

Financial Statements of

**PITTSBURGH COMMUNITY
BENEFIT FUND**

Year ended December 31, 2003



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AUDITORS' REPORT TO THE STAKEHOLDERS

We have audited the balance sheet of Pittsburgh Community Benefit Fund as at December 31, 2003 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, 2003 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
March 18, 2004



PITTSBURGH COMMUNITY BENEFIT FUND

Financial Statements

Year ended December 31, 2003

Financial Statements

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PITTSBURGH COMMUNITY BENEFIT FUND

Balance Sheet

December 31, 2003, with comparative figures for 2002

	2003	2002
Assets		
Current assets:		
Cash	\$ 48,587	\$ 872,869
Accrued interest	62,874	55,201
Prepaid expenses	7,684	-
	119,145	928,070
Investments (note 2)	3,902,052	2,944,945
Land, at cost	107,755	107,755
	\$ 4,128,952	\$ 3,980,770

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 28,511	\$ 4,968
Net assets:		
Invested in capital assets	107,755	107,755
Internally restricted (note 3)	3,745,241	3,625,036
Unrestricted	247,445	243,011
	4,100,441	3,975,802
Commitment (note 4)		
	\$ 4,128,952	\$ 3,980,770

2004
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204,177

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, 2003, with comparative figures for 2002

	2003	2002
Revenue:		
Interest revenue	\$ 205,736	\$ 193,258
Other income	18,472	-
Loss on sale of investments	(8,307)	(41,322)
	<u>215,901</u>	<u>151,936</u>
Expenditures:		
Projects:		
Holy Name School project	-	17,211
Scholarship project	11,000	7,000
Barrifield Rock Garden project	5,000	4,000
Pittsburgh Sheep Dog Trials project	2,500	2,500
Winterfest	2,500	2,500
Outdoor Music Concert project	546	884
Emergency Services project	-	500
Historical Society project	918	-
LaSalle School project	7,500	-
'02/03 Seniors' Christmas Dinners	3,600	-
Fairfield Seniors' Automatic Door project	5,000	-
Kingston Heritage Tattoo	5,000	-
St. Martha's Basketball Facility	4,207	-
Sheep Dog Trials Jazz Band Concert	936	-
J.E. Horton Community Recreation project	24,057	-
Community Special Events	230	-
	<u>72,994</u>	<u>34,595</u>
Administrative:		
Insurance	5,885	5,374
Professional fees	5,964	4,974
Municipal taxes	3,615	3,692
Meetings	1,335	1,776
Miscellaneous and office	332	1,719
Communications	1,137	1,272
Bank service charges	-	25
	<u>18,268</u>	<u>18,832</u>
	<u>91,262</u>	<u>53,427</u>
Excess of revenue over expenditures	<u>\$ 124,639</u>	<u>\$ 98,509</u>

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Changes in Net Assets

Year ended December 31, 2003, with comparative figures for 2002

	2003		2002	
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
Balance, beginning of year	\$ 107,755	\$ 3,625,036	\$ 243,011	\$ 3,975,802
Excess of revenue over expenditures	-	-	124,639	124,639
Interfund transfer (note 3)	-	120,205	(120,205)	-
Balance, end of year	\$ 107,755	\$ 3,745,241	\$ 247,445	\$ 4,100,441
				\$ 3,975,802

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Cash Flows

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 124,639	\$ 98,509
Loss on sale of investments	8,307	41,322
Change in non-cash operating working capital:		
Prepaid expenses	(7,684)	-
Accrued interest	(7,673)	922
Accounts payable and accrued liabilities	23,543	1,462
	8,186	2,384
	141,132	142,215
Investments:		
Redemption of investments	881,672	689,000
Purchases of investments	(1,847,086)	(690,095)
	(965,414)	(1,095)
Increase (decrease) in cash and cash equivalents	(824,282)	141,120
Cash and cash equivalents, beginning of year	872,869	731,749
Cash and cash equivalents, end of year	\$ 48,587	\$ 872,869
Supplemental cash flow information:		
Interest received	\$ 193,526	\$ 192,968

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, 2003

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

(b) Investments:

Investments are recorded at the lower of cost and market value.

(c) 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. Investments:

The market value of investments is \$4,040,980 (2002 - \$3,115,963).

PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2003

3. Interfund transfers and internally restricted net assets:

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

The board of directors also 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 2003 of 2.8% resulted in an amount of \$102,010 (2002 - \$81,501) being transferred to internally restricted funds.

An amount of \$18,195 representing funds received from a closed trust account was also approved to be transferred to these restricted funds.

4. Commitment:

In March of 2003, the Pittsburgh Community Benefit Fund approved support for the J.E. Horton School Outdoor Centre for a maximum amount of \$80,000. An amount of \$24,057 was incurred as of December 31, 2003.

5. Fair value of financial assets and financial liabilities:

The fair value of the Fund's cash and accounts payable and accrued liabilities approximates their carrying amounts.