

Financial Statements of

PITTSBURGH COMMUNITY BENEFIT FUND

Period ended December 31, 1998

PITTSBURGH COMMUNITY BENEFIT FUND

Financial Statements

Period ended December 31, 1998

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AUDITORS' REPORT

To the Stakeholders

We have examined the balance sheet of Pittsburgh Community Benefit Fund as at December 31, 1998 and the statements of revenue and expenditures, changes in net assets, and changes in financial position for the period then ended. These financial statements are the responsibility of the fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 fund as at December 31, 1998 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Kingston, Canada

March 5, 1999



PITTSBURGH COMMUNITY BENEFIT FUND

Balance Sheet

December 31, 1998

Assets

Current assets:

Cash	\$	291,244
Short-term investments		4,522,650
Accrued interest		21,601
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		4,835,495

Capital assets:

Land		107,755
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\$ 4,943,250

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued liabilities	\$	10,594
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Net assets:

Invested in capital assets		107,755
Restricted		611,308
Unrestricted		4,213,593
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		4,932,656

Commitment (note 3)

\$ 4,943,250

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Revenue and Expenditures

Period ended December 31, 1998

Revenue:

Grant - Pittsburgh Township	\$ 5,695,000
Investment income	255,833
Other income	4,632
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	5,955,465

Expenditures:

Holy Name School project	8,000
Middle Road Tree Planting project	18,692
Lasalle High School project	488,000
Swimming Pool project	215,204
Pool Referendum project	15,749
Library project	100,000
Fort Henry project	100,000
Winterfest project	2,913
Bank service charges	49
Professional fees	35,075
GST expense	21,009
Insurance	4,690
Meetings	479
Communications	6,445
Miscellaneous	6,504
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	1,022,809

Excess of revenue over expenditures	\$ 4,932,656
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See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Changes in Net Assets

Period ended December 31, 1998

	Invested in Capital Assets	Restricted	Unrestricted	Total
Balance, beginning of period	\$ -	\$ -	\$ -	-
Excess of revenue over expenditures	-	611,308	4,321,348	4,932,656
Net change in investment in capital assets	107,755	-	(107,755)	-
Balance, end of year	\$ 107,755	\$ 611,308	\$ 4,213,593	\$ 4,932,656

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Changes in Financial Position

Period ended December 31, 1998

Cash provided by (used in):

Operations:

Revenue over expenditure	\$ 4,932,656
Change in non-cash operating working capital:	
Accrued interest	(21,601)
Accounts payable and accrued liabilities	10,594
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	4,921,649

Investments:

Additions to capital assets	(107,755)
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Increase in cash	4,813,894
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Cash, beginning of period	-
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Cash, end of period	<hr/>
	\$ 4,813,894

Cash is defined as cash and short-term investments.

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements

Period ended December 31, 1998

General:

Pittsburgh Community Benefit Fund is incorporated without share capital under the laws of Ontario. Its principal activity is to enhance the quality of life of the former Township of Pittsburgh.

1. Significant accounting policies:

Fund accounting:

Pittsburgh Community Benefit Fund follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and operating grants.

The Restricted Fund reports only restricted resources that are to be used for projects specified by the former Township of Pittsburgh.

2. Financial statement period:

The financial statements cover revenue and expenditures from inception of November 18, 1997 to December 31, 1998.

3. Commitment:

The fund has committed to providing the Kingston-Frontenac Library Board with \$1,072,250 to establish public library facilities to be known as the Pittsburgh Community Branch Library. A payment has been made in 1998 for \$100,000. The remaining commitment is to be funded by the restricted fund for \$500,000, as set out in the original agreement, with the remaining \$472,250 to be funded from the general fund.

4. Uncertainty due to the Year 2000 Issue:

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.