

Financial Statements of

**PITTSBURGH COMMUNITY
BENEFIT FUND**

Year ended December 31, 2004



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AUDITORS' REPORT TO THE STAKEHOLDERS

We have audited the balance sheet of Pittsburgh Community Benefit Fund as at December 31, 2004 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, 2004 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 7, 2005

PITTSBURGH COMMUNITY BENEFIT FUND

Financial Statements

Year ended December 31, 2004

Financial Statements

Balance Sheet	1
Statement of Revenue and Expenditures	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5

PITTSBURGH COMMUNITY BENEFIT FUND

Balance Sheet

December 31, 2004, with comparative figures for 2003

	2004	2003
Assets		
Current assets:		
Cash	\$ 59,813	\$ 48,587
Accrued interest	73,796	62,874
Prepaid expenses	-	7,684
	133,609	119,145
Investments (note 2)	3,970,753	3,902,052
Land, at cost	107,755	107,755
	\$ 4,212,117	\$ 4,128,952

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 86,406	\$ 28,511
Net assets:		
Invested in capital assets	107,755	107,755
Internally restricted (note 3)	3,813,779	3,745,241
Unrestricted	204,177	247,445
	4,125,711	4,100,441
Commitment (note 4)		
	\$ 4,212,117	\$ 4,128,952

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, 2004, with comparative figures for 2003

	2004	2003
Revenue:		
Investment income	\$ 216,776	\$ 197,429
Other income	-	18,472
	<u>216,776</u>	<u>215,901</u>
Expenditures:		
Grants:		
Tom Cummings Retrospective Exhibition	7,475	-
Scholarship grants	12,000	11,000
Barriefield Rock Garden grant	5,000	5,000
Pittsburgh Sheep Dog Trials grant	2,500	2,500
Winterfest	2,500	2,500
Outdoor Music Concert grant	-	546
Pittsburgh Summer Concert	208	-
Historical Society grant	-	918
LaSalle School grant	-	7,500
Seniors Events	4,500	3,600
Fairfield Seniors' Automatic Door grant	-	5,000
Kingston Heritage Tattoo	-	5,000
St. Martha's Basketball Facility	-	4,207
Sheep Dog Trials Jazz Band Concert	936	936
J.E. Horton Community Recreation grant	46,245	24,057
Community Special Events	-	230
Girl Guide Camping Equipment	1,000	-
Food Sharing Program	4,000	-
St. Lawrence College Bursaries	50,000	-
Historica Fair	1,000	-
St. Martha Catholic School, Running Track and Soccer Pitch grant	36,000	-
Miscellaneous donation	100	-
	<u>173,464</u>	<u>72,994</u>
Administrative:		
Insurance	7,684	5,885
Professional fees	4,264	5,964
Municipal taxes	3,730	3,615
Meetings	1,711	1,335
Miscellaneous and office	378	332
Communications	275	1,137
	<u>18,042</u>	<u>18,268</u>
	<u>191,506</u>	<u>91,262</u>
Excess of revenue over expenditures	\$ 25,270	\$ 124,639

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Changes in Net Assets

Year ended December 31, 2004, with comparative figures for 2003

	2004			2003	
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 107,755	\$ 3,745,241	\$ 247,445	\$ 4,100,441	\$ 3,975,802
Excess of revenue over expenditures	-	-	25,270	25,270	124,639
Interfund transfer (note 3)	-	68,538	(68,538)	-	-
Balance, end of year	\$ 107,755	\$ 3,813,779	\$ 204,177	\$ 4,125,711	\$ 4,100,441

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Cash Flows

Year ended December 31, 2004, with comparative figures for 2003

	2004	2003
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 25,270	\$ 124,639
Change in non-cash operating working capital:		
Prepaid expenses	7,684	(7,684)
Accrued interest	(10,922)	(7,673)
Accounts payable and accrued liabilities	57,895	23,543
	54,657	8,186
	79,927	132,825
Investments:		
Redemption of investments	621,638	889,979
Purchases of investments	(690,339)	(1,847,086)
	(68,701)	(957,107)
Increase (decrease) in cash and cash equivalents	11,226	(824,282)
Cash and cash equivalents, beginning of year	48,587	872,869
Cash and cash equivalents, end of year	\$ 59,813	\$ 48,587
Supplemental cash flow information:		
Interest received	\$ 205,485	\$ 193,526

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, 2004

Pittsburgh Community Benefit Fund is incorporated without share capital under the laws of Ontario. Its principal activity is to fund projects that will 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 \$4,125,445 (2003 - \$4,040,980).

PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2004

3. Interfund transfers and internally restricted net assets:

In 1999, the board of directors internally restricted \$3,524,199 of previously unrestricted funds. In 2003, an amount of \$18,195 representing funds received from a closed trust account was also approved to be transferred to these restricted 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 2004 of 1.83% (2003 - 2.8%) resulted in an amount of \$68,538 (2003 - \$102,010) being transferred to internally 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 \$70,302 (2003 - \$24,057) was incurred as of December 31, 2004.

5. Fair value of financial assets and financial liabilities:

The fair value of the Fund's cash, accrued interest and accounts payable and accrued liabilities approximates their carrying amounts due to the relatively short periods to maturity of these financial instruments.

6. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.