

March 21, 2014

Board of Directors
Kingston Economic Development Corporation
945 Princess Street at Innovation Park
KINGSTON ON K7L 3N6

Dear Board of Directors:

Re: Audit of 2013 Financial Statements

The objective of an audit is to obtain reasonable assurance whether the financial statements are free of any material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. Accordingly, an audit would not usually identify all such matters.

During the course of our audit of the financial statements for the year ended December 31, 2013, we did not identify any of the following matters:

- Misstatements, other than trivial errors;
- Fraud;
- Misstatements that may cause future financial statements to be materially misstated; or
- Significant weaknesses in internal control.

As a result of our observations during the course of our audit, we have outlined below some suggestions for your consideration. Minor matters were discussed verbally with KEDCO senior staff.

GST/HST returns

During our examination of the quarterly GST/HST returns filed for 2013, we noted errors related to recording GST/HST recoveries and inconsistencies in the process upon which the figures are derived for the returns to be filed. The GST/HST tracking accounts should be reviewed quarterly to ensure all transactions have been captured in the current quarterly filing or the subsequent period filing. Also, we recommend establishing a procedural checklist to be performed as a part of the review process on the quarterly return before they are submitted.

Payroll

During our payroll testing we noticed that only one employees' file had a current and signed copy of forms TD1 and TD1ON for personal tax credits. We recommend TD1 and TD1ON forms be regularly updated by each employee to ensure that the proper amount of tax is being withheld from employees pay. Alternatively, you could have each employee confirm that there is no change required.

Prior Year Recommendation

In the past we had recommended that the corporation take steps to ensure that the processing of payroll should be done by someone other than the person that reviews/approves the payroll and performs the accounting function and that appropriate third-party reviews of all expense reports should be done at all times. During the current year we found that these recommendations were implemented.

This communication is prepared solely for the information of the directors and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication.

We would like to express our appreciation for the co-operation and assistance which we received during the course of our audit from Ann, Donna, Jeff, Carey and other staff members.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

Yours very truly,

SECKER ROSS & PERRY LLP



Tyler Rider, CPA, CA, Licensed Public Accountant
Partner

**KINGSTON ECONOMIC DEVELOPMENT
CORPORATION**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

Independent Auditors' Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Fund Balances

Statement of Cash Flow

Notes to Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Kingston Economic Development Corporation

We have audited the accompanying financial statements of Kingston Economic Development Corporation which comprise the statement of financial position as at December 31, 2013 and the statements of operations, changes in fund balances 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.

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 qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the corporation derives certain revenues from events and seminars, as well as resale materials, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the corporation. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses and cash flow from operating activities for the year ended December 31, 2013 and the fund balances at January 1 and December 31, 2013.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the corporation 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.

Secker Ross & Perry LLP

Chartered Accountants
Licensed Public Accountants
Kingston, Ontario
March 21, 2014

KINGSTON ECONOMIC DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Assets		
Current Assets		
Cash	\$ 507,387	\$ 468,142
Cash - New Energy Project	-	13,481
Cash - interest earned on funds on deposit (note 5(a))	5,774	3,621
Investments (note 3)	152,902	150,931
Accounts receivable	85,003	37,178
Inventory	62,731	63,213
Sales tax recoverable	46,341	52,950
Prepaid expenses and refundable deposits (note 4)	<u>33,783</u>	<u>33,895</u>
	<u>893,921</u>	<u>823,411</u>
Other Deposits and Advances		
Funds on deposit with Kawartha Credit Union (note 5(a))	100,000	100,000
Advances to PARTEQ Angel Network (note 5(a))	<u>20,000</u>	<u>50,000</u>
	<u>120,000</u>	<u>150,000</u>
Capital Assets (note 6)	<u>158,762</u>	<u>194,665</u>
	<u>\$ 1,172,683</u>	<u>\$ 1,168,076</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 119,222	\$ 54,530
Deferred revenue (note 8)	<u>-</u>	<u>38,131</u>
	119,222	92,661
Deferred Contributions Related to Capital Assets (note 9)	96,545	115,778
Deferred Lease Inducements (note 10)	<u>64,063</u>	<u>51,563</u>
	<u>279,830</u>	<u>260,002</u>
Fund Balances		
Investment in Capital Assets (note 11)	62,217	78,887
Board Restricted (note 5(a))	120,000	150,000
Other Board Restricted (note 5(b))	34,876	26,906
Unrestricted	<u>675,760</u>	<u>652,281</u>
	<u>892,853</u>	<u>908,074</u>
	<u>\$ 1,172,683</u>	<u>\$ 1,168,076</u>

Commitments and Contingencies (note 13)

Approved on behalf of the Board:

Member

Member

See accompanying notes to financial statements.

KINGSTON ECONOMIC DEVELOPMENT CORPORATION**STATEMENT OF OPERATIONS****YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
Revenues		
Contributions from the Corporation of the City of Kingston	\$ 2,589,925	\$ 2,564,282
Resale materials	178,935	204,891
Provincial government contributions (note 17)	118,633	285,746
Partnership revenue and corporate investors (note 17)	69,877	185,865
Amortization of deferred contributions (note 9)	19,233	19,233
Events and seminars (note 17)	42,390	175,241
Federal government contributions	10,952	1,572
Interest	9,442	10,485
On-line reservation	4,350	2,113
	<u>3,043,737</u>	<u>3,449,428</u>
Expenses		
Accounting and legal	28,617	23,914
Advertising	342,217	355,709
Amortization	46,268	49,545
Bank charges	11,870	17,703
Equipment rental	9,031	11,953
Events and meetings (note 17)	213,309	364,422
Information technology support (notes 13(b) and 16)	53,058	45,754
Insurance	6,851	7,604
Memberships and licences	41,105	38,984
Office and miscellaneous	44,541	36,596
Professional contractors	100,613	111,533
Professional development	27,983	28,147
Rent (note 13(a))	153,965	151,862
Resale materials	93,630	103,256
Salaries and benefits	1,481,918	1,540,578
Sponsorships and donations (note 17)	198,061	408,656
Telephone	27,011	28,235
Travel	114,984	89,322
	<u>2,995,032</u>	<u>3,413,773</u>
Excess of revenues over expenses before the undernoted item	48,705	35,655
Expenses of board restricted fund (note 5(b))	<u>63,926</u>	<u>162,370</u>
Deficiency of revenues over expenses	<u>\$ (15,221)</u>	<u>\$ (126,715)</u>

See accompanying notes to financial statements.

KINGSTON ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2013

	<u>Investment in Capital Assets</u>	<u>Board Restricted</u>	<u>Other Board Restricted</u>	<u>Unrestricted</u>	<u>Total 2013</u>	<u>Total 2012</u>
Balance at beginning of year	\$ 78,887	\$ 150,000	\$ 26,906	\$ 652,281	\$ 908,074	\$ 1,034,789
Excess (deficiency) of revenues over expenses	(27,035)	-	(63,926)	75,740	(15,221)	(126,715)
Interfund transfers (note 5(b))	-	(30,000)	71,896	(41,896)	-	-
Investment in capital assets	<u>10,365</u>	<u>-</u>	<u>-</u>	<u>(10,365)</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>\$ 62,217</u>	<u>\$ 120,000</u>	<u>\$ 34,876</u>	<u>\$ 675,760</u>	<u>\$ 892,853</u>	<u>\$ 908,074</u>

See accompanying notes to financial statements.

KINGSTON ECONOMIC DEVELOPMENT CORPORATION**STATEMENT OF CASH FLOW****YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>	<u>2012</u>
Cash flow from (used in) operating activities		
Deficiency of revenues over expenses	\$ (15,221)	\$ (126,715)
Add (deduct) items not affecting cash		
Amortization	46,268	49,545
Amortization of deferred capital contributions	(19,233)	(19,233)
Deferred lease inducements	<u>12,500</u>	<u>12,500</u>
	24,314	(83,902)
Changes in non-cash working capital balances		
Accounts receivable	(47,825)	635,713
Inventory	482	(12,103)
Sales tax recoverable	6,609	5,950
Prepaid expenses and refundable deposits	112	19,046
Accounts payable and accrued liabilities	64,692	(140,347)
Deferred revenue	<u>(38,131)</u>	<u>(51,650)</u>
	<u>10,253</u>	<u>372,707</u>
Cash flow from (used in) investing activities		
Repayment of advances to the PARTEQ Angel Network	30,000	-
Purchase of capital assets	(10,365)	(26,650)
Purchase of investments	<u>(1,971)</u>	<u>(150,931)</u>
	<u>17,664</u>	<u>(177,581)</u>
Net increase in cash	27,917	195,126
Cash at beginning of year	<u>585,244</u>	<u>390,118</u>
Cash at end of year	<u>\$ 613,161</u>	<u>\$ 585,244</u>
Cash represented by:		
Cash	\$ 507,387	\$ 468,142
Cash - New Energy Project	-	13,481
Cash - interest earned on funds on deposit	5,774	3,621
Deposit with Kawartha Credit Union	<u>100,000</u>	<u>100,000</u>
	<u>\$ 613,161</u>	<u>\$ 585,244</u>

See accompanying notes to financial statements.

KINGSTON ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

1. Purpose of the Corporation

Kingston Economic Development Corporation is incorporated without share capital as a not-for-profit corporation under the laws of Ontario. The corporation's mission is to undertake and promote economic development for Kingston, fostering local investment, job creation, assessment growth and community prosperity through the support of strategic economic projects in the industrial, commercial, institutional, technological and tourism sectors.

2. Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Investments

Investments in term deposits are recorded at cost plus accrued interest which approximates market value.

(b) Inventory

Inventory represents resale materials at the Tourist Information Centre. Inventory is valued at the lower of cost and net realizable value, where cost is computed using the average cost method. Obsolete and slow-moving items are written down to their estimated net realizable values.

(c) Revenue Recognition

The corporation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Unrestricted contributions are recognized as revenue when received or receivable, provided that the amounts to be received can be reasonably estimated and collection is reasonably assured.

Revenue from resale materials, events and seminars are recognized when merchandise is received by or service is provided to the customer, when the consideration is fixed or determinable and when collection is reasonably assured.

Revenue from partners and other corporate investors towards various events and meetings hosted by the corporation are recognized when there is persuasive evidence of an arrangement for funding, the price is fixed or determinable and collection of the relevant receivable is probable.

KINGSTON ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

2. Significant Accounting Policies (continued)

(d) Amortization

Capital assets are recorded at cost and amortization is provided using the straight-line method over the estimated useful lives of the assets as follows:

Computer software	2 years
Computer hardware	3 years
Furniture and equipment	5 years
Display units	7 years
Signage	7 years
Voicemail system	7 years
Leasehold improvements	10 years
CRM system	10 years

(e) Donated Materials and Services

The corporation receives donated advertising services from the Provincial government. Because of the difficulty of determining the fair market value, donated advertising services are not recognized in these financial statements.

(f) Deferred contributions

Deferred contributions related to capital assets represent financial assistance received for the purchase of capital assets. This financial assistance is deferred and amortized to income on the same basis as the related capital assets.

(g) Deferred Lease Inducements

Deferred lease inducements represent various lease inducements received from the landlord pursuant to a lease agreement for premises occupied by the corporation. These lease inducements include an initial rent-free period and reduced rent payments in the early periods of the lease. The deferred lease inducements are amortized on a straight-line basis against rent expense over the term of the lease.

(h) Impairment of Funds Advanced for Economic Development Initiatives

The funds on deposit with Kawartha Credit Union and funds advanced to the PARTEQ Angel Network Fund are carried at cost. Each advance is evaluated annually for possible impairment in the carrying value. Management makes its best estimate of the expected net recoverability of the advances in relation to estimates pertaining to the financial solvency of the underlying investments.

KINGSTON ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

2. Significant Accounting Policies (continued)

(i) Use of Estimates

The preparation of financial statements in conformity 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 year. Actual results could differ from those estimates.

Significant estimates in these financial statements include the estimated net recoverability of the funds advanced related to various economic development initiatives. Management has made their best estimate for any impairment to the carrying values.

3. Investments

Investments are comprised of a sixty day term deposit with a chartered bank, maturing February 14, 2014, 1.20% per annum interest payable if held to maturity.

4. Prepaid Expenses and Refundable Deposits

	<u>2013</u>	<u>2012</u>
Innovation Park office rent	\$ 8,333	\$ 10,553
Trade show registration	5,531	4,290
Travel costs	631	741
Publication costs	1,681	1,766
Advertising and marketing	2,486	-
Memberships	5,356	545
Sponsorship	6,520	11,000
Professional development	1,479	-
Events and meetings	<u>1,766</u>	<u>5,000</u>
	<u>\$ 33,783</u>	<u>\$ 33,895</u>

KINGSTON ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

5. Board Restricted Funds

(a) Board restricted funds are comprised of:

	<u>2013</u>	<u>2012</u>
First Capital Business Loan Fund	\$ 100,000	\$ 100,000
PARTEQ Angel Network Fund	<u>20,000</u>	<u>50,000</u>
	<u>\$ 120,000</u>	<u>\$ 150,000</u>

First Capital Business Loan Fund

This fund was established with a cash deposit of \$100,000 to an interest bearing account with Kawartha Credit Union. The purpose of the fund is to provide a guarantee for loans advanced by Kawartha Credit Union under a lending program for new and emerging small business. It can be withdrawn with written notice of termination.

The cash deposit has accumulated interest earnings of \$5,774 at December 31, 2013.

PARTEQ Angel Network Fund

During 2011, the board approved the transfer of \$50,000 from unrestricted surplus to a new board restricted fund called the PARTEQ Angel Network Fund. A \$50,000 cash advance was then paid to PARTEQ Angel Fund Network Inc. in exchange for 50,000 participation units in the PARTEQ Angel Network ("Network"). The purpose of the Network is to make investments in early stage business ventures that meet the specified investment criteria of the Network.

The participation units are non-interest bearing, unsecured, irrevocable advances that can only be repaid to the participants in the event of a liquidity event of one or more of the Network's underlying investments. In November 2013, PARTEQ Innovations returned \$30,000 to the corporation. The remaining \$20,000 was invested into SPARQ Systems Inc. and Switchable Solutions at \$10,000 each. The result of these investments is that the corporation has shareholder rights in both of these companies which translates into less than 1% share in each company.

KINGSTON ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

5. Board Restricted Funds (continued)

(b) The corporation has provided funding for various future expenditures under other board restricted funds. These expenditures have been approved by the Board of Directors up to the following amounts:

	<u>Board Approved</u>	<u>Opening Balance</u>	<u>Actual Transfer in Year</u>	<u>Expenses in Year</u>	<u>Ending Balance</u>
Strategic Planning Position	\$ 70,000	\$ 20,499	\$ -	\$ 2,623	\$ 17,876
2013 Scotties Tournament of Hearts	5,000	-	5,000	5,000	-
Applicant Tracking System	10,000	-	8,333	8,333	-
Security Camera for the Visitor Information Centre	4,500	-	2,203	2,203	-
Security - KEDCO office	7,000	-	7,000	-	7,000
KPMG city competiveness study sponsorship	9,800	-	8,853	8,853	-
Ticketing Software	10,000	-	10,000	-	10,000
Conference Centre Research	5,000	-	1,136	1,136	-
Conference Study Consultant	25,000	-	24,371	24,371	-
Chris Raabe Race Team Sponsorship	5,000	-	5,000	5,000	-
	<u>151,300</u>	<u>20,499</u>	<u>71,896</u>	<u>57,519</u>	<u>34,876</u>
Computer purchase	<u>6,407</u>	<u>6,407</u>	<u>-</u>	<u>6,407</u>	<u>-</u>
	<u>\$ 157,707</u>	<u>\$ 26,906</u>	<u>\$ 71,896</u>	<u>\$ 63,926</u>	<u>\$ 34,876</u>

During the year, the board approved the net aggregate transfer of \$71,896 (2012 \$5,870) from Unrestricted Surplus and Board Restricted Funds to Other Board Restricted Funds to provide for these commitments.

KINGSTON ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

6. Capital Assets

	2013			2012
	Cost	Accumulated Amortization	Net	Net
Computer software	\$ 9,321	\$ 9,321	\$ -	\$ -
Computer hardware	149,286	142,543	6,743	7,729
Furniture and equipment	104,207	95,315	8,892	9,213
Display units	48,861	48,181	680	3,054
Signage	109,764	87,257	22,507	33,526
Voicemail system	34,444	32,593	1,851	2,777
Leasehold improvements - Innovation Park	175,193	78,650	96,543	113,742
CRM system	30,780	9,234	21,546	24,624
	\$ 661,856	\$ 503,094	\$ 158,762	\$ 194,665

Cost and accumulated amortization in 2012 were \$651,491 and \$456,826 respectively.

7. Accounts Payable and Accrued Liabilities

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

	2013	2012
Workers' Compensation	\$ 412	\$ -

8. Deferred Revenue

	2013	2012
Event attraction	\$ -	\$ 24,650
New Energy Project	-	13,481
	\$ -	\$ 38,131

9. Deferred Contributions Related to Capital Assets

The changes in the deferred contributions balance for the year are as follows:

	2013	2012
Balance at beginning of year	\$ 115,778	\$ 135,011
Less amounts amortized to revenue - existing	(2,034)	(2,034)
Less amounts amortized to revenue - Innovation Park	(17,199)	(17,199)
Balance at end of year	\$ 96,545	\$ 115,778

KINGSTON ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

10. Deferred Lease Inducements

Changes in deferred lease inducements balance for the year are as follows:

	<u>2013</u>	<u>2012</u>
Balance at beginning of year	\$ 51,563	\$ 39,063
Add straight-line rent expense for the year	112,500	112,500
Less rents paid during the year	<u>(100,000)</u>	<u>(100,000)</u>
Balance at end of year	<u>\$ 64,063</u>	<u>\$ 51,563</u>

11. Investment in Capital Assets

	<u>2013</u>	<u>2012</u>
Capital assets	\$ 158,762	\$ 194,665
Less deferred contributions to related capital assets	<u>(96,545)</u>	<u>(115,778)</u>
	<u>\$ 62,217</u>	<u>\$ 78,887</u>

12. Bank Credit Facility

The corporation has a short-term line of credit facility of \$100,000 (2012 - \$100,000) of which none had been drawn as at December 31, 2013 and 2012. The line of credit bears interest at prime and is secured by a general security agreement.

13. Commitments and Contingencies

- (a) The corporation is committed to a lease for office space under an operating lease expiring July 2019. Annual lease payments up to July 2014 amount to \$100,000 per year. The annual lease payments for the period July 15, 2014 to July 31, 2019 amount to \$125,000 per year.

Under the written terms of the lease, the corporation can terminate the lease in July 2014 with six months written notice and the repayment of \$87,500 related to leasehold improvements performed by the landlord on behalf of the corporation.

- (b) The corporation is committed to a service level agreement with the City of Kingston for information systems and technology services. The annual charges for these services amounted to \$53,508 (2012 - \$35,184).

KINGSTON ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

14. Pension Costs and Obligations

The corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employee based on the length of service and rate of pay. Because OMERS is a multi-employer pension plan, the corporation does not recognize any share of the pension plan deficit of \$9.9 billion (at December 31, 2012) based on the fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipalities and their employees.

The amount contributed to OMERS for 2013 was \$110,245 (2012 - \$100,120) and is included as an expense in the statement of operations.

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.

It is management's opinion that the corporation is not exposed to significant interest rate, liquidity or credit risks arising from its financial instruments.

16. Related Party Transactions

The Corporation of the City of Kingston ("City") significantly influences the corporation by virtue of the fact that the City has representation on the Board of the Directors and is the major source of revenue for the corporation.

The City provided revenues of \$2,589,925 (2012 - \$2,564,282).

The corporation paid rent of \$38,687 (2012 - \$35,636) to the City for the Tourist Information Office. The lease expired December 31, 2013 and is currently on a month-to-month basis.

The corporation paid the City for information systems and technology services as described in note 13(b).

The transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

KINGSTON ECONOMIC DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED DECEMBER 31, 2013

17. Other Information

During 2012, the corporation acted as a third-party facilitator to bring three major events to the City of Kingston. Included in the Statement of Operations for 2012 were the following revenues and expenses:

	<u>Rugby Canada</u>	<u>BDO Curling Classic</u>	<u>Scottie's Tournament</u>	<u>Total</u>
Revenues				
Events and seminars	\$ 110,314	\$ 58,398	\$ -	\$ 168,712
Partnership revenue and corporate investor	-	-	85,000	85,000
Provincial government	-	-	<u>150,000</u>	<u>150,000</u>
	<u>\$ 110,314</u>	<u>\$ 58,398</u>	<u>\$ 235,000</u>	<u>\$ 403,712</u>
Expenses				
Events and meetings	\$ 96,646	\$ 58,398	\$ -	\$ 155,044
Sponsorships and donations	-	-	260,000	260,000
Expenses of board restricted fund	-	-	<u>75,000</u>	<u>75,000</u>
	<u>\$ 96,646</u>	<u>\$ 58,398</u>	<u>\$ 335,000</u>	<u>\$ 490,044</u>