

Financial Statements of

**CANADIAN COUNCIL OF  
CHRISTIAN CHARITIES**

Year ended March 31, 2010



**KPMG LLP**  
**Chartered Accountants**  
115 King Street South  
2nd Floor  
Waterloo ON N2J 5A3

Telephone (519) 747-8800  
Fax (519) 747-8830  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## 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, 2010 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, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Waterloo, Canada  
April 30, 2010

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

## Statement of Financial Position

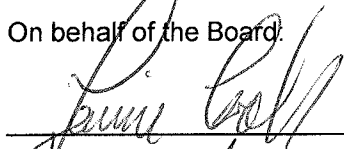
March 31, 2010, with comparative figures for 2009


	Operating Fund	Capital Fund	Trusted Funds	2010	2009 (restated, note 2)
<b>Assets</b>					
Current assets:					
Cash	\$ 642,295	\$ -	\$ -	\$ 642,295	\$ 418,984
Investment in Community Trust Fund (note 3 (b))	636,971	-	-	636,971	532,534
Accounts receivable	33,412	-	-	33,412	61,150
Receivable from CCCC Pension Plan (note 5)	6,715	-	-	6,715	4,175
Inventory	2,430	-	-	2,430	3,135
Prepaid expenses	22,156	-	-	22,156	27,634
<b>Total current assets</b>	<b>1,343,979</b>	<b>-</b>	<b>-</b>	<b>1,343,979</b>	<b>1,047,612</b>
Trust assets					
Trust Fund for Legal Defence (note 3 (a))	-	-	227,049	227,049	144,559
Community Trust Fund (note 3 (b))	-	-	2,221,254	2,221,254	2,227,211
<b>Total trust assets</b>	<b>-</b>	<b>-</b>	<b>2,448,303</b>	<b>2,448,303</b>	<b>2,371,770</b>
Capital assets (note 4)	-	412,260	-	412,260	422,863
	<b>\$ 1,343,979</b>	<b>\$ 412,260</b>	<b>\$ 2,448,303</b>	<b>\$ 4,204,542</b>	<b>\$ 3,842,245</b>

	Operating Fund	Capital Fund	Trusteed Funds	2010	2009 (restated, note 2)
<b>Liabilities and Fund Balances</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 171,854	\$ -	\$ -	\$ 171,854	\$ 149,373
Deferred revenue	709,986	-	-	709,986	665,929
Payable to Trust Fund for Legal Defence (note 3 (a))	209,053	-	-	209,053	139,366
<b>Total current liabilities</b>	<b>1,090,893</b>			<b>1,090,893</b>	<b>954,668</b>
<b>Trust liabilities:</b>					
Due to Trust Fund for Legal Defence (note 3 (a))	-	-	227,049	227,049	144,559
Due to Community Trust Fund (note 3 (b))	-	-	2,221,254	2,221,254	2,227,211
<b>Total trust liabilities</b>	<b>-</b>	<b>-</b>	<b>2,448,303</b>	<b>2,448,303</b>	<b>2,371,770</b>
<b>Total liabilities</b>	<b>1,090,893</b>	<b>-</b>	<b>2,448,303</b>	<b>3,539,196</b>	<b>3,326,438</b>
<b>Fund balances:</b>					
Unrestricted	193,086	-	-	193,086	32,944
Internally restricted	60,000	412,260	-	472,260	482,863
<b>Total fund balances</b>	<b>253,086</b>	<b>412,260</b>	<b>-</b>	<b>665,346</b>	<b>515,807</b>
<b>Commitments (note 6)</b>					
	<b>\$ 1,343,979</b>	<b>\$ 412,260</b>	<b>\$ 2,448,303</b>	<b>\$ 4,204,542</b>	<b>\$ 3,842,245</b>

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, 2010, with comparative figures for 2009

	Operating Fund	Capital Fund	Total 2010	Total 2009
				(restated, note 2)
Revenue:				
Educational events	\$ 209,103	\$ -	\$ 209,103	\$ 201,654
Donations	76,221	-	76,221	65,853
Investment income and sundry	110,701	-	110,701	(109,433)
Membership services	1,451,181	-	1,451,181	1,364,218
Publications	107,771	-	107,771	113,024
	1,954,977	-	1,954,977	1,635,316
Expenses:				
Educational events	374,666	-	374,666	456,552
Membership services	996,809	-	996,809	952,518
Publications	317,055	-	317,055	233,951
Public relations	174,467	-	174,467	129,872
Contributed services (note 7)	(98,673)	-	(98,673)	(109,273)
Amortization	-	41,114	41,114	50,892
	1,764,324	41,114	1,805,438	1,714,512
Excess (deficiency) of revenue over expenses	190,653	(41,114)	149,539	(79,196)
Fund balances, beginning of year:				
As previously reported	92,944	422,863	515,807	630,651
Change in accounting policy (note 2)	-	-	-	(35,648)
	92,944	422,863	515,807	595,003
Interfund transfer	(30,511)	30,511	-	-
Fund balances, end of year	\$ 253,086	\$ 412,260	\$ 665,346	\$ 515,807

See accompanying notes to financial statements.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

## Statement of Cash Flows

Year ended March 31, 2010, with comparative figures for 2009

	Operating Fund	Capital Fund	2010	2009 (restated, note 2)
Cash provided by (used in):				
Operations:				
Excess (deficiency) of revenue over expenses	\$ 190,653	\$ (41,114)	\$ 149,539	\$ (79,196)
Items not involving cash:				
Amortization of capital assets	-	41,114	41,114	50,892
Unrealized (gain) loss on investments classified as held-for-trading	(104,437)	-	(104,437)	107,680
Change in non-cash operating working capital:				
Accounts receivable	27,738	-	27,738	(16,271)
Receivable from CCCC Pension Plan	(2,540)	-	(2,540)	(843)
Inventory	705	-	705	1,700
Prepaid expenses	5,478	-	5,478	(16,375)
Accounts payable	22,481	-	22,481	33,139
Deferred revenue	44,057	-	44,057	75,354
Payable to Trust Fund for Legal Defence	69,687	-	69,687	45,571
	253,822	-	253,822	201,651
Investing:				
Sale (purchase) of investments in Community Trust Fund	-	-	-	489,946
Purchase of capital assets	-	(30,511)	(30,511)	(417,652)
	-	(30,511)	(30,511)	72,294
Increase (decrease) in cash	253,822	(30,511)	223,311	273,945
Cash, beginning of year	418,984	-	418,984	145,039
Interfund transfer	(30,511)	30,511	-	-
Cash, end of year	\$ 642,295	\$ -	\$ 642,295	\$ 418,984

See accompanying notes to financial statements.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements

Year ended March 31, 2010

---

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 3.

### (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 2010 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 2010 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 3.

### (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, 2010

---

## 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, 2010

---

## 1. Significant accounting policies (continued):

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

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. Change in accounting policies:

Effective April 1, 2009, the organization adopted the Canadian Institute of Chartered Accountants' ("CICA") amendments to Section 1000 of the Handbook. These amendments clarified the criteria for recognition of an asset or liability, removing the ability to recognize assets or liabilities solely on the basis of matching the revenue and expense items. The organization has retroactively adopted the recommendations and, therefore, the 2009 comparative figures have been restated. The impact of the implementation of these standards on the organization's financial statements is a decrease of amounts previously reported at April 1, 2009 for prepaid expenses of \$32,522, a decrease in net assets at April 1, 2008 of \$35,648 and a decrease in expense for 2009 of \$3,126.

Effective April 1, 2009, the Organization adopted the CICA amendments to the 4400 Section of the Handbook. These amendments eliminate the requirement to show net assets invested in capital assets as a separate component of net assets, clarify the requirement for revenue and expenses to be presented on a gross basis when the not-for-profit organization is acting as principal and require a statement of cash flow. Adoption of these recommendations had no significant impact on the financial statements for the year ended March 31, 2010.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2010

### 3. Trusteed funds:

Salaries and benefits - net:

The salaries and benefits reported in the Operating Fund of \$1,114,995 (2009 - \$1,078,092) 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 \$4,780 (2009 - \$17,524). Total salaries and benefits paid were \$1,119,775 (2009 - \$1,095,616).

#### (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:

	2010	2009
Revenue:		
Contributions	\$ 9,323	\$ 3,378
Human Rights Intervention	106,895	131,432
Interest income	288	2,271
	<u>116,506</u>	<u>137,081</u>
Expenses:		
Human Rights Intervention	20,606	79,837
Allocation to EFC – Joint Fundraising	12,531	15,214
Fundraising and general expenses	879	3,376
	<u>34,016</u>	<u>98,427</u>
Excess of revenue over expenses	82,490	38,654
Fund balance, beginning of year	144,559	105,905
Fund balance, end of year	<u>\$ 227,049</u>	<u>\$ 144,559</u>

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2010

---

### 3. Trusteed funds (continued):

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

The fund balance consists of the following:

	2010	2009
Cash	\$ 17,597	\$ 3,870
Receivable from the CCCC Operating Fund	209,053	139,366
Other accounts receivable	399	1,323
	<u>\$ 227,049</u>	<u>\$ 144,559</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, 2010

### 3. Trusteed funds (continued):

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

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

	2010	2009
<b>Revenue:</b>		
Contributions of marketable securities and cash	\$ 757,662	\$ 674,084
Dividends	57,326	78,175
Interest earned on contributions awaiting distribution	45,032	58,341
Received from the CCCC Operating Fund (net)	82,625	(617,982)
Realized loss on sale of marketable securities	(47,220)	(172,297)
Unrealized gain (loss) on sale of marketable securities	402,010	(482,499)
	<u>1,297,435</u>	<u>(462,178)</u>
<b>Expenses:</b>		
Distribution of contributions	1,152,572	1,103,153
Fees	46,383	46,572
	<u>1,198,955</u>	<u>1,149,725</u>
Excess (deficiency) of revenue over expense	98,480	(1,611,903)
Fund balance, beginning of year	2,759,745	4,371,648
Fund balance, end of year	<u>\$ 2,858,225</u>	<u>\$ 2,759,745</u>

The fund balance consists of the following:

	2010	2009
Cash	\$ 110,177	\$ 77,881
Accounts receivable	642	490
Investments	2,749,328	2,683,296
Accounts payable	(1,922)	(1,922)
	<u>\$ 2,858,225</u>	<u>\$ 2,759,745</u>

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2010

### 3. Trusteed funds (continued):

(b) Community Trust Fund (continued):

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

	2010	2009
Investment in Community Trust Fund (operating fund)	\$ 636,971	\$ 532,534
Community Trust Fund trust assets (trusteed funds)	2,221,254	2,227,211
	<b>\$ 2,858,225</b>	<b>\$ 2,759,745</b>

The investments consist of the following costs and market values:

	2010		2009	
	Cost	Market Value	Cost	Market Value
Pooled Investments:				
TD Waterhouse:				
Bissett Dividend Income	\$ 509,290	\$ 496,766	\$ 605,933	\$ 424,239
Bissett Canadian Equity	263,418	257,322	331,333	226,127
Jarislowsky Fraser Canadian Equity	461,699	456,036	513,360	392,515
AGF International Equity	551,738	443,473	580,377	350,068
Short-term notes and equivalents	140,595	139,507	172,990	175,044
Short-term Mutual Funds	-	-	90,534	90,534
Fixed income instruments	962,951	956,224	1,021,906	1,024,769
	<b>\$ 2,889,691</b>	<b>\$ 2,749,328</b>	<b>\$ 3,316,433</b>	<b>\$ 2,683,296</b>

Amounts included in the Community Trust Fund received from the CCCC Operating Fund at market value were \$636,971 (2009 - \$532,534) and had a cost of \$677,134 (2009 - \$663,461).

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2010

## 4. Capital assets:

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Office equipment	\$ 89,417	\$ 38,267	\$ 51,150	\$ 54,908
Leasehold improvements	389,723	28,613	361,110	367,955
	<u>\$ 479,140</u>	<u>\$ 66,880</u>	<u>\$ 412,260</u>	<u>\$ 422,863</u>

## 5. Related party transactions:

CCCC received administration fees from the Canadian Council of Christian Charities Employees Pension Plan aggregating \$25,067 during the year (2009 - \$23,266). At year end, \$6,715 was owing to the CCCC Operating Fund related to administrative fees (2009 - \$4,175). 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.

## 6. 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 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:

2011	\$ 72,129
2012	71,933
2013	71,933
2014	71,933
2015	71,933

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

Notes to Financial Statements, continued

Year ended March 31, 2010

---

## **7. Contributed services:**

Employees contributed 1,688 hours (2009 - 1910) 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 \$98,673 (2009 - \$109,273) and the related expense in educational events, membership services, publications and public relations.

## **8. 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 \$45,980 (2009 - \$41,889) to the pension plan during the year.

# CANADIAN COUNCIL OF CHRISTIAN CHARITIES

## Schedule of Revenue and Expenses by Objects

Year ended March 31, 2010, with comparative figures for 2009

	2010 Actual	2010 Budget	2009 Actual
<b>Revenue:</b>			
Fees	\$ 1,447,306	\$ 1,411,900	\$ 1,354,343
Sales	320,149	365,250	320,948
Received donations	66,517	5,000	16,000
Unreceived donations	9,703	20,000	46,903
Investments	104,771	15,000	(130,940)
Sundry	6,531	34,750	25,112
	<u>1,954,977</u>	<u>1,851,900</u>	<u>1,632,366</u>
<b>Expenses:</b>			
Advertising and promotions	13,798	13,550	13,527
Professional and audit	9,481	10,000	9,020
Speakers and consultants	105,415	109,150	64,274
Costs of goods sold	48,814	59,850	6,640
Insurance	7,286	6,500	5,700
Membership fees	12,434	12,600	14,569
Printing and supplies	201,776	193,838	243,646
Rent and premises	160,819	199,600	145,986
Salary and benefits	1,114,995	1,120,137	1,078,092
Continuing education	17,454	16,700	24,746
Telephone	9,007	10,200	10,001
Travel	63,045	63,775	53,671
	<u>1,764,324</u>	<u>1,815,900</u>	<u>1,669,872</u>
<b>Excess (deficiency) of revenue over expenses excluding amortization</b>	<b>\$ 190,653</b>	<b>\$ 36,000</b>	<b>\$ (37,506)</b>