

Financial Statements of

**CANADIAN COUNCIL OF  
CHRISTIAN CHARITIES**

Year ended March 31, 2009



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## **AUDITORS' REPORT**

To The Members of Canadian Council of Christian Charities

We have audited the statement of financial position of Canadian Council of Christian Charities as at March 31, 2009 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

**Chartered Accountants, Licensed Public Accountants**

**Waterloo, Canada**  
**May 1, 2009**

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

## Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	Operating Fund	Capital Fund	Trusteed Funds	2009	2008
<b>Assets</b>					
Current assets:					
Cash	\$ 418,984	\$ -	\$ -	\$ 418,984	\$ 145,039
Investment in Community Trust Fund (note 2(b))	532,534	-	-	532,534	1,130,160
Accounts receivable	61,150	-	-	61,150	44,879
Receivable from CCCC Pension Plan (note 4)	4,175	-	-	4,175	3,332
Inventory	3,135	-	-	3,135	4,835
Prepaid expenses	60,156	-	-	60,156	46,907
<b>Total current assets</b>	<b>1,080,134</b>	<b>-</b>	<b>-</b>	<b>1,080,134</b>	<b>1,375,152</b>
Trust assets					
Trust Fund for Legal Defence (note 2(a))	-	-	144,559	144,559	105,905
Community Trust Fund (note 2(b))	-	-	2,227,211	2,227,211	3,241,488
<b>Total trust assets</b>	<b>-</b>	<b>-</b>	<b>2,371,770</b>	<b>2,371,770</b>	<b>3,347,393</b>
Capital assets (note 3)		422,863	-	422,863	56,103
	<b>\$ 1,080,134</b>	<b>\$ 422,863</b>	<b>\$ 2,371,770</b>	<b>\$ 3,874,767</b>	<b>\$ 4,778,648</b>

	Operating Fund	Capital Fund	Trusteed Funds	2009	2008
<b>Liabilities and Fund Balances</b>					
Current liabilities:					
Accounts payable	\$ 149,373	\$ -	\$ -	\$ 149,373	\$ 116,234
Deferred revenue	665,929	-	-	665,929	590,575
Payable to Trust Fund for Legal Defence (note 2(a))	139,366	-	-	139,366	93,795
<b>Total current liabilities</b>	<b>954,668</b>	<b>-</b>	<b>-</b>	<b>954,668</b>	<b>800,604</b>
Trust liabilities:					
Due to Trust Fund for Legal Defence (note 2(a))	-	-	144,559	144,559	105,905
Due to Community Trust Fund (note 2(b))	-	-	2,227,211	2,227,211	3,241,488
<b>Total trust liabilities</b>	<b>-</b>	<b>-</b>	<b>2,371,770</b>	<b>2,371,770</b>	<b>3,347,393</b>
<b>Total liabilities</b>	<b>954,668</b>	<b>-</b>	<b>2,371,770</b>	<b>3,326,438</b>	<b>4,147,997</b>
Fund balances:					
Unrestricted	65,466	-	-	65,466	514,548
Internally restricted	60,000	422,863	-	482,863	116,103
<b>Total fund balances</b>	<b>125,466</b>	<b>422,863</b>	<b>-</b>	<b>548,329</b>	<b>630,651</b>
Commitments (note 5)					
	\$ 1,080,134	\$ 422,863	\$ 2,371,770	\$ 3,874,767	\$ 4,778,648

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, 2009, with comparative figures for 2008

	Operating Fund	Capital Fund	Total 2009	Total 2008
<b>Revenue:</b>				
Educational events	\$ 201,654	\$ -	\$ 201,654	\$ 143,497
Donations	62,903	2,950	65,853	75,133
Investment income and sundry	(109,433)	-	(109,433)	(7,823)
Membership services	1,364,218	-	1,364,218	1,287,036
Publications	113,024	-	113,024	107,499
	1,632,366	2,950	1,635,316	1,605,342
<b>Expenses:</b>				
Educational events	456,552	-	456,552	316,153
Membership services	950,523	-	950,523	847,033
Publications	233,951	-	233,951	251,546
Public relations	134,993	-	134,993	165,260
Contributed services (note 6)	(109,273)	-	(109,273)	(59,193)
Amortization		50,892	50,892	26,302
	1,666,746	50,892	1,717,638	1,547,101
Excess (deficiency) of revenue over expenses	(34,380)	(47,942)	(82,322)	58,241
Fund balances, beginning of year	574,548	56,103	630,651	572,410
Interfund transfer	(414,702)	414,702	-	-
Fund balances, end of year	\$ 125,466	\$ 422,863	\$ 548,329	\$ 630,651

See accompanying notes to financial statements.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

## Statement of Cash Flows

Year ended March 31, 2009, with comparative figures for 2008

	Operating Fund	Capital Fund	2009	2008
Cash provided by (used in):				
Operations:				
Excess (deficiency) of revenue over expenses	\$ (34,380)	\$ (47,942)	\$ (82,322)	\$ 58,241
Items not involving cash:				
Amortization of capital assets	-	50,892	50,892	26,302
Unrealized loss on investments classified as held-for-trading	107,680	-	107,680	26,930
Change in non-cash operating working capital:				
Accounts receivable	(16,271)	-	(16,271)	6,930
Receivable from CCCC Pension Fund	(843)	-	(843)	(709)
Inventory	1,700	-	1,700	168
Prepaid expenses	(13,249)	-	(13,249)	(5,485)
Accounts payable	33,139	-	33,139	1,181
Deferred revenue	75,354	-	75,354	39,350
Payable to CCRDA	-	-	-	(47,274)
Payable to Trust Fund for Legal Defence	45,571	-	45,571	89,467
Payable to Community Trust Fund	-	-	-	(544)
	198,701	2,950	201,651	194,557
Investing:				
Sale (purchase) of investments in Community Trust Fund	489,946	-	489,946	(125,665)
Purchase of capital assets	-	(417,652)	(417,652)	(28,570)
	489,946	(417,652)	72,294	(154,235)
Increase (decrease) in cash	688,646	(414,702)	273,945	40,322
Cash, beginning of year	145,039	-	145,039	104,717
Interfund transfer	(414,702)	414,702	-	-
Cash, end of year	\$ 418,984	\$ -	\$ 418,984	\$ 145,039

See accompanying notes to financial statements.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements

Year ended March 31, 2009

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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 purpose 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 2009 is \$50,000. 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 2009 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.

### (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.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2009

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## 1. Significant accounting policies (continued):

### (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.
- 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.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2009

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## 1. Significant accounting policies (continued):

### (g) Financial instruments (continued):

In December 2006, the Canadian Institute of Chartered Accountants ("CICA") issued new accounting standards: Handbook Section 3862, "Financial Instruments - Disclosures", and Handbook Section 3863, "Financial Instrument - Presentation". These standards were expected to be effective for the CCCC's financial statements for the year ended March 31, 2009. However in December 2008, the CICA eliminated the requirement for non-for-profit entities to adopt these standards. CCCC has continued to disclose and present financial instruments under Handbook Section 3861, "Financial Instruments - Disclosure and Presentation" for the year ended March 31, 2009.

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.

### (h) Future accounting changes:

The CICA has issued several amendments to the not-for-profit accounting standards. Under these amended standards, there will no longer be a requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit such an amount as a category of internally restricted new assets when an organization chooses to do so. The amended standards also:

- clarify that revenues and expenses must be recognized and presented on a gross basis when an organization is acting as a principal in the transactions;
- make Section 1540, Cash flow statements, applicable;
- make Section 1751, Interim financial statements, applicable;
- make Section 3062, Property, plant and equipment, applicable unless the organization is eligible to use the scope exemption for smaller entities; and
- provide consistency with other sections of the CICA Handbook with respect to related party transactions.

The CICA has also issued a new standard, Section 4470, "Disclosure" of allocated expenses by not-for-profit organizations. This Section establishes disclosure standards for those organizations that choose to classify their expenses by function and allocate expenses from one function to another. These requirements are effective for fiscal years beginning on or after January 1, 2009.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2009

## 2. Trusteed funds:

Salaries and benefits - net:

The salaries and benefits reported in the Operating Fund of \$1,078,092 (2008 - \$967,776) 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 \$17,524 (2008 - \$1,408). Total salaries and benefits paid were \$1,095,616 (2008 - \$970,614).

### (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.

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

	2009	2008
Revenue:		
Contributions	\$ 3,378	\$ 82,521
Human Rights Intervention	131,432	-
Interest income	2,271	790
	<u>137,081</u>	<u>83,311</u>
Expenses:		
Human Rights Intervention	79,837	-
Transfer funds to EFC – Joint Fundraising	15,214	-
Camper fee GST	-	73
Fundraising and general expenses	3,376	1,408
	<u>98,427</u>	<u>1,481</u>
Excess of revenue over expenses	38,654	81,830
Fund balance, beginning of year	105,905	24,075
Fund balance, end of year	<u>\$ 144,559</u>	<u>\$ 105,905</u>

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2009

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## 2. Trusteed funds (continued):

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

The fund balance consists of the following:

	2009	2008
Cash	\$ 3,870	\$ 11,860
Receivable from the CCCC Operating Fund	139,366	93,795
Other accounts receivable	1,323	250
	<u>\$ 144,559</u>	<u>\$ 105,905</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.

### (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.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2009

## 2. Trusteed funds (continued):

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

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

	2009	2008
Revenue:		
Contributions of marketable securities and cash	\$ 674,084	\$ 1,885,195
Dividends	78,175	55,083
Interest earned on contributions awaiting distribution	58,341	77,826
Received from the CCCC Operating Fund (net)	(617,982)	64,263
Realized (loss) gain on sale of marketable securities	(172,297)	8,430
Unrealized loss on sale of marketable securities	(482,499)	(173,683)
	(462,178)	1,917,114
Expenses:		
Distribution of contributions	1,103,153	2,033,162
Fees	46,572	46,753
	1,149,725	2,079,915
Deficiency of revenue over expense	(1,611,903)	(162,801)
Fund balance, beginning of year	4,371,648	4,534,449
Fund balance, end of year	\$ 2,759,745	\$ 4,371,648

The fund balance consists of the following:

	2009	2008
Cash	\$ 77,881	\$ 165,767
Accounts receivable	490	300
Investments	2,683,296	4,207,503
Accounts payable	(1,922)	(1,922)
	\$ 2,759,745	\$ 4,371,648

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2009

## 2. Trusteed funds (continued):

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

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

	2009	2008
Investment in Community Trust Fund (operating fund)	\$ 532,534	\$ 1,130,160
Community Trust Fund trust assets (trusteed funds)	2,227,211	3,241,488
	<b>\$ 2,759,745</b>	<b>\$ 4,371,648</b>

The investments consist of the following costs and market values:

	2009		2008	
	Cost	Market Value	Cost	Market Value
Pooled Investments:				
TD Waterhouse:				
Bissett Dividend Income	\$ 605,933	\$ 424,239	\$ 792,895	\$ 740,629
Bissett Canadian Equity	331,333	226,127	520,742	511,704
Jarislowsky Fraser Canadian Equity	513,360	392,515	514,686	530,858
AGF International Equity	580,377	350,068	548,293	544,110
Short-term notes and equivalents	172,990	175,044	847,460	853,293
Short-term Mutual Funds	90,534	90,534	52,560	52,560
Fixed income instruments	1,021,906	1,024,769	974,716	974,349
	<b>\$ 3,316,433</b>	<b>\$ 2,683,296</b>	<b>\$ 4,251,352</b>	<b>\$ 4,207,503</b>

Amounts included in the Community Trust Fund received from the CCCC Operating Fund at market value were \$532,534 (2008 - \$1,130,160) and had a cost of \$663,461 (2008 - \$1,154,296).

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2009

### 3. Capital assets:

	Cost	Accumulated amortization	2009 Net book value	2008 Net book value
Office equipment	\$ 82,375	\$ 27,467	\$ 54,908	\$ 37,732
Leasehold improvements	377,390	9,435	367,955	18,371
	<u>\$ 459,765</u>	<u>\$ 36,902</u>	<u>\$ 422,863</u>	<u>\$ 56,103</u>

During the fiscal period, the CCCC moved to a new location and completed a number of leasehold improvements to the building.

### 4. Related party transactions:

CCCC received administration fees from the Canadian Council of Christian Charities Employees Pension Plan aggregating \$23,266 during the year (2008 - \$24,184). At year end, \$4,175 was owing to the CCCC Operating Fund related to administrative fees (2008 - \$3,332). 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:

The new 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 lease commenced in 2006 and requires quarterly payments of \$2,059 for the term which expires March 27, 2012. The postal equipment lease commenced in 2006 and expires September 2012.

The lease payments for the next 5 years are as follows:

2010	\$ 70,377
2011	70,377
2012	69,490
2013	59,501
2014	59,501

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2009

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## **6. Contributed services:**

Employees contributed 1,910 hours (2008 - 1,424) in excess of the regular work week to assist CCCC in carrying out its service delivery activities. The contributed services have been recognized as recovery of expenses on the statement of operations and changes in fund balances for \$109,273 (2008 - \$59,193) 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 \$41,889 (2008 - \$38,839) to the pension plan during the year.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

## Schedule of Revenue and Expenses by Objects

Year ended March 31, 2009, with comparative figures for 2008

	2009 Actual	2009 Budget	2008 Actual
<b>Revenue:</b>			
Fees	\$ 1,354,343	\$ 1,324,600	\$ 1,278,136
Sales	320,948	251,700	257,787
Receipted donations	16,000	5,000	9,655
Unreceipted donations	46,903	20,000	65,477
Investments	(130,940)	15,000	(20,879)
Sundry	25,112	6,000	15,166
	<u>1,632,366</u>	<u>1,622,300</u>	<u>1,605,342</u>
<b>Expenses:</b>			
Advertising and promotions	15,522	17,150	24,637
Professional and audit	9,020	10,000	8,585
Speakers and consultants	64,274	61,800	73,444
Costs of goods sold	6,640	7,650	48,532
Insurance	5,700	6,000	5,283
Membership fees	14,569	11,150	9,265
Printing and supplies	238,525	209,472	187,800
Rent and premises	145,986	112,710	121,759
Salary and benefits	1,078,092	1,075,468	967,776
Continuing education	24,746	17,200	15,844
Telephone	10,001	10,200	8,307
Travel	53,671	57,500	49,567
	<u>1,666,746</u>	<u>1,596,300</u>	<u>1,520,799</u>
Excess (deficiency) of revenue over expenses, excluding amortization	\$ (34,380)	\$ 26,000	\$ 84,543