

**YOUNG MEN'S CHRISTIAN ASSOCIATION
OF KINGSTON, ONTARIO**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Young Men's Christian Association of Kingston, Ontario

We have audited the accompanying financial statements of Young Men's Christian Association of Kingston, Ontario which comprise the statement of financial position as at December 31, 2017 and the statements of operations, changes in net assets and cash flow for the year then ended, and 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.

Auditor's 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Young Men's Christian Association of Kingston, Ontario as at December 31, 2017 and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in Schedules A, B, C and D is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Secker Ross & Perry^{LLP}

Chartered Professional Accountants
Licensed Public Accountants
Kingston, Ontario
April 26, 2018

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Assets		
Current Assets		
Cash	\$ 792,681	\$ 708,169
Accounts receivable (note 3)	129,864	126,302
Prepaid expenses	<u>11,914</u>	<u>6,104</u>
	934,459	840,575
Capital Assets (note 4)	<u>8,154,391</u>	<u>8,544,139</u>
	<u>\$ 9,088,850</u>	<u>\$ 9,384,714</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 556,219	\$ 568,277
Deferred revenue (note 7)	173,052	89,592
Deferred revenue - St. Lawrence College (note 8)	33,074	57,107
Scheduled repayments for long-term debt (note 9)	<u>326,971</u>	<u>387,602</u>
	1,089,316	1,102,578
Current liabilities before callable debt	1,089,316	1,102,578
Callable debt (note 9)	<u>116,600</u>	<u>3,482,294</u>
	1,205,916	4,584,872
Long-Term Debt (note 9)	3,039,131	-
Unamortized Contributions for Capital Assets (note 10(a))	<u>2,479,279</u>	<u>2,538,806</u>
	<u>6,724,326</u>	<u>7,123,678</u>
Net Assets		
Investment in Capital Assets (note 11(a))	2,192,410	2,135,437
Internally restricted (note 12)	100,000	-
Unrestricted	<u>72,114</u>	<u>125,599</u>
	<u>2,364,524</u>	<u>2,261,036</u>
	<u>\$ 9,088,850</u>	<u>\$ 9,384,714</u>
Commitment (note 13)		
Contingencies note 14)		

Approved on behalf of the Board:

Member

Member

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Revenues		
Childcare services	\$ 2,892,371	\$ 2,634,874
Membership services	2,577,639	2,654,285
Donations and fundraising (excluding capital gifts)	369,145	270,622
Administration	365,746	353,895
St. Lawrence College Campus (schedule D)	356,755	365,393
Day camps and school break programs	322,278	337,836
Amortization of deferred contributions related to capital assets	147,596	133,353
Community and international outreach	126,015	62,748
Aquatic programs	92,019	87,987
Child and youth programs	38,699	22,263
Y-Abilities programs	25,113	42,154
Adult programs	8,250	9,563
	<u>7,321,626</u>	<u>6,974,973</u>
Expenses		
Child care services	2,070,383	1,982,836
Plant and facility (schedule C)	1,281,904	1,261,737
Administration (schedule C)	1,068,882	1,003,558
Membership services	771,411	764,337
Aquatic programs	536,578	508,427
Amortization of capital assets	491,679	513,509
St. Lawrence College Campus (schedule D)	356,755	365,393
Day camps and school break programs	206,433	201,653
Interest on long-term debt	148,962	163,675
Community and international outreach	127,960	69,009
Child and youth programs	95,845	65,773
Y-Abilities programs	52,328	66,242
Adult programs	3,670	3,893
	<u>7,212,790</u>	<u>6,970,042</u>
Excess of revenues over expenses before the undernoted item	108,836	4,931
Loss on disposal of capital assets	<u>5,348</u>	<u>53,447</u>
Excess (deficiency) of revenues over expenses for the year	<u>\$ 103,488</u>	<u>\$ (48,516)</u>

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2017

	2017			Total
	Investment in Capital Assets	Internally Restricted	Unrestricted	
Net assets at beginning of year	\$ 2,135,437	-	\$ 125,599	\$ 2,261,036
Excess (deficiency) of revenues over expenses for the year (note 11(b))	(349,431)	-	452,919	103,488
Net change in investment in capital assets (note 11(b))	406,404	-	(406,404)	-
Transfer (note 12)	-	100,000	(100,000)	-
Net assets at end of year	<u>\$ 2,192,410</u>	<u>\$ 100,000</u>	<u>\$ 72,114</u>	<u>\$ 2,364,524</u>

	2016		
	Investment in Capital Assets	Unrestricted	Total
Net assets (deficiency) at beginning of year	\$ 2,212,304	\$ 97,248	\$ 2,309,552
Excess (deficiency) of revenues over expenses for the year (note 11(b))	(433,633)	385,117	(48,516)
Net change in investment in capital assets (note 11(b))	356,766	(356,766)	-
Net assets at end of year	<u>\$ 2,135,437</u>	<u>\$ 125,599</u>	<u>\$ 2,261,036</u>

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Cash flow from (used in) operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ 103,488	\$ (48,516)
Items which do not involve cash		
Amortization of capital assets	491,679	513,509
Net loss on disposal of capital assets	5,348	53,447
Amortization of deferred contributions related to capital assets	<u>(147,596)</u>	<u>(133,353)</u>
	452,919	385,087
Changes in non-cash working capital balances		
Accounts receivable	(3,562)	11,607
Prepaid expenses	(5,810)	5,883
Accounts payable and accrued liabilities	(16,464)	(22,281)
Deferred revenue	83,460	60,014
Deferred revenue - St. Lawrence College	<u>(24,033)</u>	<u>19,634</u>
	<u>486,510</u>	<u>459,944</u>
Cash flow from (used in) investing and financing activities		
Repayment of long-term debt	(387,194)	(372,437)
Capital assets acquired	(104,074)	(197,633)
Proceeds on disposition of capital assets	1,201	-
Proceeds from deferred contributions for capital assets	88,069	137,604
Unspent contributions for capital assets	<u>-</u>	<u>(97,500)</u>
	<u>(401,998)</u>	<u>(529,966)</u>
Net increase (decrease) in cash	84,512	(70,022)
Cash at beginning of year	<u>708,169</u>	<u>778,191</u>
Cash at end of year	<u>\$ 792,681</u>	<u>\$ 708,169</u>
Supplemental cash flow information:		
Capital additions in 2017 accounts payable, not paid until 2018	<u>\$ 4,406</u>	<u>\$ -</u>
Capital additions in 2015 accounts payable, not paid until 2016	<u>\$ -</u>	<u>\$ 75,730</u>

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

1. Purpose of the Association

The association is incorporated without share capital as a not-for-profit organization under the laws of Ontario. Its principal activity is the operation of recreational facilities. As a registered charity, the association is exempt from income tax under the Income Tax Act of Canada.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Part III of the CPA Canada Handbook - Accounting Standards for Not-for-Profit Organizations and include the following significant accounting policies:

(a) Revenue Recognition

The association follows the deferral method of accounting for contributions, which include donations and government grants.

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Endowment contributions are recognized as a direct increase in net assets in the year received. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Donated assets are recorded at fair market value when the fair market value can be reasonably estimated and when the association would otherwise have purchased these items.

Pledges under regular fundraising and specific fundraising campaigns are not recognized until cash on the pledge is received.

Revenue from fees related to membership and other services are recognized when the services are provided as per the terms of the related agreements.

(b) Donated Services

The operation of the association is dependent on services provided by volunteers. Since these services are not normally purchased by the association and due to the difficulty of determining their fair market value, donated services are not recorded in the accounts.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2017

2. Significant Accounting Policies (continued)

(c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense as incurred. Betterments, which extend the estimated useful life of an asset, are capitalized as incurred. When a capital asset no longer contributes to the association's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

Land improvements	10 years
Building	10-40 years
Equipment	5-10 years
Leasehold improvements	10 years
Computers	5 years

The costs incurred for major capital projects are classified separately as capital work-in-progress until the project is complete. Costs include all direct construction costs and overhead costs, such as interest during the construction period, directly attributable to the construction activity. When construction is complete the costs are transferred to the appropriate capital asset category and amortization begins.

(d) Allocation of Expenses

The association, in conjunction with the fulfillment of its mission, runs a number of different programs in three primary locations: its two main facilities on Wright Crescent and Progress Avenue as well as the facility located at St. Lawrence College. Generally, the costs of operating these programs and services, including wages and benefits, are attributed directly to the respective programs and services. During the year there were also \$87,770 (2016 - \$86,059) of shared administrative costs and managerial salaries and benefits allocated to St. Lawrence College operations. These costs are included in Schedule D. The basis for the allocation of these costs is agreed annually between the association and St. Lawrence College.

The association does not have a practice of allocating fundraising or other general overhead costs to its programs and services; instead, such costs are included in administration and plant and facility expenses, set out in Schedule C to the financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2017

2. Significant Accounting Policies (continued)

(e) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 reporting period. Actual results could differ from those estimates.

Significant estimates in these financial statements include the collectibility of accounts receivable, as well as the estimated useful life of capital assets.

3. Accounts Receivable

Accounts receivable consist of:

	<u>2017</u>	<u>2016</u>
Membership services and childcare fees receivable (net of \$52,777 allowance for bad debts (2016 - \$68,343))	\$ 10,744	\$ 8,974
Purchase of service user fees	81,613	78,977
Other grants and funding	22,086	23,185
Employer health tax receivable	15,421	15,166
	<u>\$ 129,864</u>	<u>\$ 126,302</u>

The association's accounting practice is to provide an allowance for doubtful accounts for all accounts receivable greater than 90 days old. During the 2017 year, the association was able to collect on \$18,027 of accounts receivable that were previously provided for as bad debts. This recovery was recorded as a reduction in the bad debts for the year.

4. Capital Assets

	<u>2017</u>			<u>2016</u>
	Cost	Accumulated Depreciation	Net	Net
Land	\$ 530,643	\$ -	\$ 530,643	\$ 530,643
Building	11,740,231	4,493,012	7,247,219	7,539,060
General equipment	1,268,117	971,420	296,697	369,979
Computer hardware	217,227	180,770	36,457	42,758
Land improvements	132,698	94,297	38,401	49,872
Leasehold improvements	95,303	90,829	4,474	11,327
Capital work-in-progress	500	-	500	500
	<u>\$ 13,984,719</u>	<u>\$ 5,830,328</u>	<u>\$ 8,154,391</u>	<u>\$ 8,544,139</u>

Cost and accumulated amortization at December 31, 2016 amounted to \$13,925,882 and \$5,381,743 respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2017

5. Operating Line

The association has arranged three credit facilities with its chartered bank with an aggregate limit of \$233,235 to be drawn by way of prime-based loans, letters of credit or letters of guarantee. While the loan component of the facility was undrawn at December 31, 2017 there were letters of credit outstanding as described in note 14.

6. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is the following government remittance owing:

	<u>2017</u>	<u>2016</u>
Commodity taxes (HST)	<u>\$ 18,108</u>	<u>\$ 19,944</u>

7. Deferred Revenue

This represents cash received in advance for membership services and other programs as well as grants and other externally restricted contributions for which the related expenses will not be recognized until a later period. The deferred revenue is comprised of:

	<u>2017</u>	<u>2016</u>
Memberships and programs paid in advance	\$ 30,896	\$ 42,153
Restricted contributions and grants	<u>142,156</u>	<u>47,439</u>
	<u>\$ 173,052</u>	<u>\$ 89,592</u>

8. Deferred Revenue - St. Lawrence College

This represents cash received in advance that is for use in a subsequent period and is externally restricted through a facility management agreement with St. Lawrence College.

Changes in the deferred revenue balance is as follows:

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 57,107	\$ 37,473
Add amount received in the current year	326,663	375,123
Less amount recognized as revenue in the year	<u>(350,696)</u>	<u>(355,489)</u>
Balance at end of year	<u>\$ 33,074</u>	<u>\$ 57,107</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO
NOTES TO FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2017

9. Long-Term Debt

	<u>2017</u>	<u>2016</u>
4.3% Royal Bank of Canada term loan, blended monthly payments of \$19,627, due August 2019	\$ 2,157,871	\$ 2,297,330
4.11% Royal Bank of Canada term loan blended monthly payments of \$2,186, due November 2018	137,496	157,807
3.62% Royal Bank of Canada term loan, blended monthly payments of \$15,854, due February 2018; renewed subsequent to year-end at 3.77%, blended monthly payments of \$8,725, due February 2019	884,294	1,039,596
3.55% Royal Bank of Canada term loan, blended monthly payments of \$3,381, due June 2020	198,935	231,837
3.61% Royal Bank of Canada term loan, blended monthly payments of \$3,648, due June 2020	<u>104,106</u>	<u>143,326</u>
	3,482,702	3,869,896
Scheduled principal repayments required in the next twelve months	326,971	387,602
Callable debt	<u>116,600</u>	<u>3,482,294</u>
	<u>\$ 3,039,131</u>	<u>\$ -</u>

The Royal Bank of Canada term loans, including the bank loans in note 5 are secured by a general security agreement, collateral mortgages, and first ranking security interest on accounts receivable.

The collateral mortgages are in the amounts of \$4,083,500 constituting a first fixed charge on land and building located at 100 Wright Crescent, Kingston, Ontario, as well as \$2,600,000, constituting a first charge on land and building located at 745 Progress Avenue, Kingston, Ontario. The net book values of the land, buildings and land improvements are \$5,365,658 and \$2,450,605 respectively.

Interest paid on the long-term debt was \$148,962 (2016 - \$163,675) during the year and is reported on the statement of operations.

As a part of its financing agreement with Royal Bank of Canada, the association is required to meet a minimum debt service coverage ratio of 1.25 to 1. The association evaluates actual performance compared to the established financial covenant and has calculated compliance for the 2017 year.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2017

9. Long-Term Debt (continued)

Management believes that the maturing debt will be renewed under same or similar terms. As such, the expected minimum principal payments in each of the next five years are as follows:

2018	\$ 326,971
2019	327,151
2020	318,011
2021	308,998
2022	321,758
Thereafter	<u>1,879,813</u>
	<u>\$ 3,482,702</u>

10. Deferred Contributions Related to Capital Assets

(a) Unamortized Contributions for Capital Assets

Deferred contributions related to capital assets represent the unamortized donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	<u>2017</u>	<u>2016</u>
Unamortized contributions for capital assets, beginning of year	\$2,538,806	\$ 2,534,555
Add contributions received during the year	88,069	137,604
Less amounts amortized to revenue	<u>(147,596)</u>	<u>(133,353)</u>
Unamortized contributions for capital assets, end of year	<u>\$2,479,279</u>	<u>\$ 2,538,806</u>

(b) Unspent Contributions for Capital Assets

Unspent contributions for capital assets represent grants and contributions received by the Association for the purchase of capital assets, but have yet to be acquired by the Association. The balance is comprised of:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ -	\$ 97,500
Less spent and transferred during the year to unamortized contributions for capital assets	<u>-</u>	<u>(97,500)</u>
Balance, end of year	<u>\$ -</u>	<u>\$ -</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2017

11. Investment in Capital Assets

(a) Investment in capital assets is calculated as follows:

	<u>2017</u>	<u>2016</u>
Capital assets	\$ 8,154,391	\$ 8,544,139
Amounts financed by:		
Unamortized deferred contributions	(2,479,279)	(2,538,806)
Long-term debt	<u>(3,482,702)</u>	<u>(3,869,896)</u>
	<u>\$ 2,192,410</u>	<u>\$ 2,135,437</u>

(b) Change in net assets invested in capital assets is calculated as follows:

	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ 147,596	\$ 133,353
Amortization of capital assets	(491,679)	(513,509)
Net loss on disposal of capital assets	<u>(5,348)</u>	<u>(53,477)</u>
	<u>\$ (349,431)</u>	<u>\$ (433,633)</u>
Net change in investment in capital assets:		
Capital assets acquired	\$ 107,279	\$ 121,933
Principal repayment of long-term debt	387,194	372,437
Deferred contributions received	<u>(88,069)</u>	<u>(137,604)</u>
	<u>\$ 406,404</u>	<u>\$ 356,766</u>

12. Internally Restricted

The internally restricted net assets have been restricted by way of Board motion for the purpose of future repair and replacement needs related to the buildings. During the year, \$100,000 was transferred from the unrestricted net assets to the internally restricted net assets.

13. Commitment

The association is committed to annual operating lease payments for equipment of \$4,746 expiring in 2019.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2017

14. Contingencies

- (a) At December 31, 2017, the association has outstanding letters of credit, related to the completion of a temporary entrance at Bath Road, in the amount of \$22,932 with the Royal Bank of Canada in favour of the City of Kingston and in the amount of \$10,303 in favour of Hydro One Networks Inc.
- (b) During the year, the association received increased General Operating Funding ("GOF") through Early Learning and Child Care ("ELCC"). This additional 2017 funding is restricted to GOF expenditures in the 2017 year. As a part of this funding, the association has also committed to not increasing childcare and summer camp fee rates in 2018. In the event that the association does raise fee rates in 2018, the ELCC funding is fully repayable to the City of Kingston.

15. Fair Value of Financial Instruments

Financial instruments are initially recognized at fair value and then subsequently at amortized cost with gains or losses recognized in the statement of operations in the period in which the gain or loss occurs. The carrying amounts for cash, accounts receivable and accounts payable approximate their fair market values because of the short-term nature of these instruments.

16. Capital Disclosures

The association considers its net assets to be the capital of the association. The association manages its capital to maintain a level of capital that enables it to adequately service the external debt and continue to provide a high level of service to its members. To achieve this goal the association actively manages its cash flows and ensures that the pricing of member fees and services are integrated with the cost of receiving such services.

17. Related Party Transactions

The association jointly operates the R.K.Y. Camp together with two other not-for-profit organizations. During the year, the association received \$130,095 (2016 - \$121,242) from R.K.Y. Camp related to management fees. The management fees are in the normal course of operations and are measured at the exchange value of the amount of consideration established and agreed to by the related parties.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2017

18. Financial Instrument Risk and Management

Management has established policies and procedures to manage risks related to financial instruments, with the objective of minimizing any adverse effects on financial performance. A brief description of management's assessments of these risks are as follows:

(a) General Objective, Policies and Processes

The Board and management are responsible for the determination of the association's risk management objectives and policies and for designing operating processes that ensure the effective implementation of the objectives and policies. In general, the association measures and monitors risk through the preparation and review of monthly reports by management.

(b) Credit Risk

Financial instruments which are potentially exposed to credit risk include cash and accounts receivable. Management considers its exposure to credit risk attributable to cash to be trivial as the association holds cash deposits at only Canadian chartered banks. Accounts receivable are not concentrated and therefore bear only low to moderate risk. The carrying amount of accounts receivable represents the maximum credit risk exposure.

(c) Interest Rate Risk

The association is exposed to interest rate risk arising from fluctuations in interest rates depending on prevailing rates at renewal of investments. To manage interest rate exposure, the association invests in various income vehicles backed by chartered banks.

The association is subject to interest rate risk arising from fluctuations in interest rates prevailing at the association's maturity dates of its long-term debt instruments. The association has not entered into any interest rate swaps or other hedging arrangements.

(d) Liquidity Risk

Liquidity risk is the risk that the organization will not be able to meet its financial obligations as they come due. The organization's ability to meet obligations depends on the receipt of funds from operations.

Young Men's Christian Association of Kingston, Ontario

Program Revenues - Wright Crescent and Y West

Schedule A

Year Ended December 31, 2017, with comparatives figures for 2016

	2017											2016
	Administration & Fundraising	Membership Services	Adult Programs	Aquatics	Child and Youth	Community & International	Y Abilities Programs	Licensed Child Care & Camps	Day Camps & School Break Programs	Total	Total	
Memberships		\$ 2,716,802								\$ 2,716,802	\$ 2,686,796	
Fees	\$ 33,048	166,843	\$ 5,860	\$ 83,402	\$ 1,170		\$ 23,891	\$ 1,627,268	\$ 203,173	2,144,657	2,029,821	
Purchase of Service	173,794		3,060		4,099			616,902	100,438	898,293	810,111	
Subsidies Awarded	(1,080)	(322,367)	(540)	(502)	(36)		(965)	(29,103)	(30,225)	(384,818)	(266,013)	
Investment Income	2,000									2,000	1,990	
Sundry	22,457									22,457	35,422	
Rentals		9,124		8,129	13,609					30,862	40,506	
Government Grants	2,906					\$ 62,910		595,483	44,937	723,616	657,011	
Non-Gov't Grants & Gifts	374,303	4,024		860	2,478	63,105	1,603	81,821	3,955	532,147	358,085	
HST Retained	123,169									123,169	117,462	
Merchandise Sales	4,294	3,212					584			8,090	5,033	
Totals	\$ 734,891	\$ 2,577,639	\$ 8,380	\$ 91,889	\$ 38,699	\$ 126,015	\$ 25,113	\$ 2,892,371	\$ 322,278	\$ 6,817,275	\$ 6,476,224	

Young Men's Christian Association of Kingston, Ontario

Program Expenditures - Wright Crescent and Y West

Schedule B

Year Ended December 31, 2017, with comparatives figures for 2016

	2017							2016		
	Membership Services	Adult Programs	Aquatics	Child and Youth	Community & International	Y Abilities Programs	Licensed Child Care & Camps	Day Camps & School Break Programs	Total	Total
Direct										
Salaries	\$ 627,958	\$ 313	\$ 472,352	\$ 74,718	\$ 71,364	\$ 23,917	\$ 1,532,318	\$ 158,926	\$ 2,961,867	\$ 2,805,188
Benefits	85,432	27	42,349	8,888	10,755	3,258	217,329	13,301	381,338	364,793
Program supplies	56,716	3,305	21,709	12,238	40,841	25,152	58,508	33,507	251,976	217,801
Food supplies							210,452		210,452	202,834
Rent							34,199		34,199	33,364
Staff training	1,305	25	169				2,853	700	5,051	4,867
Equipment grant expense							14,724		14,724	29,323
International Support					5,000				5,000	4,000
Totals	\$ 771,411	\$ 3,670	\$ 536,578	\$ 95,845	\$ 127,960	\$ 52,328	\$ 2,070,383	\$ 206,433	\$ 3,864,608	\$ 3,662,170

SCHEDULE C

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

ADMINISTRATION AND PLANT AND FACILITY EXPENSE

YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Administration		
Salaries	\$ 458,546	\$ 437,849
Association dues	100,941	107,546
Supplies	78,414	79,586
Bank service charges	74,225	70,724
Benefits	72,296	69,828
Marketing and promotion	53,195	20,126
Insurance	51,724	51,446
Fundraising	42,016	10,599
PCI-DSD compliance	39,415	35,963
Office	37,751	32,094
Professional fees	35,273	21,790
RKY allocation	9,000	9,000
Staff development	7,083	10,826
CEO and board expense	5,852	4,434
Bad debt	<u>3,151</u>	<u>41,747</u>
	<u>\$ 1,068,882</u>	<u>\$ 1,003,558</u>
Plant and Facility		
Utilities and taxes	\$ 462,693	\$ 442,575
Salaries	427,316	440,921
Maintenance, supplies and repairs	318,384	302,801
Benefits	72,243	69,061
Vehicle	1,178	4,547
Staff development	<u>90</u>	<u>1,832</u>
	<u>\$ 1,281,904</u>	<u>\$ 1,261,737</u>

SCHEDULE D

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO
REVENUES AND EXPENSES - ST. LAWRENCE COLLEGE CAMPUS
YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Revenues		
Student fees	\$ 350,696	\$ 355,489
Memberships	798	2,067
Fees	1,936	2,375
Miscellaneous	3,325	5,462
	<u>\$ 356,755</u>	<u>\$ 365,393</u>
Expenses		
Membership		
Salaries	\$ 162,663	\$ 170,191
Benefits	18,633	20,043
Supplies	7,539	7,408
Promotion	1,770	2,539
Equipment maintenance	1,078	1,162
Staff development	180	97
	<u>191,863</u>	<u>201,440</u>
Administration		
PCI-DSS compliance	3,839	3,618
Supplies	2,171	2,784
Office	12,655	13,436
Insurance	1,140	1,140
YMCA administration allocation	23,448	22,987
YMCA management fee	43,699	42,842
Bank service charges	365	374
Association dues	5,676	5,808
	<u>92,993</u>	<u>92,989</u>
Plant and Facility		
Salaries	60,068	59,409
Benefits	4,850	4,928
Supplies	6,730	6,146
Vehicle	251	481
	<u>71,899</u>	<u>70,964</u>
	<u>\$ 356,755</u>	<u>\$ 365,393</u>