

Financial Statements of

**PITTSBURGH COMMUNITY
BENEFIT FUND**

Year ended December 31, 2007



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AUDITORS' REPORT TO THE STAKEHOLDERS

We have audited the balance sheet of Pittsburgh Community Benefit Fund as at December 31, 2007 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, 2007 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
February 18, 2008

PITTSBURGH COMMUNITY BENEFIT FUND

Financial Statements

Year ended December 31, 2007

Financial Statements

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PITTSBURGH COMMUNITY BENEFIT FUND

Balance Sheet

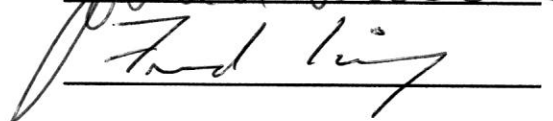
December 31, 2007, with comparative figures for 2006

	2007	2006
Assets		
Current assets:		
Cash	\$ 93,242	\$ 143,955
Accrued interest	145,008	94,020
	238,250	237,975
Long-term investments (note 2)	3,955,921	3,920,769
Land, at cost	107,755	107,755
	<u>\$ 4,301,926</u>	<u>\$ 4,266,499</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 29,774	\$ 49,343
Net assets:		
Invested in capital assets	107,755	107,755
Internally restricted (note 3)	4,055,190	3,977,192
Unrestricted	109,207	132,209
	4,272,152	4,217,156
	<u>\$ 4,301,926</u>	<u>\$ 4,266,499</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, 2007, with comparative figures for 2006

	2007	2006
Investment income	\$ 222,901	\$ 179,560
Expenditures:		
Grants:		
La Salle Secondary School Band	3,300	-
Scholarship grants	15,000	14,000
Barriefield Rock Garden grant	6,000	6,000
Kidney Foundation	100	-
1st Joyceville Scout	2,000	-
Holy Name	25,000	-
Library	-	27,000
St. Mark's Anglican Church	10,000	-
Senior Events	-	4,872
Market Square Restoration	25,000	25,000
La Salle Secondary School Great Hall	-	20,000
Ecole Madelaine-De-Roybon	6,000	2,000
J.E. Horton Community Recreation grant	-	4,849
J.E. Horton Sound System	5,000	-
Grand Theatre Restoration	25,000	25,000
La Salle Secondary School	-	10,000
Soccer Nets	9,000	-
Joyceville Public School	-	17,719
	131,400	156,440
Administrative:		
Insurance	8,233	8,123
Professional fees	8,291	5,430
Municipal taxes	3,714	3,625
Meetings	4,836	3,429
Office	2,551	3,169
Communications	1,767	437
	29,392	24,213
Total expenditures	160,792	180,653
Excess (deficiency) of revenue over expenditures before unrealized loss on investments	62,109	(1,093)
Unrealized loss on investments designated as held for trading (note 2)	60,104	-
Excess (deficiency) of revenue over expenditures	\$ 2,005	\$ (1,093)

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Changes in Net Assets

Year ended December 31, 2007, with comparative figures for 2006

	2007			2006		
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total	Total
Balance, beginning of year	\$ 107,755	\$ 3,977,192	\$ 132,209	\$ 4,217,156	\$ 4,218,250	
Accounting changes - financial instruments (note 2)	-	52,991	-	52,991	-	-
Balance, beginning of year, as restated	107,755	4,030,183	132,209	4,270,147	4,218,250	
Excess (deficiency) of revenue over expenditures	-	(60,104)	62,109	2,005	(1,093)	
Interfund transfer (note 3)	-	85,111	(85,111)	-	-	
Balance, end of year	\$ 107,755	\$ 4,055,190	\$ 109,207	\$ 4,272,152	\$ 4,217,157	

See accompanying notes to financial statements.

PITTSBURGH COMMUNITY BENEFIT FUND

Statement of Cash Flows

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenditures	\$ 2,005	\$ (1,094)
Items not involving cash:		
Unrealized loss on investments held for trading	60,104	-
Change in non-cash operating working capital:		
Prepaid expenses	-	8,123
Accrued interest	(50,988)	4,174
Accounts payable and accrued liabilities	(19,569)	(6,035)
	(70,557)	6,262
	(8,448)	5,168
Investments:		
Redemption of investments	6,996,925	1,888,707
Purchases of investments	(7,039,190)	(1,852,726)
	(42,265)	35,981
Increase (decrease) in cash and cash equivalents	(50,713)	41,149
Cash and cash equivalents, beginning of year	143,955	102,806
Cash and cash equivalents, end of year	\$ 93,242	\$ 143,955
Supplemental cash flow information:		
Interest received	\$ 168,082	\$ 166,305

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, 2007

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:

Long-term investments are designated as held for trading and are measured at fair value. Fair value is determined at quoted market prices. Purchases and sales of long-term investments are recorded on the settlement date.

For the 2006 comparative period, long-term investments are recorded at the lower of cost and market value. Any discounts or premiums on bonds were 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, 2007

2. Accounting changes - financial instruments:

In 2005, the Canadian Institute of Chartered Accountants released *Handbook Section 3855, Financial Instruments - Recognition and Measurement*. These new standards changed the way certain financial assets and liabilities are accounted for and reported in the financial statements.

The Pittsburgh Community Benefit Fund was required to adopt these Sections effective January 1, 2007. In accordance with the transitional provisions of this Section, the Pittsburgh Community Benefit Fund has prospectively adopted the recommendations and therefore the 2006 comparative figures have not been restated.

Long-term investments:

The Pittsburgh Community Benefit Fund has designated its long-term investments as held for trading and, as such, these investments are recorded at fair value for the 2007 fiscal year. Prior to fiscal 2007, long-term investments were recorded at cost and realized gains and losses were recognized in the year of the disposal.

As a result of adopting these Sections, the opening balance of the internally restricted net assets in fiscal 2007 has been increased by \$52,991 to \$4,270,147 to reflect the prior year's net appreciation of the fair value of long-term investments.

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 2007 of 2.14% (2006 - 2.0%) resulted in an amount of \$85,111 (2006 - \$77,984) being transferred to internally restricted funds.

4. 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.