Churches' Forum for Global Ministry "the Forum" is an ecumenical operation through which Canadian churches work toward intercultural leadership development and ministry learning. The Forum was created in 1962 by a by-law of the Council reflecting an agreement between the Council and the Canadian School of Missions. Under that agreement the Forum was to be managed separately from the Council but under its aegis. The Forum is a registered charity under the Income Tax Act and is, accordingly, exempt from income tax. The financial results of the Forum have not been consolidated with the Council but a summary of the financial results has been included in note 10.

As the Council is a registered charity under the Income Tax Act, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations.

### 2. Summary of Significant Accounting Policies

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

#### (a) Basis of consolidation

These consolidated financial statements include the accounts of The Canadian Council of Churches and The Canadian Council of Churches - Project Ploughshares ("Project Ploughshares").

Project Ploughshares does not consolidate its nine local groups located across Canada into its financial statements. The Council considers these to be individually immaterial organizations in the context of CPA 4450 Reporting controlled and related entities by not-for-profit organizations. The local groups are not consolidated into these financial statements because it is felt that the limited benefit derived from the additional information does not justify the associated cost.

#### (b) Fund accounting

To ensure observation of restrictions placed on the use of resources available to the Council, the accounts are maintained in accordance with the principles of fund accounting. Under this method, resources for various purposes are classified for accounting and reporting purposes into separate funds in accordance with activities or objectives specified. For financial reporting purposes, funds with similar characteristics have been combined into major fund groups, which reflect the assets, liabilities and fund balances, and the revenues and expenses of each fund as follows:

##### **Operating fund (unrestricted funds)**

Revenues and expenses related to the core operations of the Council are provided for from the Operating Fund. These operations are primarily funded by undesignated donations and grants.

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**CONSOLIDATED EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED DECEMBER 31, 2014**

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**2. Summary of Significant Accounting Policies (Continued)****(b) Fund accounting (continuing)****Restricted funds**

Amounts received and transferred in are internally restricted for special purposes. The principal and interest earned on these restricted funds are to be used for the purposes specified. The restricted funds of the Council are detailed in the schedule of restricted and endowment funds.

**Project Ploughshares' Future Fund**

In 1991, the Governing Committee of Project Ploughshares established the Future Fund to provide a predictable source of revenue for the annual operations of Project Ploughshares. The sources of capital for the Future Fund are bequests, life insurance, RRSPs and RRIFs and gifts of securities or other designated donations. Donors are encouraged to make a gift to the Future Fund to perpetuate their support for Project Ploughshares and its peace building programs into the future, and to ensure the growth of the Future Fund so it will provide increasing income for programs while conserving the principal.

**Endowment funds****The Oliver McCully Fund**

The interest earned by the Oliver McCully Fund must be disbursed for educational purposes (75%) and church activities (25%). Any income not expended in accordance with the terms of the bequest will be held for two additional years, and, if not so expended, will be added back to the principal of the fund.

**Shearer Endowment Fund**

The interest on the Shearer Endowment Fund is not restricted and can be used for operating purposes.

**The Howard McIlroy Mills Memorial Fund**

The interest on the Howard McIlroy Mills Memorial Fund is restricted and must be reinvested within the fund and any disbursements from the fund must be in accordance with the terms of the fund agreement for theological education.

**(c) Revenue recognition**

The Council follows the restricted fund method of accounting for contributions whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the appropriate fund in the year in which the contributions are received. Government and other grants received for which its use is restricted for special projects are recognized as income following the deferral method of accounting under the Operating Fund. Investment income is recognized as revenue in the appropriate fund when receivable.

Member grants are recorded in income in the year the funds are to be applied to offset expenses. Event registration fees are recognized when the related event occurs.

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**CONSOLIDATED EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED DECEMBER 31, 2014**

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**2. Summary of Significant Accounting Policies (Continued)****(d) Financial instruments**

Mutual funds, corporate shares and term deposits are shown on the consolidated statement of financial position at their fair values at the year-end date, with changes in fair value recognized in the consolidated statement of operations. Bonds and debentures are recorded at amortized cost less any discovered impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at their amortized cost or cost.

The Council's financial instruments include cash, investments, account receivable and accounts payable and accrued liabilities. Cash and certain investments (mutual funds, corporate shares and term deposits) are subsequently measured at their fair value, while the other financial assets and liabilities are subsequently measured at their amortized cost.

Unless otherwise noted, the carrying value of the financial instruments is a reasonable approximation of their fair value given the short terms to maturity.

**(e) Capital assets**

Capital assets are carried at cost. Amortization is provided on a straight-line basis at the following rates:

Computer hardware	33%
Computer software	33%
Furniture and equipment	20%

**(f) Use of estimates**

The preparation of these consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

**(g) Contributed materials and services**

Contributed materials which are used in the normal course of the Council's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Volunteers contribute significant time to assist the Council in carrying out its mandate. Due to the difficulty in determining their fair market value, contributed services are not recognized in the consolidated financial statements.

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**CONSOLIDATED EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED DECEMBER 31, 2014**

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### 3. Interfund Transfer

During the year, the Future Fund transferred \$60,000 to the Project Ploughshares Operating Fund, to assist with operations.

During the year, the Council's Restricted Funds transferred \$17,814 to the Council's Operating Fund, to assist with operations.

Interfund balances bear interest equal to the overall rate of return experienced during the year on the Council's investment portfolio held in the Operating Fund and have no fixed terms of repayment.

### 4. Leases

The Council has entered into an operating lease for its head office premises that expires on June 30, 2015. The minimum monthly rent under this lease to June 30, 2015 is \$836 and will increase from year to year at the rate of change in the Consumer Price Index. Additionally, under the lease, the Council must pay its share of overhead and common area expenses projected to be \$1,286 per month.

The Council leases office space for its Project Ploughshares operations at Conrad Grebel University College under a five year license agreement, expiring on May 31, 2019, at a base rent of \$2,060 monthly due on the first day of each month during the license term. There is also an option to extend the license a further 5 years with the same terms and conditions.

### 5. Investments

	2014	2013
	\$	\$
Term deposits	244,607	237,943
Mutual funds and corporate shares	899,914	1,014,502
Bonds and debentures	650,055	465,468
	<b>1,794,576</b>	1,717,913
Current portion maturing within one year	<b>1,144,521</b>	1,252,445
	<b>650,055</b>	465,468

The term deposits are recorded at fair market value, which approximates cost, bear interest at 2.75%, and mature in September 2015. The deposits are held at major financial institutions.

Bonds and debentures bear interest at rates ranging from 2.37% to 5.1% and mature at various dates from January 2015 to January 2022. The mutual funds are held at the Mennonite Foundation of Canada. These funds are recorded at fair market value at December 31, 2014.

**CONSOLIDATED EXPLANATORY FINANCIAL NOTES  
YEAR ENDED DECEMBER 31, 2014**

	2014 \$	2013 \$
<b>6. Capital Assets</b>		
<b>Cost</b>		
Computer hardware	58,604	51,254
Computer software	17,279	18,932
Furniture and equipment	31,004	42,709
	<b>106,887</b>	112,895
<b>Accumulated amortization</b>		
Computer hardware	47,275	49,742
Computer software	17,279	18,932
Furniture and equipment	31,004	42,709
	<b>95,558</b>	111,383
<b>Net Book Value</b>	<b>11,329</b>	1,512

Amortization expense for the year was \$5,108 (\$2,030 in 2013).

**7. Accounts Payable and Accrued Liabilities**

There were no amounts payable with respect to government remittances as of the year end date.

**8. Deferred Contributions**

Deferred contributions represents unspent grants relating to special projects. Changes to deferred contributions is as follows:

Balance, beginning of year	5,683	43,710
Contributions received during the year	196,715	152,097
Contributions recognized as income during the year	( 197,733)	( 190,124)
	<b>4,665</b>	5,683

**9. Financial Instruments**

The Council is exposed to various risks through its financial instruments. The following analysis provides a measure of the Council's risk exposure and concentrations at the reporting date.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Council monitors cash flow activities on a regular basis. Due to the nature of the Council, cash inflows are generally known and major cash outflows relate mostly to program expenditures which are planned for on an annual basis and monitored through the year. In addition, the majority of the investments held are short term in nature which gives the Council the flexibility to meet unplanned demands on cash and thus serves to reduce its liquidity risk.

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**CONSOLIDATED EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED DECEMBER 31, 2014**

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**9. Financial Instruments (Continued)****Credit risk**

The entity is exposed to credit risk by holding debt instruments, such as bonds and debentures, as investments. The Council manages its exposure by limiting the holdings to government and high quality corporate instruments. It is management's opinion that the Council is not exposed to any significant credit risk.

**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 other price risk. The entity is mainly exposed to interest rate risk and other price risk.

**Currency risk**

Currency risk is the risk to the Council's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. It is management's opinion that the Council is not exposed to any significant currency risk.

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rate. By holding a substantial portion of its investments in fixed rate instruments, the Council insulates its interest income from short-term changes in market interest rates. Nevertheless, the cash flows from investing activities are exposed to long-term changes in interest rates. Interest rate changes will also impact the fair value of investments held.

**Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Council is exposed to other price risk through its investments in quoted shares. The Council follows investment policies, procedures and processes for managing equity risk.

**10. Related Party Transactions**Project Ploughshares Local Groups

The Council has nine local Project Ploughshares groups across Canada. A local Project Ploughshares group is a group of individuals in a community who agree to support the mandate and program of Project Ploughshares and who are accepted as an accredited local Project Ploughshares group by the Council.

While local groups establish and maintain an internal administration structure to manage the local group, the Council maintains direction and full control for all activity undertaken in the name of Project Ploughshares and for the collection and disbursement of all funds received for Project Ploughshares. Local groups are required to provide the Council with annual financial and program activity reports. All assets of the local groups are the assets of the Council. At dissolution of a local group, all assets are returned to the Council.

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**CONSOLIDATED EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED DECEMBER 31, 2014**

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**10. Related Party Transactions (Continued)**

The financial information of the local groups have not been consolidated within the Council's financial statements as the activities of the local groups are not material to the Council's operations.

All funds raised by local groups are forwarded to Project Ploughshares and have been recognized as revenue in the Operating Fund. A matching expense has been recorded as these funds are returned to the local groups for use in their operations. During the year, \$23,015 of donation revenue raised by the local groups was recognized and expensed as returned to the local groups.

Bequests received by the local groups are recognized as revenue of Project Ploughshares' Future Fund. Investment income earned on these funds in the year is remitted to the respective local group. During the year, investment income totalling \$2,886 was paid to local groups.

The Canadian Churches' Forum for Global Ministries

The Canadian Churches' Forum for Global Ministries "the Forum" is an ecumenical Christian operation that was to be managed separately from the Council but under its aegis.

On May 16, 2014, the Governing Board of the Council adopted the revised by-laws of the Forum that had been approved by the Board of Management of the Forum on June 19, 2013.

The Forum has not been consolidated in the Council's financial statements. Financial statements are available upon request. Financial summaries of this unconsolidated agency as at December 31, 2014 and December 31, 2013 and for the years then ended are as follows:

	<b>2014</b>	2013
	<b>\$</b>	\$
Financial position		
Total assets	<b>441,668</b>	446,100
Total liabilities	<b>31,644</b>	9,297
Fund balances	<b>410,024</b>	436,803
	<b>441,668</b>	446,100
Results of operations		
Total revenue	<b>156,555</b>	184,357
Total expenditure	<b>180,614</b>	183,347
Excess (deficiency) of revenue over expenditure	<b>( 24,059)</b>	1,010

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**CONSOLIDATED EXPLANATORY FINANCIAL NOTES**  
**YEAR ENDED DECEMBER 31, 2014**

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**11. Endowment Funds**

Amounts received and transferred in are internally restricted for special purposes. The investment income earned on these restricted funds is to be used for the purposes set out in note 2(b).

	<b>2014</b>	2013
	\$	\$
Shearer Endowment Fund	<b>78,881</b>	88,552
The Oliver McCully Fund	<b>19,673</b>	16,554
The Howard McIlroy Mills Memorial Fund	<b>79,842</b>	77,018
	<b>178,396</b>	182,124

**12. Comparative Figures**

Comparative figures have, in some instances, been restated in order to present them in a form comparable to those for the current year.



# THE CANADIAN COUNCIL OF CHURCHES

## CONSOLIDATED SCHEDULE OF RESTRICTED AND ENDOWMENT FUNDS YEAR ENDED DECEMBER 31, 2014

	Balance as at December 31, 2013 \$	Income \$	Program Expenses \$	Transfers \$	Balance as at December 31, 2014 \$
<b>Restricted Funds</b>					
Future Fund - Project Ploughshares	1,074,341	59,498		( 60,000)	1,073,839
Restricted by management	91,887	23,710	( 37,589)	10,654	88,662
Restricted by donor	216,491	18,896	( 3,916)	( 6,653)	224,818
<b>Endowment Funds</b>	182,124	18,087		( 21,815)	178,396
<b>2014 Balances</b>	<b>1,564,843</b>	<b>120,191</b>	<b>( 41,505)</b>	<b>( 77,814)</b>	<b>1,565,715</b>
2013 Comparatives	1,232,395	416,380	( 33,973)	( 49,959)	1,564,843