YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

Secker Ross & Perry LLP
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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Young Men's Christian Association of Kingston, Ontario (the "association") which comprise the statement of financial position as at December 31, 2018 and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at December 31, 2018, and its financial performance and its cash flow 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 report. We are independent of the association 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.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 association'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 association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association'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 these 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.
- 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 association'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 association 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.

We 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.

Secker Ross & Perry LLP

Chartered Professional Accountants
Licensed Public Accountants
Kingston, Ontario
March 26, 2019

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

	2018	2017
Assets		
Current Assets		
Cash	$ 596,646	$ 792,681
Accounts receivable (notes 3 and 17)	138,971	129,864
Prepaid expenses	12,084	11,914
	747,701	934,459
Capital Assets (note 4)	7,772,206	8,154,391
	$ 8,519,907	$ 9,088,850
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 6)	$ 466,744	$ 556,219
Deferred revenue (note 7)	76,155	173,052
Deferred revenue - St. Lawrence College (note 8)	99,007	33,074
Scheduled repayments for long-term debt (note 9)	327,574	326,971
Current liabilities before callable debt	969,480	1,089,316
Callable debt (note 9)	2,826,168	116,600
	3,795,648	1,205,916
Long-Term Debt (note 9)	-	3,039,131
Unspent Capital Contributions (note 10(b))	146,250	-
Unamortized Contributions for Capital Assets (note 10(a))	2,372,467	2,479,279
	6,314,365	6,724,326
Net Assets		
Investment in Capital Assets (note 11(a))	2,245,997	2,192,410
Internally restricted (note 12)	-	100,000
Unrestricted (deficit)	(40,455)	72,114
	2,205,542	2,364,524
	$ 8,519,907	$ 9,088,850

Commitment (note 13)
Contingencies note 14)
Subsequent Event (note 19)

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, 2018

	2018	2017
Revenues (note 20)		
Childcare services	$ 2,987,298	$ 2,892,371
Membership services	2,522,271	2,577,639
Administration (note 17(a))	398,686	365,746
St. Lawrence College Campus (Schedule)	351,465	356,755
Donations and fundraising (excluding capital gifts)	340,470	369,145
Day camps and school break programs	278,683	322,278
Community and international outreach	174,651	126,015
Amortization of deferred contributions related to capital assets	154,460	147,596
Aquatic programs	91,699	92,019
Child and youth programs	35,744	38,803
Y-Abilities programs	32,054	25,113
Adult programs	14,360	8,146
	7,381,841	7,321,626
Expenses		
Child care services	2,213,678	2,070,383
Plant and facility	1,280,958	1,281,904
Administration	1,121,035	1,068,882
Membership services	779,116	771,411
Aquatic programs	586,302	536,578
Amortization of capital assets	482,455	491,679
St. Lawrence College Campus (Schedule)	351,465	356,755
Day camps and school break programs	236,252	206,433
Community and international outreach	172,643	127,960
Interest on long-term debt	136,133	148,962
Child and youth programs	98,237	95,845
Y-Abilities programs	70,404	52,328
Adult programs	12,570	3,670
	7,541,248	7,212,790
Excess (deficiency) of revenues over expenses before the undernoted item	(159,407)	108,836
(Gain) loss on disposal of capital assets	(425)	5,348
Excess (deficiency) of revenues over expenses for the year	$ (158,982)	$ 103,488

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2018

	2018			
	Investment in Capital Assets	**Internally Restricted**	**Restricted**	**Total**
Net assets at beginning of year	$ 2,192,410	$ 100,000	$ 72,114	$ 2,364,524
Excess (deficiency) of revenues over expenses for the year (note 11(b))	(326,798)	-	167,816	(158,982)
Net change in investment in capital assets (note 11(b))	380,385	-	(380,385)	-
Transfer (note 12)	-	(100,000)	100,000	-
Net assets (deficiency) at end of year	$ 2,245,997	$ -	$ (40,455)	$ 2,205,542

	2017			
	Investment in Capital Assets	**Internally Restricted**	**Restricted**	**Total**
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	$ 2,192,410	$ 100,000	$ 72,114	$ 2,364,524

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2018

	2018	2017
Cash flow from (used in) operating activities		
Excess (deficiency) of revenues over expenses for the year	$ (158,982)	$ 103,488
Items which do not involve cash		
Amortization of capital assets	482,455	491,679
Net (gain) loss on disposal of capital assets	(425)	5,348
Net (gain) loss on amortization of deferred capital contributions of disposed capital assets	(772)	-
Amortization of deferred contributions related to capital assets	(154,460)	(147,596)
	167,816	452,919
Changes in non-cash working capital balances		
Accounts receivable	(9,107)	(3,562)
Prepaid expenses	(170)	(5,810)
Accounts payable and accrued liabilities	(89,475)	(16,464)
Deferred revenue	(96,897)	83,460
Deferred revenue - St. Lawrence College	65,933	(24,033)
	38,100	486,510
Cash flow from (used in) investing and financing activities		
Repayment of long-term debt	(328,960)	(387,194)
Capital assets acquired	(101,043)	(104,074)
Proceeds on disposition of capital assets	1,198	1,201
Proceeds from deferred contributions for capital assets	48,420	88,069
Unspent contributions for capital assets	146,250	-
	(234,135)	(401,998)
Net increase (decrease) in cash	(196,035)	84,512
Cash at beginning of year	792,681	708,169
Cash at end of year	$ 596,646	$ 792,681

Supplemental cash flow information:		
Capital additions in 2017 accounts payable, not paid until 2018	$ -	$ 4,406

See accompanying notes to financial statements.

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.

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) Impairment of Long-Lived Assets

When the association determines that a long-lived asset no longer has any long-term service potential to the association, the excess of its net carrying amount over any residual value is recognized as an expense on the statement of operations. Any write-downs are not reversed.

(e) 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 $88,959 (2017 - $87,770) of shared administrative costs and managerial salaries and benefits allocated to St. Lawrence College operations. These costs are included in the Schedule of Revenues and Expenses - St. Lawrence College Campus. 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.

2. Significant Accounting Policies (continued)

(f) 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:

	2018	2017
Membership services and childcare fees receivable (net of $30,998 allowance for bad debts (2017 - $52,277))	$ 9,863	$ 10,744
Purchase of service user fees	89,957	81,613
Other grants and funding	24,012	22,086
Employer health and commodity tax receivable	15,139	15,421
	$ 138,971	$ 129,864

The association's accounting practice is to provide an allowance for doubtful accounts for all accounts receivable greater than 90 days old. During the 2018 year, the association was able to collect on $21,778 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

	2018			2017
	Cost	Accumulated Depreciation	Net	Net
Land	$ 530,643	$ -	$ 530,643	$ 530,643
Buildings	11,776,580	4,847,630	6,928,950	7,247,219
General equipment	1,308,623	1,049,310	259,313	296,697
Computer hardware	218,800	197,108	21,692	36,457
Land improvements	132,698	104,644	28,054	38,401
Leasehold improvements	95,303	92,249	3,054	4,474
Capital work-in-progress	500	-	500	500
	$ 14,063,147	$ 6,290,941	$ 7,772,206	$ 8,154,391

Cost and accumulated amortization at December 31, 2017 amounted to $13,984,719 and $5,830,328 respectively.

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, 2018 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:

	2018	2017
Commodity taxes (HST)	$ 12,533	$ 18,108

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:

	2018	2017
Memberships and programs paid in advance	$ 19,759	$ 30,896
Restricted contributions and grants	56,396	142,156
	$ 76,155	$ 173,052

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:

	2018	2017
Balance at beginning of year	$ 33,074	$ 57,107
Add amount received in the current year	413,355	326,663
Less amount recognized as revenue in the year	(347,422)	(350,696)
Balance at end of year	$ 99,007	$ 33,074

9. Long-Term Debt

	2018	2017
4.3% Royal Bank of Canada term loan, blended monthly payments of $19,627, due August 2019	$ 2,012,299	$ 2,157,871
4.06% Royal Bank of Canada term loan blended monthly payments of $2,209 due November 2019	116,499	137,496
3.77% Royal Bank of Canada term loan, blended monthly payments of $8,725, due February 2019; subsequent to year-end renewal terms were not yet set	796,698	884,294
3.55% Royal Bank of Canada term loan, blended monthly payments of $3,381, due June 2020	164,855	198,935
3.61% Royal Bank of Canada term loan, blended monthly payments of $3,648, due June 2020	63,391	104,106
	3,153,742	3,482,702
Scheduled principal repayments required in the next twelve months	327,574	326,971
Callable debt	2,826,168	116,600
	$ -	$ 3,039,131

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 $5,122,610 and $2,365,037 respectively.

Interest paid on the long-term debt was $136,133 (2017 - $148,962) 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 non-compliance for the 2018 year. Therefore all of the long-term debt is presented as a current liability under callable debt.

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:

2019	$ 327,574
2020	318,399
2021	309,434
2022	322,200
2023	306,661
Thereafter	1,569,474
	$3,153,742

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.

	2018	2017
Unamortized contributions for capital assets, beginning of year	$2,479,279	$ 2,538,806
Add contributions received during the year	48,420	88,069
Less amounts amortized on disposal of capital assets	(772)	-
Less amounts amortized to revenue	(154,460)	(147,596)
Unamortized contributions for capital assets, end of year	$2,372,467	$ 2,479,279

(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:

	2018	2017
Balance, beginning of year	$ -	$ -
Capital contributions received in the year for pool renovations but unspent	146,250	-
Balance, end of year	$ 146,250	$ -

11. Investment in Capital Assets

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

	2018	2017
Capital assets	$ 7,772,206	$ 8,154,391
Amounts financed by:		
Unamortized deferred contributions	(2,372,467)	(2,479,279)
Long-term debt	(3,153,742)	(3,482,702)
	$ 2,245,997	$ 2,192,410

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

	2018	2017
Excess of revenues over expenses:		
Amortization of deferred contributions related to capital assets	$ 154,460	$ 147,596
Amortization of capital assets	(482,455)	(491,679)
Total net gain (loss) on disposal of capital assets	1,197	(5,348)
	$ (326,798)	$ (349,431)
Net change in investment in capital assets:		
Net cash on capital assets acquired	$ 99,845	$ 107,279
Principal repayment of long-term debt	328,960	387,194
Deferred contributions received	(48,420)	(88,069)
	$ 380,385	$ 406,404

12. Internally Restricted

The internally restricted net assets were restricted in 2017 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 internally restricted net assets to the unrestricted net assets for use in operations.

13. Commitment

The association is committed to annual operating lease payments for equipment of $7,752 expiring in 2024.

14. Contingencies

At December 31, 2018, 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.

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

(a) The association jointly operates the R.K.Y. Camp together with two other not-for-profit organizations. During the year, the association received $147,272 (2017 - $130,095) from R.K.Y. Camp related to management fees, which is recorded as administration income. Included in accounts receivable is $13,965 (2017 - $26,016) owing from R.K.Y. Camp.

(b) The association splits the salary and benefits cost related to a shared CEO as of October 22, 2018, with Brockville Young Men's Christian Association ("Brockville"). The association applies the various cost recoveries against the related expenses and reports their net expense portion. The relationship with Brockville is described in note 19. Included in accounts receivable is $17,700 (2017 - $Nil) related to cost recoveries.

The related party transactions are in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties.

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.

18. Financial Instrument Risk and Management (continued)

(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 association will not be able to meet its financial obligations as they come due. The association's ability to meet obligations depends on the receipt of funds from operations.

19. Subsequent Event

During the year the association began the process of establishing a unification agreement with Brockville Young Men's Christian Association ("Brockville") and hired a consultant to facilitate the unification. On February 13, 2019, the association signed, together with Brockville, an amalgamation agreement for the amalgamation of the corporations into one amalgamated corporation to be named YMCA of Eastern Ontario. The association's estimated share of professional fees prior to amalgamation in 2019 are $31,200. There were $39,641 of professional fees expensed in the 2018 statement of operations as administration costs.

20. Sources of Revenue

During the year, the association earned $3,448 (2017 - $2,000) of interest income. During the year, the association recorded $6,669 (2017 - $8,571) related to merchandise sales and expensed $6,907 (2017 - $4,360) of costs related to the merchandise sales. During the year, the association received $591,119 (2017 - $723,616) in government grants and $117,404 (2017 - $123,169) in HST rebates.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

SCHEDULE OF REVENUES AND EXPENSES - ST. LAWRENCE COLLEGE CAMPUS

YEAR ENDED DECEMBER 31, 2018

	2018	2017
Revenues		
Student fees	$ 347,422	$ 350,696
Miscellaneous	2,440	3,325
Fees	1,100	1,936
Memberships	503	798
	$ 351,465	$ 356,755
Expenses		
Membership		
Salaries	$ 141,348	$ 162,663
Benefits	16,125	18,633
Supplies	2,877	7,539
Promotion	2,645	1,770
Equipment maintenance	1,841	1,078
Minor capital	1,393	-
Staff development	171	180
	166,400	191,863
Administration		
YMCA management fee	44,573	43,699
Student access fees for Wright Crescent and YWest	36,565	10,000
YMCA administration allocation	23,916	23,448
Association dues	5,580	5,676
PCI-DSS compliance	3,636	3,839
Supplies	3,572	2,171
Office	2,674	2,655
Insurance	1,140	1,140
Bank service charges	292	365
	121,948	92,993
Plant and Facility		
Salaries	54,138	60,068
Benefits	4,281	4,850
Supplies	4,652	6,730
Vehicle	46	251
	63,117	71,899
	$ 351,465	$ 356,755