

Financial Statements of

**PITTSBURGH COMMUNITY
BENEFIT FUND**

Year ended December 31, 2006



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AUDITORS' REPORT TO THE STAKEHOLDERS

We have audited the balance sheet of Pittsburgh Community Benefit Fund as at December 31, 2006 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, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Kingston, Canada
April 2, 2007

PITTSBURGH COMMUNITY BENEFIT FUND

Financial Statements

Year ended December 31, 2006

Financial Statements

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PITTSBURGH COMMUNITY BENEFIT FUND

Balance Sheet

December 31, 2006, with comparative figures for 2005

	2006	2005
Assets		
Current assets:		
Cash	\$ 143,955	\$ 102,806
Accrued interest	94,020	98,194
Prepaid expenses	-	8,123
	237,975	209,123
Long-term investments (note 3)	3,920,769	3,956,750
Land, at cost	107,755	107,755
	\$ 4,266,499	\$ 4,273,628
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 49,343	\$ 55,378
Net assets:		
Invested in capital assets	107,755	107,755
Internally restricted (note 2)	3,977,192	3,899,208
Unrestricted	132,209	211,287
	4,217,156	4,218,250
	\$ 4,266,499	\$ 4,273,628

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, 2006, with comparative figures for 2005

	2006	2005
Investment income	\$ 179,560	\$ 178,828
Expenditures:		
Grants:		
La Salle Secondary School	30,000	-
Scholarship grants	14,000	20,000
Barriefield Rock Garden grant	6,000	6,000
Pittsburgh Sheep Dog Trials grant	-	2,500
Winterfest	-	2,500
Ecole Lundy's Lane School Ski's	-	3,500
Library	27,000	-
Joyceville Womens Institute	2,500	-
Senior Events	2,372	3,100
Student Exchange Project	2,000	-
Market Square Restoration	25,000	-
Pittsburgh Community Library Show Band	-	640
Sheep Dog Trials Jazz Band Concert	-	1,020
J.E. Horton Community Recreation grant	4,849	4,849
Jeremy Hicks Endowment	-	5,000
Grand Theatre Restoration	25,000	-
St. Martha Catholic School, Running Track and		
Soccer Pitch grant	-	824
Joyceville Public School	17,719	-
	156,440	49,933
Administrative:		
Insurance	8,123	7,684
Professional fees	5,431	17,971
Municipal taxes	3,625	3,765
Meetings	3,429	4,691
Office	3,169	990
Communications	437	1,255
	24,214	36,356
	180,654	86,289
Excess (deficiency) of revenue over expenditures	\$ (1,094)	\$ 92,539

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Changes in Net Assets

Year ended December 31, 2006, with comparative figures for 2005

	2006			2005		
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total	Total
Balance, beginning of year	\$ 107,755	\$ 3,899,208	\$ 211,287	\$ 4,218,250	\$ 4,125,711	
Excess (deficiency) of revenue over expenditures	-	-	(1,094)	(1,094)	92,539	
Interfund transfer (note 2)	-	77,984	(77,984)	-	-	
Balance, end of year	\$ 107,755	\$ 3,977,192	\$ 132,209	\$ 4,217,156	\$ 4,218,250	

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Cash Flows

Year ended December 31, 2006, with comparative figures for 2005

	2006	2005
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenditures	\$ (1,094)	\$ 92,539
Change in non-cash operating working capital:		
Prepaid expenses	8,123	(8,123)
Accrued interest	4,174	12,899
Accounts payable and accrued liabilities	(6,035)	(31,029)
	6,262	(26,253)
	5,168	66,286
Investments:		
Redemption of investments	1,888,707	1,803,063
Purchases of investments	(1,852,726)	(1,826,356)
	35,981	(23,293)
Increase in cash and cash equivalents	41,149	42,993
Cash and cash equivalents, beginning of year	102,806	59,813
Cash and cash equivalents, end of year	\$ 143,955	\$ 102,806
Supplemental cash flow information:		
Interest received	\$ 166,305	\$ 195,308

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, 2006

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.

PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2006

2. 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 2006 of 2.0% (2005 - 2.24%) resulted in an amount of \$77,984 (2005 - \$85,429) being transferred to internally restricted funds.

3. 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, 2006 of \$4,067,780 (2005 - \$4,128,746) is based on quoted market prices on December 31, 2006.

4. Comparative figures:

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