

Financial Statements of

**CANADIAN COUNCIL OF  
CHRISTIAN CHARITIES**

Year ended March 31, 2011



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## INDEPENDENT AUDITORS' REPORT

To The Members of Canadian Council of Christian Charities

We have audited the accompanying financial statements of Canadian Council of Christian Charities, which comprise the statement of financial position as at March 31, 2011 and the statements of operations and changes in fund balances and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial position of Canadian Council of Christian Charities as at March 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

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Chartered Accountants, Licensed Public Accountants

June 13, 2011  
Waterloo, Canada

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

## Statement of Financial Position


March 31, 2011, with comparative figures for 2010

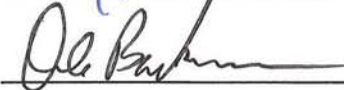
	Operating Fund	Capital Fund	Trusteed Funds	2011	2010
<b>Assets</b>					
Current assets:					
Cash	\$ 785,214	\$ -	\$ -	\$ 785,214	\$ 642,295
Investment in Community Trust Fund (note 2 (b))	681,255	-	-	681,255	636,971
Accounts receivable	58,061	-	-	58,061	33,412
Receivable from CCCC Pension Plan (note 4)	5,921	-	-	5,921	6,715
Inventory	2,883	-	-	2,883	2,430
Prepaid expenses	38,146	-	-	38,146	22,156
<b>Total current assets</b>	<b>1,571,480</b>	<b>-</b>	<b>-</b>	<b>1,571,480</b>	<b>1,343,979</b>
Trust assets					
Trust Fund for Legal Defence (note 2 (a))	-	-	234,194	234,194	227,049
Community Trust Fund (note 2 (b))	-	-	2,432,678	2,432,678	2,221,254
<b>Total trust assets</b>	<b>-</b>	<b>-</b>	<b>2,666,872</b>	<b>2,666,872</b>	<b>2,448,303</b>
Capital assets (note 3)	-	381,291	-	381,291	412,260
	<b>\$ 1,571,480</b>	<b>\$ 381,291</b>	<b>\$ 2,666,872</b>	<b>\$ 4,619,643</b>	<b>\$ 4,204,542</b>

	Operating Fund	Capital Fund	Trusteed Funds	2011	2010
<b>Liabilities and Fund Balances</b>					
Current liabilities:					
Accounts payable	\$ 155,364	\$ -	\$ -	\$ 155,364	\$ 171,854
Deferred revenue	744,905	-	-	744,905	709,986
Payable to Trust Fund for Legal Defence (note 2 (a))	268,506	-	-	268,506	209,053
Payable to Community Trust Fund	1,314	-	-	1,314	-
<b>Total current liabilities</b>	<b>1,170,089</b>	<b>-</b>	<b>-</b>	<b>1,170,089</b>	<b>1,090,893</b>
Trust liabilities:					
Due to Trust Fund for Legal Defence (note 2 (a))	-	-	234,194	234,194	227,049
Due to Community Trust Fund (note 2 (b))	-	-	2,432,678	2,432,678	2,221,254
<b>Total trust liabilities</b>	<b>-</b>	<b>-</b>	<b>2,666,872</b>	<b>2,666,872</b>	<b>2,448,303</b>
<b>Total liabilities</b>	<b>1,170,089</b>	<b>-</b>	<b>2,666,872</b>	<b>3,836,961</b>	<b>3,539,196</b>
Fund balances:					
Unrestricted	331,391	-	-	331,391	193,086
Internally restricted	70,000	381,291	-	451,291	472,260
<b>Total fund balances</b>	<b>401,391</b>	<b>381,291</b>	<b>-</b>	<b>782,682</b>	<b>665,346</b>
Commitments (note 5)					
	\$ 1,571,480	\$ 381,291	\$ 2,666,872	\$ 4,619,643	\$ 4,204,542

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

## Statement of Operations and Changes in Fund Balances

Year ended March 31, 2011, with comparative figures for 2010

	Operating Fund	Capital Fund	Total 2011	Total 2010
<b>Revenue:</b>				
Educational events	\$ 237,671	\$ -	\$ 237,671	\$ 209,103
Donations	10,304	-	10,304	76,221
Investment income and sundry	57,416	-	57,416	110,701
Membership services	1,542,544	-	1,542,544	1,451,181
Publications	109,447	-	109,447	107,771
	1,957,382	-	1,957,382	1,954,977
<b>Expenses:</b>				
Educational events	414,438	-	414,438	374,666
Membership services	1,068,047	-	1,068,047	996,809
Publications	182,432	-	182,432	317,055
Public relations	178,547	-	178,547	174,467
Contributed services (note 6)	(35,253)	-	(35,253)	(98,673)
Amortization	-	41,835	41,835	41,114
	1,808,211	41,835	1,850,046	1,805,438
Excess (deficiency) of revenue over expenses	149,171	(41,835)	107,336	149,539
Fund balances, beginning of year	253,086	412,260	665,346	515,807
Interfund transfer	(10,866)	10,866	-	-
Internally restricted	10,000	-	10,000	-
<b>Fund balances, end of year</b>	<b>\$ 401,391</b>	<b>\$ 381,291</b>	<b>\$ 782,682</b>	<b>\$ 665,346</b>

See accompanying notes to financial statements.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

## Statement of Cash Flows

Year ended March 31, 2011, with comparative figures for 2010

	Operating Fund	Capital Fund	2011	2010
Cash provided by (used in):				
Operations:				
Excess (deficiency) of revenue over expenses	\$ 149,171	\$ (41,835)	\$ 107,336	\$ 149,539
Items not involving cash:				
Amortization of capital assets	-	41,835	41,835	41,114
Unrealized gain on investments classified as held-for-trading	(44,284)	-	(44,284)	(104,437)
Change in non-cash operating working capital:				
Accounts receivable	(24,649)	-	(24,649)	27,738
Receivable from CCCC Pension Plan	794	-	794	(2,540)
Inventory	(453)	-	(453)	705
Prepaid expenses	(15,990)	-	(15,990)	5,478
Accounts payable	(16,490)	-	(16,490)	22,481
Deferred revenue	34,919	-	34,919	44,057
Payable to Trust Fund for Legal Defence	59,453	-	59,453	69,687
Payable to Community Trust Fund	1,314	-	1,314	-
	143,785	-	143,785	253,822
Investing:				
Purchase of capital assets	-	(10,866)	(10,866)	(30,511)
Increase (decrease) in cash	143,785	(10,866)	132,919	223,311
Cash, beginning of year	642,295	-	642,295	418,984
Interfund transfer	(10,866)	10,866	-	-
Internally restricted	10,000	-	10,000	-
Cash, end of year	\$ 785,214	\$ -	\$ 785,214	\$ 642,295

See accompanying notes to financial statements.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements

Year ended March 31, 2011

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Canadian Council of Christian Charities ("CCCC") serves the members of CCCC by providing information and training in the area of Christian stewardship and administration and by facilitating cooperation to avoid duplication of activities and expenses. CCCC was incorporated under the laws of the Province of Ontario on June 6, 1979 as a corporation without share capital. As a registered charity, CCCC is exempt from tax on its income under the Income Tax Act.

## 1. Significant accounting policies:

### (a) Basis of presentation:

These statements have been prepared to include the assets and liabilities of all accounts considered by CCCC as trustee funds. The financial results of these trustee funds are separately disclosed in note 2.

### (b) Fund accounting:

The accounts of CCCC are maintained in accordance with the principles of fund accounting. The purposes of the funds are as follows:

#### (i) Operating Fund:

The Operating Fund accounts for CCCC's program delivery and administrative activities. This is an unrestricted fund. Within the Operating Fund there are two internally restricted funds as follows:

The Charity Handbook Fund was established in 2005. Bi-annually these funds are used to finance the production of the Charity Handbook and the balance for 2011 is \$60,000. This is an internally restricted fund.

The Special Initiatives Fund was established in 2005. The fund is used for special one-time initiatives not included in the annual operating budget and the balance for 2011 is \$10,000. This is an internally restricted fund.

#### (ii) Capital Fund:

The Capital Fund accounts for capital assets of CCCC. This is an internally restricted fund.

#### (iii) Trustee Funds:

The Trustee Funds are funds held in trust for purposes as described in note 2.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2011

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## 1. Significant accounting policies (continued):

### (c) Capital assets:

Capital assets are stated at cost less accumulated amortization. Computer equipment is amortized using the straight-line method at 30% per annum while other office equipment is amortized using the straight-line method at 20% per annum and leasehold improvements are amortized using the straight-line method at 5% per annum.

### (d) Inventory:

The inventory is stated at the lower of cost and net realizable value and is generally determined on a first-in, first-out basis.

### (e) Revenue recognition:

CCCC receives revenue for the Operating Fund from a variety of sources including administration fees, member fees, sales of publications, conference and seminar admission fees, subscription fees and donations. Revenue is recognized when the publications are shipped, the conference/seminars are held, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Donations and administration fees are recorded upon receipt of the funds. Member fees and subscriptions fees are recognized over the life of the membership or subscription.

Restricted contributions are recognized in the appropriate funds.

### (f) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the years. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for accounts receivable. Actual results could differ from those estimates.

### (g) Financial instruments:

CCCC has adopted the following classifications for financial assets and financial liabilities:

- Cash and cash equivalents and short-term investments are classified as held-for-trading. Changes in fair value for the period are recorded in the statement of operations and transaction costs are expensed as incurred.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2011

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## 1. Significant accounting policies (continued):

(g) Financial instruments (continued):

- Accounts receivable and other amounts receivable are classified as loans and receivables. These assets are initially recorded at fair value and subsequently measured at amortized cost less any provisions for impairment.
- Bank loans, accounts payable and other amounts payable are classified as other financial liabilities. These liabilities are initially recorded at fair value and subsequently measured at amortized cost.

Unless, otherwise noted, it is management's opinion that CCCC is not exposed to significant interest rates, currency or credit risk arising from its financial instruments.

## 2. Trusteed funds:

Salaries and benefits - net:

The salaries and benefits reported in the Operating Fund of \$1,130,999 (2010 - \$1,114,995) are net of the salaries and benefits charged to the trusteed funds. The salaries and benefits charged to the Trust Fund for Legal Defence were \$8,480 (2010 - \$4,780). Total salaries and benefits paid were \$1,139,479 (2010 - \$1,119,775).

(a) Trust Fund for Legal Defence:

A trust fund, of which CCCC is the trustee, exists to defend legal challenges for the benefit of the affiliated and certified members, their employees and supporters. It coordinates and funds legal challenges for such beneficiaries when the legal issues to be determined have broad application. CCCC is not the client in any of the actions funded by this fund and any favourable court decisions are for the benefit of the affiliated organizations and certified charities, their employees or supporters. The funding is primarily through voluntary contributions from the beneficiaries. The obligation of CCCC, as trustee, is to exercise its best efforts in raising the funds necessary for the fund to meet its obligations to creditors.

CCCC is contingently liable for payment of any unpaid legal fees of the Trust Fund for Legal Defence.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2011

## 2. Trusteed funds (continued):

### (a) Trust Fund for Legal Defence (continued):

The revenue, expenses and fund balance of the Trust Fund for Legal Defence are as follows:

	2011	2010
Revenue:		
Contributions	\$ 76,901	\$ 9,323
Human Rights Intervention	115	106,895
Interest income	1,220	288
	<u>78,236</u>	<u>116,506</u>
Expenses:		
Human Rights Intervention	5,577	20,606
Receipting Intervention	34,789	-
School Curriculum	28,595	-
Clergy Residence Deduction	765	-
Allocation to EFC – Joint Fundraising	-	12,531
Fundraising and general expenses	1,365	879
	<u>71,091</u>	<u>34,016</u>
Excess of revenue over expenses	7,145	82,490
Fund balance, beginning of year	227,049	144,559
Fund balance, end of year	<u>\$ 234,194</u>	<u>\$ 227,049</u>

The fund balance consists of the following:

	2011	2010
Cash	\$ 27,504	\$ 17,597
Receivable from the CCCC Operating Fund	268,506	209,053
Other accounts receivable	5,502	399
Accounts payable and accrued liabilities	(67,318)	-
	<u>\$ 234,194</u>	<u>\$ 227,049</u>

The extent and timing of payments to CCCC from the Trust are dependent on contributions from affiliated organizations and certified charities and their supporters.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2011

## 2. Trusteed funds (continued):

### (b) Community Trust Fund:

Certain restricted contributions are recognized as revenue of the Community Trust Fund. These contributions, consisting of marketable securities, were received by CCCC for the purpose of distribution to other charitable organizations. This fund also holds cash and other investments as a result of the disposition of donated securities held for future distributions to other registered charities. The Investment Committee invests the Fund's assets in accordance with the Investment Policy approved by the CCCC Board of Directors.

The revenue, expenses and balance of funds of the Community Trust Fund are as follows:

	2011	2010
<b>Revenue:</b>		
Contributions of marketable securities and cash	\$ 1,261,633	\$ 757,662
Dividends	55,553	57,326
Interest earned on contributions awaiting distribution	46,249	45,032
Received from the CCCC Operating Fund (net)	11,512	82,625
Realized gain (loss) on sale of marketable securities	972	(47,220)
Unrealized gain on marketable securities	118,466	402,010
	<u>1,494,385</u>	<u>1,297,435</u>
<b>Expenses:</b>		
Distribution of contributions	1,179,474	1,152,572
Fees	59,203	46,383
	<u>1,238,677</u>	<u>1,198,955</u>
Excess of revenue over expense	255,708	98,480
Fund balance, beginning of year	2,858,225	2,759,745
Fund balance, end of year	<u>\$ 3,113,933</u>	<u>\$ 2,858,225</u>

The fund balance consists of the following:

	2011	2010
Cash	\$ 101,146	\$ 110,177
Accounts receivable	2,626	642
Investments	3,012,110	2,749,328
Accounts payable	(1,949)	(1,922)
	<u>\$ 3,113,933</u>	<u>\$ 2,858,225</u>

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2011

## 2. Trusteed funds (continued):

### (b) Community Trust Fund (continued):

The fund balance has been shown on the Statement of Financial Position as follows:

	2011		2010	
Investment in Community Trust Fund (operating fund)	\$	681,255	\$	636,971
Community Trust Fund trust assets (trusteed funds)		2,432,678		2,221,254
	\$	3,113,933	\$	2,858,225

The investments' costs and market values are as follows:

	2011		2010	
	Cost	Market Value	Cost	Market Value
Pooled Investments:				
TD Waterhouse:				
Bissett Dividend Income	\$ 467,020	\$ 503,079	\$ 509,290	\$ 496,766
Bissett Canadian Equity	270,311	311,911	263,418	257,322
Jarislowsky Fraser Canadian Equity	387,136	424,652	461,699	456,036
AGF International Equity	558,685	455,408	551,738	443,473
Short-term notes and equivalents	10,151	10,151	140,595	139,507
Fixed income instruments	1,308,320	1,306,909	962,951	956,224
	\$ 3,001,623	\$ 3,012,110	\$ 2,889,691	\$ 2,749,328

Amounts included in the Community Trust Fund received from the CCCC Operating Fund at market value were \$681,255 (2010 - \$636,971) and had a cost of \$689,034 (2010 - \$677,134).

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2011

### 3. Capital assets:

			2011	2010
	Cost	Accumulated amortization	Net book value	Net book value
Office equipment	\$ 75,905	\$ 36,238	\$ 39,667	\$ 51,150
Leasehold improvements	389,723	48,099	341,624	361,110
	\$ 465,628	\$ 84,337	\$ 381,291	\$ 412,260

### 4. Related party transactions:

CCCC received administration fees from the Canadian Council of Christian Charities Employees Pension Plan aggregating \$28,350 during the year (2010 - \$25,067). At year end, \$5,921 was owing to the CCCC Operating Fund related to administrative fees (2010 - \$6,715). The pension plan is administered for the Trustees of the Canadian Council of Christian Charities Employees Pension Plan, which is a plan for the employees of CCCC members.

### 5. Commitments:

Premises occupied by CCCC have been leased for a term of 20 years, beginning November 1, 2008 and ending October 31, 2028. There is a monthly rental charge plus a proportionate share of the landlord's cost. Annual lease commitments below exclude CCCC's share of landlord costs.

Lease obligations also include one photocopier and postal equipment. The photocopier and postal equipment lease commenced in 2010 and requires quarterly payments of \$3,108 for the term which expires in 2015.

The lease payments for the next five years are as follows:

2012	\$ 72,769
2013	72,769
2014	72,769
2015	72,769
2016	63,445

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2011

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## **6. Contributed services:**

Employees contributed 780 hours (2010 – 1,688 hours) in excess of the regular work week to assist CCCC in carrying out its service delivery activities. The contributed services have been recognized as a recovery of expenses on the statement of operations and changes in fund balances for \$35,253 (2010 - \$98,673) and the related expense in educational events, membership services, publications and public relations.

## **7. Multi-employer defined contribution pension plan:**

The employees are members of the Canadian Council of Christian Charities Employees Pension Plan. CCCC made cash employer contributions of \$46,564 (2010 - \$45,980) to the pension plan during the year.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

## Schedule of Revenue and Expenses by Object

Year ended March 31, 2011, with comparative figures for 2010

	2011 Actual	2011 Budget	2010 Actual
<b>Revenue:</b>			
Fees	\$ 1,539,044	\$ 1,496,900	\$ 1,447,306
Sales	354,026	275,300	320,149
Receipted donations	8,650	5,000	66,517
Unreceipted donations	1,654	20,000	9,703
Investments	45,567	8,000	104,771
Sundry	8,440	5,200	6,531
	<u>1,957,381</u>	<u>1,810,400</u>	<u>1,954,977</u>
<b>Expenses:</b>			
Advertising and promotions	24,653	25,400	13,798
Professional and audit	10,082	10,000	9,481
Speakers and consultants	122,528	78,700	105,415
Costs of goods sold	30,097	15,100	48,814
Insurance	7,666	7,500	7,286
Membership fees	10,084	13,100	12,434
Printing and supplies	217,571	220,050	201,776
Rent and premises	167,761	164,700	160,819
Salary and benefits	1,130,999	1,132,150	1,114,995
Continuing education	21,370	19,700	17,454
Telephone	9,087	10,200	9,007
Travel	56,312	70,800	63,045
	<u>1,808,210</u>	<u>1,767,400</u>	<u>1,764,324</u>
<b>Excess of revenue over expenses excluding amortization</b>	<b>\$ 149,171</b>	<b>\$ 43,000</b>	<b>\$ 190,653</b>