

THE CANADIAN COUNCIL OF CHURCHES

**CONSOLIDATED
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024**



DECEMBER 31, 2024
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**MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING
DECEMBER 31, 2024**

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 consolidated 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 consolidated financial statements are presented fairly and on a consistent basis with prior years, in all material respects.

The Finance Committee reviews the audited consolidated financial statements and recommends them to the Governing Board. The Governing Board reviews and approves the annual consolidated financial statements and 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 21, 2025, expresses their opinion on the 2024 consolidated financial statements.

Matthew Pupic
Director of Operations
Project Ploughshares

Peter Noteboom
General Secretary
The Canadian Council of Churches

INDEPENDENT AUDITORS' REPORT

To the Governing Board of
The Canadian Council of Churches

Opinion

We have audited the accompanying consolidated financial statements of **The Canadian Council of Churches** (the Council), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of revenues, expenses and fund balances and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council'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 Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Crahan Mathew Professional Corporation". The script is cursive and fluid, with the words connected together.

Cambridge, Ontario
May 21, 2025

Chartered Professional 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, 2024

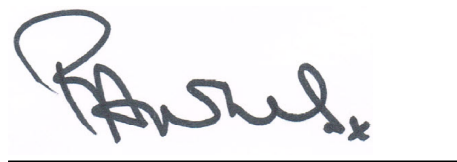
	Canadian Council of Churches		Project Ploughshares			Canadian Council of Churches		Project Ploughshares		
	Unrestricted Fund	Restricted Funds	Unrestricted Fund	Restricted Funds	2024	Unrestricted Fund	Restricted Funds	Unrestricted Fund	Restricted Funds	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Donations	181,384	32,560	555,652		769,596	45,150	12,888	501,446	787	560,271
Member/sponsor contributions	301,772		23,230		325,002	314,379		25,730		340,109
Government grants	4,634		109,322		113,956	9,340		113,180		122,520
Program grants	19,295	174,474	45,324		239,093	42,000	24,500	39,206		105,706
Investment income	13,597	11,700	12,978		38,275	4,610	23,543	9,411	13,983	51,547
Other revenue	40,054	57,688	6,652		104,394	113,920	5,958	3,938		123,816
	560,736	276,422	753,158		1,590,316	529,399	66,889	692,911	14,770	1,303,969
Expenses										
Salaries and benefits	360,036	214,773	820,515		1,395,324	437,396	111,807	903,589		1,452,792
Management and administration (notes 4 and 6)	43,373	3,727	93,188		140,288	45,404	503	88,669		134,576
Programs and projects	74,567	52,133	81,861		208,561	146,670	23,082	116,219		285,971
Grants to other organizations		2,500			2,500	2,000	10,000			12,000
Fundraising	51,192	692	50,802		102,686	884		13,306		14,190
	529,168	273,825	1,046,366		1,849,359	632,354	145,392	1,121,783		1,899,529
Excess (deficiency) of revenues over expenses	31,568	2,597	(293,208)		(259,043)	(102,955)	(78,503)	(428,872)	14,770	(595,560)
Fund balances, beginning	29,232	443,933	287,185	250,262	1,010,612	122,122	532,501	287,057	664,492	1,606,172
	60,800	446,530	(6,023)	250,262	751,569	19,167	453,998	(141,815)	679,262	1,010,612
Interfund transfers (note 3)	1,027	(1,027)	250,262	(250,262)		10,065	(10,065)	429,000	(429,000)	
Fund balances, ending	61,827	445,503	244,239	NIL	751,569	29,232	443,933	287,185	250,262	1,010,612

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2024

	Canadian Council of Churches		Project Ploughshares		Canadian Council of Churches		Project Ploughshares		
	Unrestricted Fund	Restricted Funds	Unrestricted Fund	2024	Unrestricted Fund	Restricted Funds	Unrestricted Fund	Restricted Funds	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS									
Cash	55,991	149,582	92,075	297,648	115,899	(76,575)	131,126		170,450
Accounts receivable	62,844	3,294	122,181	188,319	57,814	735	62,182		120,731
Prepays	5,973	164	33,669	39,806	6,124		31,057		37,181
Current assets	124,808	153,040	247,925	525,773	179,837	(75,840)	224,365		328,362
Capital assets (note 6)	1,172	1,852	4,657	7,681	2,077	475	7,572		10,124
Investments (note 5)		290,689	125,403	416,092	(142,648)	519,362	164,597	250,262	791,573
	125,980	445,581	377,985	949,546	39,266	443,997	396,534	250,262	1,130,059
LIABILITIES									
Accounts payable and accrued liabilities (note 7)	64,153	78	36,656	100,887	10,034	64	16,641		26,739
Deferred contributions (note 8)			97,090	97,090			92,708		92,708
	64,153	78	133,746	197,977	10,034	64	109,349		119,447
FUND BALANCES									
Unrestricted funds	61,827		244,239	306,066	29,232		287,185		316,417
Restricted funds		361,577		361,577		347,620		250,262	597,882
Endowment fund (note 10)		83,926		83,926		96,313			96,313
	61,827	445,503	244,239	751,569	29,232	443,933	287,185	250,262	1,010,612
	125,980	445,581	377,985	949,546	39,266	443,997	396,534	250,262	1,130,059

APPROVED BY THE GOVERNING BOARD:



Treasurer

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



CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

	2024 \$	2023 \$
Cash flows from operating activities:		
Deficiency of revenues over expenses for the year:	(259,043)	(595,560)
Add non-cash item:		
Amortization	8,253	7,689
	(250,790)	(587,871)
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	(67,588)	6,188
Prepaid expenses	(2,625)	30
Accounts payable and accrued liabilities	74,148	(473)
Deferred contributions	4,382	40,708
	(242,473)	(541,418)
Cash flows from investing activities:		
Purchase of capital assets	(5,810)	(11,420)
Change in investments	375,481	493,448
	369,671	482,028
Net increase (decrease) in cash	127,198	(59,390)
Cash position, beginning of year	170,450	229,840
Cash position, end of year	297,648	170,450



CONSOLIDATED EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2024

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. Accordingly, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations. The Council brings together representatives from its member churches to respond to Christ’s call for unity and peace, seek Christ’s truth with an affection for diversity, and act in love through prayer, dialogue and witness to the gospel.

Project Ploughshares is the peace research institute of the Council. It is an ecumenical operating division of the Council. Project Ploughshares has been a part of the Council since a Governing Board Executive Committee decision in 1976 to sponsor its in-depth study and educational program. 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 sustainable peace.

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").

(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.

Restricted funds

Amounts received and transferred in are internally or externally 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.



**CONSOLIDATED EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2024**

2. Summary of Significant Accounting Policies (Continued)

(c) Revenue recognition

The Council follows the restricted fund method of accounting for contributions whereby externally restricted contributions are recognized in the year received, 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.

Other grants received that are 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.

(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 revenues, expenses and fund balances. 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 revenues, expenses and fund balances for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at 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 asset is carried at cost. Amortization is provided on a straight-line basis at the following rate:

Computer hardware	33%
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CONSOLIDATED EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2024

2. Summary of Significant Accounting Policies (Continued)

(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

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.

3. Interfund Transfers

During the year, \$250,262 (\$429,000 in 2023) was transferred from the Future Fund to the Project Ploughshares Unrestricted Fund, to assist with operations.

During the year, the Council transferred \$1,027 (\$10,065 in 2023) of Restricted Funds to the Council's Unrestricted Fund, to assist with operations.

4. Leases

In 2024, The Council extended the lease of its premises, to June 28, 2026. The monthly rent under this lease is approximately \$1,290 and includes the lessee's share of overhead and common area expenses. The basic fees will increase year to year at the rate of change in the consumer price index. Overhead and common area costs are subject to an annual adjustment based on increases in the related costs.

In 2024, The Council extended the lease of office space for its Project Ploughshares operations at Conrad Grebel University College to August 31, 2029. The monthly rent under this lease is approximately \$2,166 plus HST. There is no option to further extend the terms of the agreement at this time.

	2024 \$	2023 \$
5. Investments		
Mutual funds and corporate shares	416,092	719,168
Bonds and debentures		72,405
	416,092	791,573

The Canadian Council of Churches' investments are held with Frontier Capital Funds and Project Ploughshares' investments are held with Abundance Canada.



CONSOLIDATED EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2024

	2024 \$	2023 \$
6. Capital Assets		
Cost		
Computer hardware	72,592	66,782
Accumulated amortization	64,911	56,658
Net Book Value	7,681	10,124

Amortization expense for the year was \$8,253 (\$7,689 in 2023) and is included in management and administration on the consolidated statement of revenues, expenses and fund balances.

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 are as follows:

Balance, beginning of year	92,708	52,000
Contributions received during the year	97,090	92,708
Contributions recognized as income during the year	(92,708)	(52,000)
	97,090	92,708

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 year end 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 can be liquidated easily, 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, 2024**

9. Financial Instruments (Continued)

Credit risk

The entity is exposed to credit risk with respect to its accounts receivable. The entity regularly assesses the collectibility of its accounts receivable.

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.

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. 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 below.

	2024 \$	2023 \$
Shearer Endowment Fund		6,273
The Oliver McCully Fund	11,445	11,885
The Howard McIlroy Mills Memorial Fund	72,481	76,411
General Endowment Fund		1,744
	83,926	96,313



CONSOLIDATED EXPLANATORY FINANCIAL NOTES
YEAR ENDED DECEMBER 31, 2024

10. Endowment Funds (Continued)

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.

General Endowment Fund

The accumulated unrealized gain on investments for endowment funds. The purpose of this fund is to cushion the impact of unrealized investment gains and losses from year to year. The accumulated excess balance in this fund may be allocated to endowment funds on a percentage basis at the discretion of the Finance Committee.

THE CANADIAN COUNCIL OF CHURCHES

CONSOLIDATED SCHEDULE OF RESTRICTED AND ENDOWMENT FUNDS YEAR ENDED DECEMBER 31, 2024

	Balance as at December 31, 2023 \$	Income \$	Program Expenses \$	Transfers \$	Balance as at December 31, 2024 \$
Future Fund - Project Ploughshares	250,262			(250,262)	
Restricted Funds	347,620	274,036	(268,579)	8,500	361,577
Endowment Funds	96,313	2,386	(5,246)	(9,527)	83,926
2024 Balances	694,195	276,422	(273,825)	(251,289)	445,503

	Balance as at December 31, 2022 \$	Income \$	Program Expenses \$	Transfers \$	Balance as at December 31, 2023 \$
Future Fund - Project Ploughshares	664,492	14,770		(429,000)	250,262
Restricted Funds	418,818	62,111	(132,244)	(1,065)	347,620
Endowment Funds	113,683	4,778	(13,148)	(9,000)	96,313
2023 Comparatives	1,196,993	81,659	(145,392)	(439,065)	694,195

Project Ploughshares' Future Fund

In 1991, the Management Committee of Project Ploughshares established the Future Fund to provide a predictable source of revenue for the annual operations of Project Ploughshares. During the year the balance of the Future Fund was transferred to Project Ploughshares Unrestricted Fund.