

Financial Statements of

**PITTSBURGH COMMUNITY
BENEFIT FUND**

Year ended December 31, 2005



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AUDITORS' REPORT TO THE STAKEHOLDERS

We have audited the balance sheet of Pittsburgh Community Benefit Fund as at December 31, 2005 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, 2005 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 10, 2006

PITTSBURGH COMMUNITY BENEFIT FUND

Financial Statements

Year ended December 31, 2005

Financial Statements

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PITTSBURGH COMMUNITY BENEFIT FUND

Balance Sheet

December 31, 2005, with comparative figures for 2004

	2005	2004
Assets		
Current assets:		
Cash	\$ 102,806	\$ 59,813
Accrued interest	98,194	73,796
Prepaid expenses	8,123	-
	<u>209,123</u>	<u>133,609</u>
Long-term investments (note 2)	3,956,750	3,970,753
Land, at cost	107,755	107,755
	<u>\$ 4,273,628</u>	<u>\$ 4,212,117</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 55,378	\$ 86,406
Net assets:		
Invested in capital assets	107,755	107,755
Internally restricted (note 3)	3,899,208	3,813,779
Unrestricted	211,287	204,177
	<u>4,218,250</u>	<u>4,125,711</u>
Commitment (note 4)		
	<u>\$ 4,273,628</u>	<u>\$ 4,212,117</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, 2005, with comparative figures for 2004

	2005	2004
Investment income	\$ 178,828	\$ 216,776
Expenditures:		
Grants:		
Tom Cummings Retrospective Exhibition	-	7,475
Scholarship grants	20,000	12,000
Barriefield Rock Garden grant	6,000	5,000
Pittsburgh Sheep Dog Trials grant	2,500	2,500
Winterfest	2,500	2,500
Ecole Lundy's Lane School Ski's	3,500	-
Historical Society grant	-	208
Senior Events	3,100	4,500
Pittsburgh Community Library Show Band	640	-
Sheep Dog Trials Jazz Band Concert	1,020	936
J.E. Horton Community Recreation grant	4,849	46,245
Jeremy Hicks Endowment	5,000	-
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	824	36,000
Miscellaneous donation	-	100
	49,933	173,464
Administrative:		
Insurance	7,684	7,684
Professional fees	17,971	4,264
Municipal taxes	3,765	3,730
Meetings	4,691	1,711
Office	990	378
Communications	1,255	275
	36,356	18,042
	86,289	191,506
Excess of revenue over expenditures	\$ 92,539	\$ 25,270

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Changes in Net Assets

Year ended December 31, 2005, with comparative figures for 2004

	2005			2004	
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 107,755	\$ 3,813,779	\$ 204,177	\$ 4,125,711	\$ 4,100,441
Excess of revenue over expenditures	-	-	92,539	92,539	25,270
Interfund transfer (note 3)	-	85,429	(85,429)	-	-
Balance, end of year	\$ 107,755	\$ 3,899,208	\$ 211,287	\$ 4,218,250	\$ 4,125,711

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Cash Flows

Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 92,539	\$ 25,270
Change in non-cash operating working capital:		
Prepaid expenses	(8,123)	7,684
Accrued interest	12,899	(10,922)
Accounts payable and accrued liabilities	(31,029)	57,895
	(26,253)	54,657
	66,286	79,927
Investments:		
Redemption of investments	1,803,063	621,638
Purchases of investments	(1,826,356)	(690,339)
	(23,293)	(68,701)
Increase in cash and cash equivalents	42,993	11,226
Cash and cash equivalents, beginning of year	59,813	48,587
Cash and cash equivalents, end of year	\$ 102,806	\$ 59,813
Supplemental cash flow information:		
Interest received	\$ 195,308	\$ 205,485

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, 2005

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. Any discounts or premiums on bonds are amortized over the term of the bond.

(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 \$4,128,176 (2004 - \$4,125,445).

PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2005

3. Interfund transfers and internally restricted net assets:

In prior years, the board of directors internally restricted a total of \$3,524,199 . 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 funds by charging the current year earnings with an inflation factor. The current year inflation factor for 2005 of 2.24% (2004 - 1.83%) resulted in an amount of \$85,429 (2004 - \$68,538) 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 \$75,151 (2004 - \$70,302) was incurred as of December 31, 2005.

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.

The fair value of marketable securities at December 31, 2005 of \$4,128,746 (2004 - \$4,125,445) is based on quoted market prices on December 31, 2005.

6. Comparative figures:

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