

**Canadian Council of Christian Charities
Employees Pension Plan**

Financial Statements
December 31, 2010

March 9, 2011

Independent Auditor's Report

To the Trustees of Canadian Council of Christian Charities Employees Pension Plan

We have audited the accompanying financial statements of the Canadian Council of Christian Charities Employees Pension Plan, which comprise the statement of net assets as at December 31, 2010 and the statement of changes in net assets for the year then ended, and the related notes including a summary of significant accounting policies.

Trustees' responsibility for the financial statements

The Trustees are 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 the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 the auditor's 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, the auditor considers 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 the Trustees, 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 net assets available for benefits of the Canadian Council of Christian Charities Employees Pension Plan as at December 31, 2010 and the changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

PriceWaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

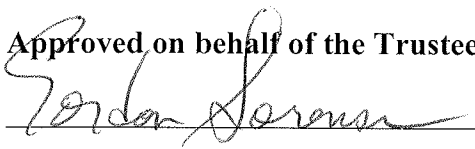
Canadian Council of Christian Charities Employees Pension Plan

Statement of Net Assets

As at December 31, 2010

	2010	2009
	\$	\$
Assets		
Current assets		
Cash	52,885	45,111
Accounts receivable from member organizations	207,606	267,299
Other accounts receivable	9,700	11,195
	<hr/>	<hr/>
	270,191	323,605
Investments (note 5)	<hr/>	<hr/>
	26,444,299	24,411,164
	<hr/>	<hr/>
	26,714,490	24,734,769
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	<hr/>	<hr/>
	16,152	18,905
Net assets		
Available for benefits	26,651,015	24,677,884
Available for future expenses	47,323	37,980
	<hr/>	<hr/>
	26,698,338	24,715,864
	<hr/>	<hr/>
Total liabilities and net assets	26,714,490	24,734,769
	<hr/>	<hr/>

Approved on behalf of the Trustees



Trustee



Trustee

Canadian Council of Christian Charities Employees Pension Plan

Statement of Changes in Net Assets

For the year ended December 31, 2010

	2010	2009
	\$	\$
Investment activities		
Expenses		
Investment management fees	203,043	187,697
Administration fees (note 6)	27,353	23,900
Audit	7,492	14,630
Consulting fees	26,822	22,812
Filing fee - Ontario	8,467	6,431
Insurance	8,738	8,738
Membership communication	6,082	2,731
Sundry	1,602	2,023
Trustee meetings	4,318	3,925
	<hr/>	<hr/>
	293,917	272,887
Increase in market value of investments (note 5)	<hr/>	<hr/>
	1,878,485	3,163,057
Net gain from investment activity	<hr/>	<hr/>
	1,584,568	2,890,170
Members' activities		
Contributions	2,561,373	2,682,339
Funds transferred in	700,958	531,604
Withdrawals	<hr/>	<hr/>
	(2,864,425)	(1,725,965)
Net contributions	<hr/>	<hr/>
	397,906	1,487,978
Increase in net assets	<hr/>	<hr/>
	1,982,474	4,378,148
Distribution of increase in net assets		
Net assets available for benefits - Beginning of year	24,677,884	20,323,410
Increase in net assets allocated for benefits	<hr/>	<hr/>
	1,973,131	4,354,474
Net assets available for benefits - End of year	<hr/>	<hr/>
	26,651,015	24,677,884
Net assets available for future expenses - Beginning of year	37,980	14,306
Increase in net assets available for future expenses	<hr/>	<hr/>
	9,343	23,674
Net assets available for future expenses - End of year	<hr/>	<hr/>
	47,323	37,980

Canadian Council of Christian Charities Employees Pension Plan

Notes to Financial Statements

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1 Description of plan

The following description of the Canadian Council of Christian Charities Employees Pension Plan is a summary only. For more complete information, reference should be made to the Canadian Council of Christian Charities Employees Pension Plan's Declaration of Trust and its Plan Text.

General

The Canadian Council of Christian Charities Employees Pension Plan is a multi-employer defined contribution pension plan governed by a trust agreement dated October 1, 1982 as amended from time to time. The plan is registered with the Financial Services Commission of Ontario and with Canada Revenue Agency under registration number 0446773.

Funds of the plan are held in trust by Trustees appointed by Canadian Council of Christian Charities and are invested in segregated funds and guaranteed investment instruments selected by the Trustees, in accordance with the investment policy set by the Trustees. Each member of the plan individually allocates the funds in their personal account to the Trustee selected segregated funds and guaranteed investment instruments.

The Trustees have engaged Canadian Council of Christian Charities as overall administrator.

Great West Life Group Retirement Services ("GRS") has been appointed as the record-keeper by the Trustees to provide certain member services (statements, on-line account information and other general and educational information) and to manage the segregated funds and guaranteed investment instruments. GRS also provides day-to-day administration including the allocation of earnings to the members' accounts.

The Pension Plan also engages the services of pension consultants for plan design and performance measurement advice.

Income taxes

The plan is a Registered Pension Trust as defined by the Income Tax Act and is not subject to income taxes.

2 Significant accounting policies

Basis of accounting

These financial statements are prepared on a going concern basis and present the aggregate financial position of the Canadian Council of Christian Charities Employees Pension Plan as a separate financial reporting entity independent of the sponsor and plan members, on an accrual basis. They are prepared to assist plan members and others in reviewing the activities of the plan for the fiscal year.

Canadian Council of Christian Charities Employees Pension Plan

Notes to Financial Statements

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Investments

Investments are stated at year-end market value.

Assets available for future expenses

The Canadian Council of Christian Charities Employees Pension Plan maintains assets which are available for future expenses of the plan. The assets available for future expenses are monitored and limited in accordance with Trustee approved policy and excess funds will be returned to the assets available for benefits in accordance with the Trustee approved policy.

3 Financial instruments risk management

The objective of the plan is to achieve medium to long-term growth of its investment portfolio to provide plan members with growth in their pension benefits.

The plan's assets are invested in Canadian, American and International equities, balanced funds, fixed income funds, and money market funds (see Note 5 for details). These investment choices and allocations are made by the plan members, via their personal accounts, from an approved list of investment options established by the Trustees.

The approved list of investment options must comply with the investment policy, as set out in the Statement of Investment Policies and Procedures established and monitored by the Trustees. This list is reviewed semi-annually by the Trustees. Divergence from target asset allocation and the composition of the portfolio is monitored daily by the plan's Investment Managers.

The day-to-day administration of the plan's assets and members' accounts are managed by the plan's contracted record keeper, GRS.

The Trustees, with assistance from the plan's Consultant and management, oversee how management monitors compliance with the plan's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the plan.

The plan's assets are exposed to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Market risk

The plan's investments are susceptible to market risk which is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The plan's market risk is affected by changes in the level or volatility of market rates or prices, such as interest rates, foreign exchange rates and equity prices.

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Interest rate risk

The plan is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates on interest rate sensitive investments. The interest bearing investment portfolio has guidelines on concentration, duration and distribution which are designed to mitigate the risk of interest rate volatility.

Currency risk

The plan holds assets denominated in currencies other than the Canadian dollar, the functional currency. It is therefore exposed to currency risk as the value of the financial instruments denominated in other currencies will fluctuate due to the changes in exchange rates.

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.

Credit risk

The plan takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The plan assesses all counterparties for credit risk before contracting with them.

Liquidity risk

Liquidity risk is the risk that the plan may be unable to meet payment obligations in a timely manner at a reasonable cost. Management of liquidity seeks to ensure that, even under adverse conditions, the plan has access to immediate cash necessary to cover benefits payable, withdrawals and other liabilities.

4 Investment fair value measurement

The following classification of investments is intended to describe the objectivity with which the fair value of investments are measured and is not intended to describe the associated risk levels of the investments.

Investments are classified within a hierarchy that prioritizes the inputs to fair value measurement. The hierarchy places the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to inputs not based on observable market data (Level 3). The three levels of the fair value hierarchy are:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs that are observable for the assets or liabilities either directly or indirectly; and
- Level 3 - inputs for assets or liabilities that are not based on observable market data.

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The Pension Plan's investments are entirely composed of investments funds, which are classified as Level 2. Funds are valued at the unit values supplied by the investment managers, net of expenses charged to the funds, which represent the underlying net assets available for benefits at fair value, determined using closing market prices, divided by the number of units outstanding. This is the value at which units of the funds can be redeemed or subscribed to by the Plan members as at the reporting date. There has been no change in the valuation methodology during the year ended December 31, 2010.

5 Investments

The following schedule shows the changes in fund segments and total investments from January 1, 2010 to December 31, 2010. Investments are carried at market value.

The increase in market value of investments reflected in the statement of changes in net assets available for benefits includes interest, dividends and realized and unrealized capital gains and losses from the units held in the investment manager's funds and guaranteed instruments.

Certain components of the investment management fees for 2010 include GST of which a third is claimed as a rebate.

	Fund Value January 1 2010 \$	Net Investments and/or Interfund Transfers \$	Increase in Market Value \$	Expenses Charged to Fund \$	Fund Value December 31 2010 \$
Funds -					
Balanced	17,842,174	(136,699)	1,246,145	(213,960)	18,737,660
Canadian Equities	3,006,075	181,822	334,837	(39,771)	3,482,963
Fixed Income	1,358,641	116,899	90,864	(17,684)	1,548,720
Money Market	384,478	121,306	3,521	(4,478)	504,827
Socially Responsible	53,262	18,779	4,792	(752)	76,081
American Equities	74,070	25,637	4,881	(1,181)	103,407
International Equities	389,095	(5,535)	43,334	(4,820)	422,074
Ethics Equities	523,532	106,305	128,551	(8,184)	750,204
Guaranteed Instruments	779,837	20,053	21,560	(3,087)	818,363
	<u>24,411,164</u>	<u>448,567</u>	<u>1,878,485</u>	<u>(293,917)</u>	<u>26,444,299</u>
2009	<u>20,102,093</u>	<u>1,418,901</u>	<u>3,163,057</u>	<u>(272,887)</u>	<u>24,411,164</u>

6 Related party transactions

Administration fees of \$27,353 (2009 - \$23,900) were paid by the pension plan to the Canadian Council of Christian Charities.

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7 Management of capital

The capital of the plan is represented by the net assets available for benefits. The plan's objective when managing the capital is to safeguard the ability to continue as a going concern in order to maintain adequate assets to support investment activities of the plan.

Management monitors capital on the basis of the value of net assets available for benefits.

8 Subsequent event

Following the Statement of Net Assets date, Members with one of the Participating Employers in the Plan were awaiting approval from the Financial Services Commission of Ontario (FSCO) to transfer out their accounts, in full, from the Plan. FSCO's approval of their request is expected.

These accounts represent approximately 13% of the net asset value of the Plan, as at the Statement of Net Assets date.

The Administrator has determined that this withdrawal will not have an impact on future management fees payable by the Plan.

