

Financial Statements of

**PITTSBURGH COMMUNITY  
BENEFIT FUND**

Year ended December 31, 2008

## AUDITORS' REPORT TO THE STAKEHOLDERS

We have audited the statement of financial position of Pittsburgh Community Benefit Fund as at December 31, 2008 and the statements of operations and changes in net assets 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The image shows a handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that underlines the text.

Chartered Accountants, Licensed Public Accountants

Kingston, Canada  
February 20, 2009

# **PITTSBURGH COMMUNITY BENEFIT FUND**

## **Financial Statements**

Year ended December 31, 2008

### **Financial Statements**

Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Notes to Financial Statements	4

# PITTSBURGH COMMUNITY BENEFIT FUND

## Statement of Financial Position

December 31, 2008, with comparative figures for 2007

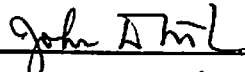
	2008	2007
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 768,452	\$ 93,242
Accrued interest	80,085	145,008
Prepaid expenses	7,387	-
	<u>855,924</u>	<u>238,250</u>
Long-term investments (note 3)	3,417,973	3,955,921
Land, at cost	107,755	107,755
	<u>\$ 4,381,652</u>	<u>\$ 4,301,926</u>


## Liabilities and Net Assets

<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 5,834	\$ 29,774
<b>Net assets:</b>		
Invested in capital assets	107,755	107,755
Internally restricted (note 4)	4,152,515	4,055,190
Unrestricted	115,548	109,207
	<u>4,375,818</u>	<u>4,272,152</u>
	<u>\$ 4,381,652</u>	<u>\$ 4,301,926</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, 2008, with comparative figures for 2007

	2008	2007
<b>Revenue:</b>		
Investment income	\$ 80,216	\$ 179,826
Net realized gain on sale of investments	93,927	43,075
Change in unrealized gain (loss) on investments designated as held for trading (note 3)	17,394	(60,104)
	<u>191,537</u>	<u>162,797</u>
<b>Expenditures:</b>		
<b>Grants:</b>		
La Salle Secondary School Music Council	-	3,300
Scholarship grants	17,000	15,000
Barriefield Rock Garden grant	6,000	6,000
Kidney Foundation, in memorium, Rae and Stoness	-	100
1st Joyceville Scout, Canadian Jamboree Sponsorship	-	2,000
Holy Name Catholic School, new playground project	-	25,000
St. Mark's Anglican Church, roofing project	-	10,000
Market Square Restoration	-	25,000
Ecole Madelaine-De-Roybon, folding cafeteria tables	-	6,000
J.E. Horton Sound System	-	5,000
Grand Theatre Restoration	-	25,000
Kingston United Soccer Club, Soccer Nets	-	9,000
Joyceville Women's Institute	6,222	-
Pittsburgh Women's Institute	5,000	-
Kingston Fire and Rescue, Historical Pumper Truck Restoration	10,000	-
Eric Van Aerde, United Nations Conference Sponsorship	150	-
City of Kingston, Sheep Dog Trials	9,100	-
	<u>53,472</u>	<u>131,400</u>
<b>Administrative:</b>		
Insurance	7,978	8,233
Professional fees	10,111	8,291
Municipal taxes	3,724	3,714
Meetings	73	4,836
Office	5,453	2,551
Communications	7,060	1,767
	<u>34,399</u>	<u>29,392</u>
<b>Total expenditures</b>	<u>87,871</u>	<u>160,792</u>
<b>Excess of revenue over expenditures</b>	<u>\$ 103,666</u>	<u>\$ 2,005</u>

See accompanying notes to financial statements.

# PITTSBURGH COMMUNITY BENEFIT FUND

## Statement of Changes in Net Assets

Year ended December 31, 2008, with comparative figures for 2007

				2008	2007
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 107,755	\$ 4,055,190	\$ 109,207	\$ 4,272,152	\$ 4,270,147
Excess of revenue over expenditures	-	-	103,666	103,666	2,005
Interfund transfer (note 4)	-	97,325	(97,325)	-	-
<b>Balance, end of year</b>	<b>\$ 107,755</b>	<b>\$ 4,152,515</b>	<b>\$ 115,548</b>	<b>\$ 4,375,818</b>	<b>\$ 4,272,152</b>

See accompanying notes to financial statements.

# PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements

Year ended December 31, 2008

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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:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following 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 4).

### (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. Transaction costs related to the acquisition of investments are recorded against investment income.

### (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 expenditures during the period. 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.

### (d) Investment income:

Investment income, which is recorded on the accrual basis, includes interest income and dividends.

# PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2008

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## 1. Significant accounting policies (continued):

### (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.

## 2. Future accounting standards:

The Canadian Institute of Chartered Accountants ("CICA") has issued recommendations that will come into effect for the Fund's fiscal year beginning January 1, 2009. The Fund is currently assessing the impact of these standards on its financial statements. The following is an overview of these recommendations:

### Amendments to Accounting Standards that Apply Only to Not-for-Profit Organizations

In September 2008, the CICA issued amendments to the existing accounting standards relating to not-for-profit organizations that will come into effect for the Fund's fiscal year beginning January 1, 2009. The amendments affect the financial statement presentation and disclosure requirements for not-for-profit organizations. The Fund is currently assessing the impact of these standards on its financial statements.

## 3. Investments at cost:

Whereas the investments are stated at fair value on the statement of financial position, the cost of these investments as at December 31, 2008 is as follows:

	2008	2007
Investments held at cost:		
Guaranteed investment certificates	\$ 1,605,406	\$ -
Canadian bonds	1,373,695	3,987,701
Canadian equities	217,058	-
Foreign equities	230,708	-
Trusts and Limited Partnership	4,287	-
	<u>\$ 3,431,154</u>	<u>\$ 3,987,701</u>



# PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2008

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## **4. 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 adjustment. The current year inflation factor applied to the prior year end balance of \$4,055,190 for 2008 of 2.4% (2007 - 2.14%) resulted in an increase of \$97,325 (2007 - \$85,111) being transferred to internally restricted funds from the unrestricted funds.

## **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 investments is reported as described in note 1(b).

## **6. Statement of cash flows:**

A statement of cash flows has not been completed as the required cash flow information is readily apparent from the other financial statements.