

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

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Independent Auditors' Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Assets

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- D Revenues and Expenses - St. Lawrence College Campus

INDEPENDENT AUDITORS' 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, 2013, 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 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.

Auditors' 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 auditors' 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 auditors consider 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, 2013 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 Accountants
Licensed Public Accountants
Kingston, Ontario
April 17, 2014

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets		
Cash	\$ 566,513	\$ 334,737
Short-term investments	11,491	319,675
Accounts receivable (notes 3 and 9)	261,267	131,145
Prepaid expenses	<u>20,466</u>	<u>13,895</u>
	<u>859,737</u>	<u>799,452</u>
Capital Assets (note 4)	<u>6,829,217</u>	<u>6,671,943</u>
	<u>\$ 7,688,954</u>	<u>\$7,471,395</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 610,034	\$ 468,645
Deferred revenue (note 7)	204,645	225,752
Deferred revenue - St. Lawrence College (note 8)	127,390	54,013
Scheduled repayments for long-term debt (note 9)	<u>188,535</u>	<u>176,017</u>
Current liabilities before callable debt	1,130,604	924,427
Callable debt (note 9)	<u>295,251</u>	<u>553,321</u>
	1,425,855	1,477,748
Long-Term Debt (note 9)	1,530,373	1,470,289
Unamortized Contributions for Capital Assets (note 10)	<u>2,502,382</u>	<u>2,383,109</u>
	<u>5,458,610</u>	<u>5,331,146</u>
Net Assets		
Investment in Capital Assets (note 11)	2,312,676	2,089,207
Internally Restricted	-	51,042
Unrestricted (deficit)	<u>(82,332)</u>	<u>-</u>
	<u>2,230,344</u>	<u>2,140,249</u>
	<u>\$ 7,688,954</u>	<u>\$7,471,395</u>
Commitment (note 13)		
Contingency (note 14)		
Subsequent Event (note 19)		

Approved on behalf of the Board

Director

Director

See accompanying notes to financial statements

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Revenues		
Donations and fundraising (excluding capital gifts)	\$ 123,191	\$ 175,752
Administration	327,659	328,771
Membership services	2,108,881	2,021,431
Adult programs	22,125	27,391
Aquatic programs	130,881	142,304
Child and youth programs	43,986	52,591
Community and international outreach	70,520	63,654
Y-Knot programs	37,270	32,646
Childcare services	1,839,843	1,997,696
Day camps and school break programs	341,517	335,824
St. Lawrence College Campus (schedule D)	364,632	325,019
Amortization of deferred contributions related to capital assets (note 11)	<u>125,977</u>	<u>120,241</u>
	<u>5,536,482</u>	<u>5,623,320</u>
Expenses		
Membership services	517,120	492,412
Adult programs	14,983	30,012
Aquatic programs	364,529	338,301
Child and youth programs	54,113	66,208
Community and international outreach	77,760	68,961
Y-Knot programs	73,305	66,534
Child care services	1,488,417	1,517,259
Day camps and school break programs	237,158	323,387
Administration (schedule C)	946,145	799,874
Plant and facility (schedule C)	839,071	822,998
Interest on long-term debt	89,279	142,216
St. Lawrence College Campus (schedule D)	364,632	325,019
Amortization of capital assets (note 11)	370,570	362,289
Loss on disposal of capital assets	<u>9,305</u>	<u>1,716</u>
	<u>5,446,387</u>	<u>5,357,186</u>
Excess of revenues over expenses	<u>\$ 90,095</u>	<u>\$ 266,134</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, 2013

	2013			
	Investment in Capital Assets	Internally Restricted	Unrestricted	Total
Net assets, beginning of year	\$ 2,089,207	\$51,042	\$ -	\$2,140,249
Excess (deficiency) of revenues over expenses (note 11(b))	(253,898)	-	343,993	90,095
Net change in investment in capital assets (note 11(b))	477,367	-	(477,367)	-
Internally imposed restrictions (note 12)	-	(51,042)	51,042	-
Net assets, end of year	<u>\$ 2,312,676</u>	<u>\$ -</u>	<u>\$(82,332)</u>	<u>\$2,230,344</u>

	2012			
	Investment in Capital Assets	Internally Restricted	Unrestricted	Total
Net assets, beginning of year	\$ 1,818,143	\$ 55,972	\$ -	\$1,874,115
Excess (deficiency) of revenues over expenses	(243,764)	-	509,898	266,134
Net change in investment in capital assets	514,828	-	(514,828)	-
Internally imposed restrictions	-	(4,930)	4,930	-
Net assets, end of year	<u>\$ 2,089,207</u>	<u>\$ 51,042</u>	<u>\$ -</u>	<u>\$2,140,249</u>

See accompanying notes to financial statements

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Cash flow from (used in) operating activities		
Excess of revenues over expenses	\$ 90,095	\$ 266,134
Add (deduct) items not affecting cash		
Amortization of capital assets	370,570	362,289
Net loss on disposal of capital assets	9,305	1,716
Amortization of deferred contributions related to capital assets	<u>(125,977)</u>	<u>(120,241)</u>
	343,993	509,898
Changes in non-cash working capital balances		
Accounts receivable	(130,122)	(27,301)
Prepaid expenses	(6,571)	(195)
Accounts payable and accrued liabilities	141,389	116,824
Deferred revenue	(21,107)	(22,118)
Deferred revenue - St. Lawrence College	<u>73,377</u>	<u>(89,078)</u>
	<u>400,959</u>	<u>488,030</u>
Cash flow from (used in) investing and financing activities		
Proceeds on disposal of other assets	2,275	-
Repayment of long-term debt	(185,468)	(410,568)
Capital assets acquired	(539,424)	(213,562)
Proceeds from deferred contributions for capital assets	245,250	109,302
Reduction of unspent contributions for capital assets	<u>-</u>	<u>(3,812)</u>
	<u>(477,367)</u>	<u>(518,640)</u>
Net decrease in cash and short-term investments	(76,408)	(30,610)
Cash and short-term investments at beginning of year	<u>654,412</u>	<u>685,022</u>
Cash and short-term investments at end of year	<u>\$ 578,004</u>	<u>\$ 654,412</u>
Cash and short-term investments are comprised of:		
Cash	\$ 566,513	\$ 334,737
Short-term investments	<u>11,491</u>	<u>319,675</u>
	<u>\$ 578,004</u>	<u>\$ 654,412</u>

See accompanying notes to financial statements

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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. Significant Accounting Policies

These financial statements have been prepared in accordance with Part III of the CICA 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, 2013

2. Significant Accounting Policies (continued)

(c) Short-Term Investments

Short-term investments are made up of cashable guaranteed investment certificates and other investments with maturity dates within the next year. Short-term investments are carried at cost plus accrued interest, which approximates market value.

(d) 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. 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.

(e) Allocation of Expenses

The association, in conjunction with the fulfilment of its mission, runs a number of different programs in two primary locations: its main facility on Wright Crescent and 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 \$77,159 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, 2013

2. Significant Accounting Policies (continued)

(f) Use of Estimates

The preparation of financial statements in accordance with Canadian 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 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>2013</u>	<u>2012</u>
Annual membership (net of \$189,132 allowance for bad debts; 2012 - \$134,234)	\$ 10,900	\$ 48,326
Purchase of service user fees	50,932	60,556
Federal CIIF Accessible Grant	122,892	-
Other grants and funding	26,819	20,069
Sales and other tax receivable	<u>49,724</u>	<u>2,194</u>
	<u>\$261,267</u>	<u>\$131,145</u>

4. Capital Assets

	<u>2013</u>			<u>2012</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Land	\$ 180,643	\$ -	\$ 180,643	\$ 180,643
Building	9,702,292	3,417,439	6,284,853	6,118,322
Equipment	922,352	735,552	186,800	173,869
Computers	199,333	160,012	39,321	44,535
Land improvements	132,698	43,016	89,682	104,091
Capital work-in-progress	8,000	-	8,000	500
Leasehold improvements	<u>95,303</u>	<u>55,385</u>	<u>39,918</u>	<u>49,983</u>
	<u>\$11,240,621</u>	<u>\$4,411,404</u>	<u>\$6,829,217</u>	<u>\$6,671,943</u>

Cost and accumulated amortization at December 31, 2012 amounted to \$10,769,496 and \$4,097,553 respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

5. Operating Line

The association has arranged two credit facilities with its chartered bank with an aggregate limit of \$122,932 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, 2013 there was a letter 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>2013</u>	<u>2012</u>
Commodity taxes (HST)	\$ <u>-</u>	\$ <u>19,681</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>2013</u>	<u>2012</u>
Memberships and programs paid in advance	\$126,966	\$135,136
Restricted contributions and grants	<u>77,679</u>	<u>90,616</u>
	<u>\$204,645</u>	<u>\$225,752</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>2013</u>	<u>2012</u>
Balance at beginning of year	\$ 54,013	\$ 143,091
Add amount received in the current year	447,680	264,510
Less amount recognized as revenue in the year	(352,822)	(312,274)
Less student fee reserves repaid	<u>(21,481)</u>	<u>(41,314)</u>
Balance at end of year	<u>\$ 127,390</u>	<u>\$ 54,013</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

9. Long-Term Debt

	<u>2013</u>	<u>2012</u>
3.42% Royal Bank of Canada term loan, blended monthly payments of \$2,166, due November 2015	\$ 215,800	\$ 242,009
3.62% Royal Bank of Canada term loan, blended monthly payments of \$15,854, due February 2018	1,472,701	1,604,651
2.96% Royal Bank of Canada term loan, blended monthly payments of \$3,303, due June 2014	<u>325,658</u>	<u>352,967</u>
	2,014,159	2,199,627
Scheduled principal repayments required within twelve months	188,535	176,017
Callable debt	<u>295,251</u>	<u>553,321</u>
	<u>\$1,530,373</u>	<u>\$1,470,289</u>

The Royal Bank of Canada term loans are secured by a general security agreement, a collateral mortgage and first ranking security interest on accounts receivable.

The collateral mortgages are in the amount of \$4,083,500 and constitute a first fixed charge on land and building located at 100 Wright Crescent, Kingston, Ontario. The net book value of the land and building is \$6,555,178 (2012 - \$6,403,056).

Although long-term debt maturing in the next fiscal year is classified as a current liability, management believes that the maturing debts will be renewed under same or similar terms. The expected minimum principal payments in each of the next five years are as follows:

2014	\$ 188,535
2015	195,228
2016	202,160
2017	209,340
2018	216,776
Thereafter	<u>1,002,120</u>
	<u>\$2,014,159</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

10. Deferred Contributions Related to 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>2013</u>	<u>2012</u>
Deferred contributions for capital assets, beginning of year	\$ 2,383,109	\$ 2,397,860
Add contributions received during the year	245,250	105,490
Less amounts amortized to revenue	<u>(125,977)</u>	<u>(120,241)</u>
Deferred contributions for capital assets, end of year	<u>\$ 2,502,382</u>	<u>\$ 2,383,109</u>

11. Investment in Capital Assets

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

	<u>2013</u>	<u>2012</u>
Capital assets	\$ 6,829,217	\$ 6,671,943
Amounts financed by:		
Unamortized deferred contributions	(2,502,382)	(2,383,109)
Long-term debt	<u>(2,014,159)</u>	<u>(2,199,627)</u>
	<u>\$ 2,312,676</u>	<u>\$ 2,089,207</u>

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

	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ 125,977	\$ 120,241
Amortization of capital assets	(370,570)	(362,289)
Net loss on disposal of capital assets	<u>(9,305)</u>	<u>(1,716)</u>
	<u>\$(253,898)</u>	<u>\$(243,764)</u>
Net change in investment in capital assets:		
Capital assets acquired	\$ 539,424	\$ 205,456
Principal repayment of long-term debt	185,468	410,568
Deferred contributions received	(245,250)	(101,196)
Proceeds on disposal of capital assets	<u>(2,275)</u>	<u>-</u>
	<u>\$ 477,367</u>	<u>\$ 514,828</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

12. Internally Restricted Net Assets

The association monitors and internally restricts a portion of the accumulated surplus for future capital projects. During the year, by way of board approval, \$51,042 was transferred from the internally restricted fund to the unrestricted fund to assist with various cash requirements relating to debt retirement and investment in capital assets.

13. Commitment

The association is committed to annual operating lease payments for equipment of \$11,610 expiring between March 2014 to April 2016.

14. Contingency

At December 31, 2013, the association has an outstanding letter 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.

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.

During 2008 the association completed the construction of a new pool facility. This growth initiative was partially financed by capital loaned from the Royal Bank of Canada. There are no capital requirements placed on the association under the financing arrangements. However, there is a restrictive financial covenant requiring the association to maintain a certain debt service ratio. The debt service covenant was met at December 31, 2013.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

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 \$55,509 (2012 - \$59,440) 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.

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 organization's risk management objectives and policies and designing operating processes that ensure the effective implementation of the objectives and policies. In general, the organization 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, short-term investments, and accounts receivable. Management considers its exposure to credit risk attributable to cash and cash equivalents to be trivial as the organization 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.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

18. Financial Instrument Risk and Management (continued)

(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.

19. Subsequent Event

Subsequent to the year end, the organization entered into a conditional purchase and sale agreement to purchase a property and other assets for purposes of operational expansion. Total purchase price is \$2,700,000. The transaction is still conditional upon financing and Board approval of the purchase. If the Board approves the purchase and the other conditions are met, the scheduled closing for the purchase agreement is August 7, 2014. In April 2014 the organization paid a \$25,000 refundable deposit towards the purchase and entered into negotiations with its lender to finance up to \$2,500,000 of the purchase price. The outcome of the negotiations with the lender is uncertain at this time.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

PROGRAM REVENUES

YEAR ENDED DECEMBER 31, 2013

	Administration	Membership Services	Adult Programs	Aquatic Programs	Child and Youth Programs	Community and International Outreach	Y-Knot Programs	Child Care Services	Day Camps and School Break Programs	2013 Total	2012 Total
Memberships		\$ 2,083,390								\$ 2,083,390	\$ 1,994,649
Fees	\$ 32,465	152,061	\$ 13,164	\$ 114,647	\$ 2,949		\$ 32,631	\$ 1,180,218	\$ 256,665	1,784,800	1,948,017
Purchase of service	94,346		7,322		584			456,536	60,004	618,792	587,427
Subsidies awarded		(146,041)	(173)	(885)			(665)	(20,278)	(13,776)	(181,818)	(165,467)
Investment income	4,877									4,877	6,356
Sundry	4,827									4,827	15,500
Rentals		9,306		16,407	19,522					45,235	51,014
Non-government grants/gifts	79,984	7,444	1,812		15,706		3,621	34,167	30,448	173,181	124,720
Government grants	14,382			712	5,225	\$ 70,520		189,200	8,176	288,216	341,426
HST retained	96,778						1,683			96,778	93,937
Merchandise sales		2,721								4,404	4,730
	\$ 327,659	\$ 2,108,881	\$ 22,125	\$ 130,881	\$ 43,986	\$ 70,520	\$ 37,270	\$ 1,839,843	\$ 341,517	\$ 4,922,682	\$ 5,002,309

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

PROGRAM EXPENSES

YEAR ENDED DECEMBER 31, 2013

	Membership Services	Adult Programs	Aquatic Programs	Child and Youth Programs	Community and International Outreach	Y-Knot Programs	Child Care Services	Day Camps and School Break Programs	2013 Total	2012 Total
Direct										
Salaries	\$ 428,738	\$ 6,961	\$ 306,783	\$ 38,498	\$ 55,870	\$ 23,483	\$ 1,083,312	\$ 176,507	\$ 2,120,152	\$ 2,194,756
Benefits	51,415	2,479	23,442	4,126	8,950	3,244	153,678	15,385	262,719	265,209
Program supplies	32,903	3,868	33,628	10,647	7,177	46,578	38,384	44,976	218,161	224,081
Food supplies							174,352		174,352	169,488
Rent							31,350		31,350	30,558
Promotion			18		143				161	337
Staff training	4,064	1,675	658	842	130		3,179	290	10,838	11,360
Equipment grant expense							4,162		4,162	2,872
International support					5,490				5,490	4,413
	\$ 517,120	\$ 14,983	\$ 364,529	\$ 54,113	\$ 77,760	\$ 73,305	\$ 1,488,417	\$ 237,158	\$ 2,827,385	\$ 2,903,074

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

ADMINISTRATION AND PLANT AND FACILITY EXPENSE

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Administration		
Association dues	\$ 78,913	\$ 76,335
Bad debt	56,350	23,829
Bank service charges	75,593	66,619
Benefits	59,959	51,689
CEO and board expense	11,726	8,305
Fundraising	18,065	7,870
Insurance	42,825	46,074
Market research studies	35,989	
Marketing and promotion	33,000	29,382
Office	33,474	27,055
PCI-DSS compliance	21,837	16,062
Professional fees	28,866	30,344
RKY allocation	9,000	9,000
Salaries	382,722	343,576
Staff development	9,542	9,757
Supplies	<u>48,284</u>	<u>53,977</u>
	<u>\$946,145</u>	<u>\$799,874</u>
 Plant and Facility		
Benefits	\$ 45,525	\$ 40,233
Maintenance, supplies and repairs	197,216	215,084
Salaries	316,863	290,232
Staff development	1,971	1,138
Utilities	274,617	272,100
Vehicle	<u>2,879</u>	<u>4,211</u>
	<u>\$839,071</u>	<u>\$822,998</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF KINGSTON, ONTARIO

REVENUES AND EXPENSES - ST. LAWRENCE COLLEGE CAMPUS

YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Revenues		
Student fees	\$352,822	\$312,274
Memberships	5,405	6,960
Fees	2,060	1,329
Miscellaneous	4,345	4,456
	<u>\$364,632</u>	<u>\$325,019</u>
Expenses		
Membership		
Salaries	\$168,182	\$156,279
Benefits	22,967	19,397
Supplies	10,349	9,656
Promotion	5,791	2,733
Equipment maintenance	959	895
Minor capital	8,064	1,112
Staff development	1,841	1,710
	<u>218,153</u>	<u>191,782</u>
Administration		
PCI-DSS compliance	1,572	644
Supplies	5,164	6,777
Office	2,323	1,730
Insurance	1,686	1,920
YMCA administration allocation	21,664	21,240
YMCA management fee	38,837	36,988
Bank service charges	726	734
Association dues	5,129	4,872
	<u>77,101</u>	<u>74,905</u>
Plant and Facility		
Salaries	55,418	46,133
Benefits	5,330	4,441
Supplies	8,144	7,518
Vehicle	486	240
	<u>69,378</u>	<u>58,332</u>
	<u>\$364,632</u>	<u>\$325,019</u>