

Financial Statements of

**PITTSBURGH COMMUNITY  
BENEFIT FUND**

Year ended December 31, 2023



**KPMG LLP**

863 Princess Street, Suite 400  
Kingston, ON K7L 5N4  
Canada  
Telephone 613 549 1550  
Fax 613 549 6349

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the Pittsburgh Community Benefit Fund

### ***Opinion***

We have audited the financial statements of the Pittsburgh Community Benefit Fund (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2023;
- the statement of operations for the year then ended;
- the statement of changes net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, 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.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in dark ink that reads 'KPMG LLP'. The signature is written in a cursive, flowing style and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

March 18, 2024

# PITTSBURGH COMMUNITY BENEFIT FUND

## Financial Statements

Year ended December 31, 2023

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# PITTSBURGH COMMUNITY BENEFIT FUND

## Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash	\$ 497,765	\$ 595,649
Accounts receivable	2,611	—
Accrued interest	15,172	12,384
Short-term investments (note 2)	510,262	99,296
	1,025,810	707,329
Long-term investments (note 2)	4,062,062	3,886,909
	\$ 5,087,872	\$ 4,594,238

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 7,686	\$ 7,005
Current portion of grants payable (note 5)	103,698	143,167
	111,384	150,172
Grants payable (note 5)	—	83,166
Net assets:		
Unrestricted	4,976,488	4,360,900
	\$ 5,087,872	\$ 4,594,238

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# PITTSBURGH COMMUNITY BENEFIT FUND

## Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Investment income	\$ 109,263	\$ 94,431
Realized gain on sale of investments	189,157	407,875
Unrealized gain (loss) on investments	625,016	(1,425,153)
	923,436	(922,847)
Expenses:		
Grants:		
Barriefield Rock Garden grant	7,324	8,440
Ecole Kingston East School – Outdoors	10,000	10,000
Frontenac County Museum	–	1,000
Holy Name Catholic School	9,000	13,410
Kingston Sheep Dog Trials	17,500	17,500
La Salle Sec School – Athletics	13,500	–
La Salle Sec School – Computer Lab	66,157	–
La Salle Secondary School - The Future Ready	–	63,178
North Pittsburgh Senior Dinner	6,000	–
Pittsburgh Fire Department Association	10,734	–
Pittsburgh Softball Association	–	5,000
Pittsburgh Window Replacement	–	10,000
Refurbishing the John Brewer Outdoor Rink	29,038	–
Scholarship grants	25,500	31,500
South Pittsburgh Senior Dinner	5,971	5,000
St. Mark's Anglican Church	35,000	–
St. Martha's Catholic School	41,062	–
	276,786	165,028
Administrative:		
Communications	629	799
Insurance	9,874	10,818
Office	8,750	8,835
Professional fees	11,809	11,700
Service charges	–	200
	31,062	32,352
Total expenses	307,848	197,380
Excess of revenue over expenses (expenses over revenue)	\$ 615,588	\$ (1,120,227)

See accompanying notes to financial statements.

# PITTSBURGH COMMUNITY BENEFIT FUND

## Statement of Changes in Net Assets

Year ended December 31, 2023 with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 4,360,900	\$ 5,481,127
Excess of revenue over expenses (expenses over revenue)	615,588	(1,120,227)
Balance, end of year	\$ 4,976,488	\$ 4,360,900

See accompanying notes to financial statements.



# PITTSBURGH COMMUNITY BENEFIT FUND

## Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses (expenses over revenue)	\$ 615,588	\$ (1,120,227)
Items not involving cash:		
Unrealized gain (loss) on investments	(625,016)	1,425,153
Changes in non-cash working capital:		
Accounts receivable	(2,611)	8,179
Accrued interest	(2,788)	(5,573)
Accounts payable and accrued liabilities	681	(1,528)
Grants payable	(122,635)	(143,167)
	(136,781)	162,837
Investing activities:		
Change in short-term investments	(410,966)	311,195
Change in long-term investments	449,863	26,186
	38,897	337,381
Increase (decrease) in cash	(97,884)	500,218
Cash, beginning of year	595,649	95,431
Cash, end of year	\$ 497,765	\$ 595,649

See accompanying notes to financial statements.

# PITTSBURGH COMMUNITY BENEFIT FUND

## Notes to Financial Statements

Year ended December 31, 2023

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The Pittsburgh Community Benefit Fund (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.

The Fund is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

### 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

#### (a) Revenue recognition:

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

#### (b) 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. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Fund has elected to subsequently carry all of its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal period if there are indicators of impairment. If there is an indicator of impairment, the Fund determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Fund expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2023

## 1. Significant accounting policies (continued):

### (c) 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.

### (d) Realized gain (loss) on sale of investments:

The realized gain (loss) on sale of investments is the net difference between proceeds received and the average cost of investments sold less investment fees.

### (e) Unrealized gain (loss) on investments:

The unrealized gain (loss) on investments is the net change between the fair market value and book value of investments.

## 2. Investments:

		2023		2022	
		Cost	Fair value	Cost	Fair value
Short-term investments:					
Guaranteed investment certificates	\$	500,000	\$ 510,262	\$ 99,275	\$ 99,296
Long-term investments:					
Canadian equities	\$	629,536	\$ 880,948	\$ 570,532	\$ 737,856
Guaranteed investment certificates		100,000	104,979	700,000	705,223
Foreign equities		1,377,332	3,076,135	1,275,959	2,443,830
		2,106,868	4,062,062	2,546,491	3,886,909
	\$	2,606,868	\$ 4,572,324	\$ 2,645,766	\$ 3,986,205

## 3. Financial risks and concentration of risk:

The Fund manages its investment portfolio to earn investment income and invests according to a Statement of Investment Policy approved by the Board. The Fund is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

# PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2023

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### 3. Financial risks and concentration of risk (continued):

The Fund believes that it is not exposed to significant interest-rate, market, credit or cash flow risk arising from its financial instruments.

Additionally, the Fund believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments. The fixed income securities in the form of guaranteed investments certificates have maturity dates ranging from September 20, 2024 to January 6, 2025 and interest rates ranging from 4.65% to 5.05% (2022 – December 9, 2024 to September 20, 2025 and interest rates ranging from 1.55% to 4.72%).

Investments that trade in foreign markets are exposed to currency risk as the price in local terms on the foreign stock exchange is converted to Canadian dollars to determine fair value. The Fund's overall currency positions are monitored regularly by the portfolio manager.

There are no significant changes in risk exposures from 2022.

### 4. Capital management:

The main objective of the Fund is to provide support, benefits, and assistance to the residents of the community. The Fund fulfils its primary objective by adhering to specific investment policies outlined in its Statement of Investment Policy 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.

### 5. Grants payable:

#### (a) Grass Creek Park:

In November of 2017, the Fund approved support for the construction of washrooms at Grass Creek Park, in agreement with the City of Kingston. A maximum amount of \$499,000 is to be paid in six equal installments over six years. Payments will be made on the anniversary of the commencement date. The Fund had up to the commencement date to provide approval of the final design of the Project, or the agreement would be deemed terminated.

The project commenced in 2019. Payments totaling \$332,667 have been completed, with the remaining balance of \$83,167 to be paid in fiscal 2024. This amount has been accrued in grants payable on the Statement of Financial Position.

# PITTSBURGH COMMUNITY BENEFIT FUND

Notes to Financial Statements (continued)

Year ended December 31, 2022

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## 5. Grants payable (continued):

### (b) Playground:

In February 2023, the Fund approved support towards playground equipment rejuvenation at St. Martha Catholic School, in the amount of \$41,062, to be paid in two equal installments over two years.

The project commenced in 2023. The initial payment of \$20,531 has been completed with the remaining balance of \$20,531 to be paid in fiscal 2024. This amount has been accrued in grants payable on the Statement of Financial Position.