

Financial Statements of

**PITTSBURGH COMMUNITY
BENEFIT FUND**

Year ended December 31, 2001



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AUDITORS' REPORT TO THE STAKEHOLDERS

We have audited the balance sheet of Pittsburgh Community Benefit Fund as at December 31, 2001 and the statements of revenue and expenditures, changes in net assets and cash flows for the year 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 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 Fund as at December 31, 2001 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

Kingston, Canada
February 28, 2002



PITTSBURGH COMMUNITY BENEFIT FUND

Financial Statements

Year ended December 31, 2001

Financial Statements

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PITTSBURGH COMMUNITY BENEFIT FUND

Balance Sheet

December 31, 2001, with comparative figures for 2000

	2001	2000
Assets		
Current assets:		
Cash	\$ 731,749	\$ 677,714
Short-term investments (note 2)	2,985,172	2,955,204
Accrued interest	56,123 <i>up 1</i>	32,617
	<u>3,773,044</u>	<u>3,665,535</u>
Land	107,755 <i>up 1</i>	107,755
	<u>\$ 3,880,799</u>	<u>\$ 3,773,290</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,506	\$ 7,428
Net assets:		
Invested in capital assets	107,755	107,755
Externally restricted	-	100,000
Internally restricted (note 3)	3,543,535	3,449,643
Unrestricted	226,003	108,464
	<u>3,877,293</u>	<u>3,765,862</u>
Commitments (note 4)		
	<u>\$ 3,880,799</u>	<u>\$ 3,773,290</u>

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Revenue and Expenditures

Year ended December 31, 2001, with comparative figures for 2000

	2001	2000
Revenue:		
Interest revenue	\$ 226,879	\$ 222,772
Gain on sale of investments	38,344	-
	<u>265,223</u>	<u>222,772</u>
Expenditures:		
Grass Creek Park project	68,215	-
Holy Name School project	20,000	-
LaSalle School project	20,000	-
Pittsburgh Sheep Dog Trials project	5,000	10,000
Scholarship project	5,000	6,000
Barrifield Rock Garden project	4,000	4,000
Outdoor Music Concert project	468	2,226
Library project	-	138,810
Joyceville Playground project	-	140,000
Donations	13,100	665
Professional fees	5,502	5,353
Insurance	4,446	4,446
Meeting	1,759	249
Winterfest	2,500	2,200
Miscellaneous and office	109	75
Municipal taxes	3,693	4,786
Communication	-	7,796
	<u>153,792</u>	<u>326,606</u>
Excess (deficiency) of revenue over expenditures	\$ 111,431	\$ (103,834)

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Changes in Net Assets

Year ended December 31, 2001, with comparative figures for 2000

	2001				2000	
	Invested in Capital Assets	Externally Restricted	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 107,755	\$ 100,000	\$ 3,449,643	\$ 108,464	\$ 3,765,862	\$ 3,869,696
Excess (deficiency) of revenue over expenditures	-	(68,215)	-	179,646	111,431	(103,834)
Interfund transfer (note 3)	-	(31,785)	93,892	(62,107)	-	-
Balance, end of year	\$ 107,755	\$ -	\$ 3,543,535	\$ 226,003	\$ 3,877,293	\$ 3,765,862

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Cash Flows

Year ended December 31, 2001, with comparative figures for 2000

	2001	2000
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenditures	\$ 111,431	\$ (103,834)
Gain on sale of investments	(38,344)	-
Change in non-cash operating working capital:		
Accrued interest	(23,506)	(19,226)
Accounts payable and accrued liabilities	(3,922)	(27)
	(27,428)	(19,253)
	45,659	(123,087)
Investments:		
Redemption of short-term investments	1,103,904	3,700,005
Purchases of short-term investments	(1,095,528)	(2,955,204)
	8,376	744,801
Increase in cash and cash equivalents	54,035	621,714
Cash and cash equivalents, beginning of year	677,714	56,000
Cash and cash equivalents, end of year	\$ 731,749	\$ 677,714

The Fund considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements

Year ended December 31, 2001

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

1. Significant accounting policies:

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

The Internally Restricted Fund reports resources which have been restricted through internal board decisions (note 3).

(b) 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 date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

2. Short-term investments:

The market value of the short-term securities is \$3,128,280 (2000 - \$3,046,494).

PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2001

3. Interfund transfers and internally restricted net assets:

In 1999, the board of directors internally restricted \$3,524,199 of the previously unrestricted invested funds. The interest earned on the invested funds is to be used to provide for current projects.

During 2001, \$68,615 of the externally restricted funds was paid to the City of Kingston, completing the terms of that agreement. The remaining \$31,785 was transferred to the unrestricted funds.

The board of directors approved a motion to preserve the capital of the internally restricted fund by charging the current year earnings with an inflation factor. The current year inflation factor for 2001 of 2.7% was \$93,892 (2000 - \$65,444).

4. Commitments:

The Board of Directors approved funding for the Holy Name School project to a maximum of \$40,000 to be paid over two years. A total of \$20,000 was disbursed as of December 31, 2001.