

THE CANADIAN COUNCIL OF CHURCHES

**CONSOLIDATED
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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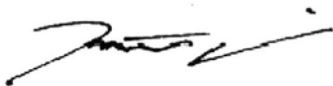
**MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING
DECEMBER 31, 2015**

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 judgements. 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 Treasurer of The Canadian Council of Churches meets with the external auditors, and reports to the Governing Board thereon. The Finance Committee reviews the audited financial statements and recommends them to the Governing Board. 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 May 24, 2016, expresses their opinion on the 2015 consolidated financial statements.



Matthew Pupic
Director of Finance and Development
Project Ploughshares



Peter Noteboom
Deputy Secretary
The Canadian Council of Churches



Jonathan Schmidt
Director
The Canadian Churches' Forum for Global Ministries

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, 2015, 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 judgement, 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of **The Canadian Council of Churches** as at December 31, 2015, 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.

Other Matters

The financial statements of The Canadian Churches' Forum for Global Ministries for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on those statements on June 5, 2015.



Cambridge, Ontario
May 24, 2016

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, 2015**

	The Canadian Churches' Forum for Global Ministries		Canadian Council of Churches		Project Ploughshares		2015 \$	The Canadian Churches' Forum for Global Ministries		Canadian Council of Churches		Project Ploughshares		2014 \$
	Unrestricted Fund	Restricted Funds	Unrestricted Fund	Restricted Funds	Unrestricted Fund	Restricted Funds		Unrestricted Fund	Restricted Funds	Unrestricted Fund	Restricted Funds	Unrestricted Fund	Restricted Funds	
	\$	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$	\$	
Revenues														
Donations (note 10)	7,790			5,000	562,858	53,000	628,648	12,272				625,684	28,014	665,970
Member/sponsors grants	58,500		311,035		28,940		398,475	58,500		310,561		28,750		397,811
Other grants					198,461		198,461					172,266		172,266
Stewardship			55,707	604			56,311		58,041	8,873				66,914
Assembly									63,279					63,279
Investment income (loss)	18,662		(4,016)	(14,414)	1,707	26,439	28,378	47,235	17,365	42,803	1,365	31,484		140,252
Other income	578			22,247	930		23,755	4,548		9,018	3,402			16,968
Intercultural and mission programs	43,519						43,519	34,000						34,000
	129,049		362,726	13,437	792,896	79,439	1,377,547	156,555	449,246	60,694	831,467	59,498		1,557,460

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

**CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND FUND BALANCES
YEAR ENDED DECEMBER 31, 2015**

	The Canadian Churches' Forum for Global Ministries		Canadian Council of Churches		Project Ploughshares		2015	The Canadian Churches' Forum for Global Ministries		Canadian Council of Churches		Project Ploughshares		2014
	Unrestricted Fund \$	Restricted Funds \$	Unrestricted Fund \$	Restricted Funds \$	Unrestricted Fund \$	Restricted Funds \$		Unrestricted Fund \$	Restricted Funds \$	Unrestricted Fund \$	Restricted Funds \$	Unrestricted Fund \$	Restricted Funds \$	
Expenses														
Salaries and benefits	119,655		270,620		520,979		911,254	122,523		270,792		527,963		921,278
Conferences and special projects					114,304		114,304					103,336		103,336
Fundraising			12,438		60,416		72,854		17,814			64,355		82,169
Office administration (note 4)	23,108		58,883		62,213		144,204	25,128	62,509			75,710		163,347
Publishing					31,398		31,398					27,992		27,992
Professional services	12,067		13,091		20,329		45,487	4,660	14,313			44,466		63,439
Travel	1,328		6,985		21,483		29,796	533	7,269			7,655		15,457
Resources and membership fee					2,950		2,950					4,672		4,672
Program														
Commission on:														
Justice and Peace			7,327				7,327		5,428					5,428
Faith and Witness			6,954				6,954		5,105					5,105
Christian Interfaith Group			2,498				2,498		3,913					3,913
Communications Committee			1,708				1,708		3,623					3,623
Governing Board/ Executive Committee	2,642		4,690				7,332	828	14,405					15,233
Assembly			721				721		61,420					61,420
Intercultural and mission	34,096						34,096	26,941						26,941
Biotech reference group			1,966				1,966		2,160					2,160
Other			3,415	81,204			84,619		591	41,505				42,096
	192,896		391,296	81,204	834,072		1,499,468	180,613	469,342	41,505		856,149		1,547,609
Excess (deficiency) of revenues over expenses	(63,847)		(28,570)	(67,767)	(41,176)	79,439	(121,921)	(24,058)	(20,096)	19,189	(24,682)	59,498		9,851
Fund balances, beginning	410,024		214,683	491,877	256,772	1,073,839	2,447,195	434,082	2,720	216,965	490,502	221,454	1,074,341	2,440,064
Amount returned to funder									(2,720)					(2,720)
	346,177		186,113	424,110	215,596	1,153,278	2,325,274	410,024	196,869	509,691	196,772	1,133,839		2,447,195
Interfund transfer (note 3)			15,655	(15,655)	40,000	(40,000)			17,814	(17,814)	60,000	(60,000)		
Fund balances, ending	346,177		201,768	408,455	255,596	1,113,278	2,325,274	410,024	214,683	491,877	256,772	1,073,839		2,447,195

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

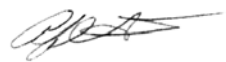
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2015

	The Canadian Churches' Forum for Global Ministries		Canadian Council of Churches		Project Ploughshares		2015 \$	The Canadian Churches' Forum for Global Ministries		Canadian Council of Churches		Project Ploughshares		2014 \$
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted		Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	
	Fund \$	Funds \$	Fund \$	Funds \$	Fund \$	Funds \$		Fund \$	Funds \$	Fund \$	Funds \$	Fund \$	Funds \$	
ASSETS														
Cash	25,722		40,309		207,229		273,260	15,895		31,014		163,594		210,503
Investments (note 5)	40,000		5,781	17,244	48,871	225,397	337,293	80,000		4,549	12,754	53,379	210,668	361,350
Accounts receivable	1,838		27,903		79,995		109,736	1,857		12,414		98,754		113,025
Prepays	5,197		7,687		14,321		27,205	1,730		3,310		14,868		19,908
Current assets	72,757		81,680	17,244	350,416	225,397	747,494	99,482		51,287	12,754	330,595	210,668	704,786
Capital assets (note 6)			2,333		7,726		10,059			4,043		7,286		11,329
Investments (note 5)	300,847		131,151	391,213		887,881	1,711,092	342,186		170,932	479,123		863,171	1,855,412
	373,604		215,164	408,457	358,142	1,113,278	2,468,645	441,668		226,262	491,877	337,881	1,073,839	2,571,527
LIABILITIES														
Accounts payable and accrued liabilities (note 7)	4,977		13,396	2	67,133		85,508	14,744		11,579		76,444		102,767
Deferred contributions (note 8)	22,450				35,413		57,863	16,900				4,665		21,565
	27,427		13,396	2	102,546		143,371	31,644		11,579		81,109		124,332
FUND BALANCES														
Unrestricted funds	346,177		201,768		255,596		803,541	410,024		214,683		256,772		881,479
Restricted funds				258,036		1,113,278	1,371,314			313,481			1,073,839	1,387,320
Endowment funds (note 11)				150,419			150,419			178,396				178,396
	346,177		201,768	408,455	255,596	1,113,278	2,325,274	410,024		214,683	491,877	256,772	1,073,839	2,447,195
	373,604		215,164	408,457	358,142	1,113,278	2,468,645	441,668		226,262	491,877	337,881	1,073,839	2,571,527

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, 2015**

	2015 \$	2014 \$
Cash flows from operating activities:		
Excess (deficiency) of revenues over expenses for the year:	(121,921)	9,851
Add non-cash item:		
Amortization	7,730	5,108
	(114,191)	14,959
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	3,289	48,508
Prepaid expenses	(7,297)	5,808
Accounts payable and accrued liabilities	(17,259)	22,882
Deferred contributions	36,298	15,882
	(99,160)	108,039
Cash flows from investing activities:		
Purchase of capital assets	(6,460)	(14,925)
Net decrease (increase) in investments	168,377	(70,784)
	161,917	(85,709)
Cash flows from financing activities:		
Cash paid to close Forum on International Personnel Fund		(2,720)
Net increase in cash	62,757	19,610
Cash position, beginning of year	210,503	190,893
Cash position, end of year	273,260	210,503

CONSOLIDATED EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2015

1. Purpose of the Organization

The Canadian Council of Churches, "the Council", founded in 1944 and 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 Ministries "the Forum" is an ecumenical Christian partnership 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. As the Forum 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.

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, The Canadian Council of Churches - Project Ploughshares ("Project Ploughshares") and The Canadian Churches' Forum for Global Ministries ("the Forum").

Project Ploughshares does not consolidate its eight 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:

Unrestricted funds

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

CONSOLIDATED EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2015

2. Summary of Significant Accounting Policies (Continued)**(b) Fund accounting (continued)****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**Shearer Endowment Fund**

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

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.

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 Unrestricted 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. Other grants received for which its use is restricted for special projects are recognized as income following the deferral method of accounting under the Unrestricted 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.

CONSOLIDATED EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2015

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 consolidated statement of operations 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 which 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 impracticality in determining fair market value, contributed services are not recognized in the consolidated financial statements.

CONSOLIDATED EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2015

3. Interfund Transfer

During the year, \$40,000 was transferred from the Future Fund to the Project Ploughshares Unrestricted Fund, to assist with operations.

During the year, the Council transferred \$15,655 of restricted funds to the Council's Unrestricted 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 Unrestricted 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, 2020. The minimum monthly rent under this lease to June 30, 2016 is \$873 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 \$1,298 per month. There is also an option to extend the lease a further 5 years with the same terms and conditions.

The Council has entered into an operating lease for The Canadian Churches' Forum for Global Ministries head office premises that expires on July 31, 2018. The minimum monthly rent under this lease to June 30, 2016 is \$280 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 \$417 per month. There is also an option to extend the lease a further 5 years with the same terms and conditions.

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

5. Investments

	2015	2014
	\$	\$
Term deposits	250,751	244,607
Mutual funds and corporate shares	1,252,247	1,322,100
Bonds and debentures	545,387	650,055
	2,048,385	2,216,762
Current portion	337,293	361,350
	1,711,092	1,855,412

The term deposits are recorded at fair market value, which approximates cost, bear interest at 1.87%, and mature in September 2016. The deposits are held at major financial institutions.

Bonds and debentures bear interest at rates ranging from 3.27% to 5.1% and mature at various dates from March 2018 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, 2015.

CONSOLIDATED EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2015

	2015	2014
	\$	\$
6. Capital Assets		
Cost		
Computer hardware	65,064	58,604
Computer software	17,279	17,279
Furniture and equipment	31,004	31,004
	113,347	106,887
Accumulated amortization		
Computer hardware	55,005	47,275
Computer software	17,279	17,279
Furniture and equipment	31,004	31,004
	103,288	95,558
Net Book Value	10,059	11,329

Amortization expense for the year was \$7,730 (\$5,108 in 2014) and is included in office administration on the consolidated statement of operations.

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	21,565	5,683
Contributions received during the year	226,287	213,615
Contributions recognized as income during the year	(189,989)	(197,733)
	57,863	21,565

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.

CONSOLIDATED EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2015

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 TransactionsProject Ploughshares Local Groups

The Council has eight 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.

**CONSOLIDATED EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2015**

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 Unrestricted Fund. A matching expense has been recorded as these funds are returned to the local groups for use in their operations. During the year, \$19,681 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 \$2,652 was paid to local groups.

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)).

	2015 \$	2014 \$
Shearer Endowment Fund	64,161	78,881
The Oliver McCully Fund	16,591	19,673
The Howard McIlroy Mills Memorial Fund	69,667	79,842
	150,419	178,396

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, 2015

	Balance as at December 31, 2014 \$	Income \$	Program Expenses \$	Transfers \$	Balance as at December 31, 2015 \$
Future Fund - Project Ploughshares	1,073,839	79,439		(40,000)	1,113,278
Restricted Funds	313,481	18,848	(81,037)	6,744	258,036
Endowment Funds	178,396	(5,411)	(167)	(22,399)	150,419
2015 Balances	1,565,716	92,876	(81,204)	(55,655)	1,521,733
2014 Comparatives	1,564,843	120,192	(41,505)	(77,814)	1,565,716