

Financial Statements of

**PITTSBURGH COMMUNITY  
BENEFIT FUND**

Year ended December 31, 2013



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## INDEPENDENT AUDITORS' REPORT

To the Stakeholders of the Pittsburgh Community Benefit Fund

We have audited the accompanying financial statements of the Pittsburgh Community Benefit Fund, which comprise the statement of financial position as at December 31, 2013, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Pittsburgh Community Benefit Fund as at December 31, 2013, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

March 10, 2014

Kingston, Canada

# PITTSBURGH COMMUNITY BENEFIT FUND

Financial Statements

Year ended December 31, 2013

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# PITTSBURGH COMMUNITY BENEFIT FUND

## Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 723,983	\$ 316,104
Accrued interest	24,516	31,159
Short-term investments (note 2)	571,430	810,034
	<u>1,319,929</u>	<u>1,157,297</u>
Long-term investments (note 2)	3,150,142	3,227,550
	<u>\$ 4,470,071</u>	<u>\$ 4,384,847</u>

## Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 128,921	\$ 7,599
Net assets:		
Unrestricted	4,341,150	4,377,248
	<u>\$ 4,470,071</u>	<u>\$ 4,384,847</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# PITTSBURGH COMMUNITY BENEFIT FUND

## Statement of Operations

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Revenue:		
Investment income	\$ 114,819	\$ 125,030
Net realized gain on sale of investments	216,661	27,066
Unrealized gain on investment	132,127	106,329
Other income	—	465
	<u>463,607</u>	<u>258,890</u>
Expenditures:		
Grants:		
Barriefield Rock Garden grant	6,231	6,138
Holy Name Of Jesus Church	12,500	—
Holy Name Parish	—	12,500
Holy Name School	29,000	—
Joyceville Public School	—	1,500
Joyceville Women's Institute	3,115	3,069
Kingston Sheep Dog Trials	10,385	10,230
LaSalle Secondary School	20,000	—
Pittsburgh Community Garden Association	2,115	2,790
Pittsburgh Historical Society	—	1,968
Pittsburgh Softball Association	5,000	—
Scholarship grants	20,000	15,000
St. Barnaby's Catholic Church	15,000	—
St. John's Church	20,500	6,000
South Pittsburgh Community	3,553	—
	<u>147,399</u>	<u>59,195</u>
Capital grants:		
Soccerfield	73,400	73,400
Sir John A MacDonald Playground	252,008	—
	<u>325,408</u>	<u>73,400</u>
Administrative:		
Communications	3,245	3,995
Insurance	7,866	7,978
Office	6,420	5,308
Professional fees	9,224	9,958
Service charges	143	242
	<u>26,898</u>	<u>27,481</u>
Total expenditures	<u>499,705</u>	<u>160,076</u>
Excess of revenue over expenditures (expenditures over revenue)	\$ (36,098)	\$ 98,814

See accompanying notes to financial statements.

# PITTSBURGH COMMUNITY BENEFIT FUND

## Statement of Changes in Net Assets

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Balance, beginning of year	\$ 4,377,248	\$ 4,278,434
Excess of revenue over expenditures (expenditures over revenue)	(36,098)	98,814
Balance, end of year	\$ 4,341,150	\$ 4,377,248

See accompanying notes to financial statements.

# PITTSBURGH COMMUNITY BENEFIT FUND

## Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures (expenditures over revenue)	\$ (36,098)	\$ 98,814
Changes in non-cash working capital:		
Accrued interest	6,643	(6,234)
Accounts payable and accrued liabilities	121,322	360
	<u>91,867</u>	<u>92,940</u>
Investing activities:		
Net change in short-term investments	238,604	(307,997)
Net change in long-term investments	77,408	260,512
	<u>316,012</u>	<u>(47,485)</u>
Net increase in cash and cash equivalents	407,879	45,455
Cash and cash equivalents, beginning of year	316,104	270,649
Cash and cash equivalents, end of year	<u>\$ 723,983</u>	<u>\$ 316,104</u>

See accompanying notes to financial statements.



# PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements

Year ended December 31, 2013

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The 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:

The financial statements have been prepared by management in accordance with Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook – Accounting.

### (a) Revenue recognition:

Investment revenue includes dividends, interest and realized gains and losses on investments.

### (b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

### (c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value.

Sales and purchases of investments are recorded on the trade date. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

### (d) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period in which they become known.

### (e) Net realized gain on sale of investments:

The net realized gain on sale of investments is the difference between proceeds received and the average cost of investments sold.

# PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2013

## 2. Investments:

	2013		2012	
	Cost	Fair value	Cost	Fair value
Short-term investments	\$ 554,470	\$ 571,430	\$ 769,436	\$ 810,034
Long-term investments:				
Guaranteed investment certificates	\$ 300,000	\$ 300,000	\$ 754,470	\$ 766,760
Canadian bonds	103,447	268,426	286,836	310,818
Canadian equities	816,058	933,856	757,099	919,732
Foreign equities	1,303,006	1,647,860	1,195,190	1,230,240
	\$2,522,511	\$3,150,142	\$2,993,595	\$3,227,550

## 3. Fair value of financial assets and financial liabilities:

The fair value of the Fund's cash and cash equivalents 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 investments is reported as described in note 1(c).

## 4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (2012 - \$Nil).

## 5. Transfer of land:

On November 26, 2009, Pittsburgh Community Benefit Fund entered into a Pittsburgh Community Benefit Fund Gifting Agreement with the Corporation of the City of Kingston for the City to develop a community sports facility.

The Fund transferred title of the land to the City in 2010 and will assist to finance the project costs with five annual payments totalling \$367,000 once construction of the sports facility commenced. During 2013, an invoice has been received for \$73,400 from the City of Kingston and recorded as payable. There is one payment remaining totalling \$73,400.

# PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2013

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## **6. Capital management:**

The main objective of the Fund is to provide support, benefits, and assistance to the residents of the community. The Fund fulfills its primary objective by adhering to specific investment policies outlined in its Investment Policy Statement, which is reviewed regularly by the Investment and Finance Committee. The Fund manages net assets by engaging knowledgeable investment managers who are charged with the responsibility of investing existing funds in accordance with the approved Investment Policy Statement. Increases in net assets are a direct result of investment income generated by investments held by the Fund.