

**Kingston Economic Development Corporation**  
**Financial Statements**  
**Year Ended December 31, 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Kingston Economic Development Corporation

### ***Opinion***

We have audited the financial statements of Kingston Economic Development Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its results of operations and its cash flows 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

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

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

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

Management is responsible for the preparation and fair presentation of 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.



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

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

### ***Other Matter – Comparative Information***

The financial statements for the year ended December 31, 2017 were audited by another auditor who expressed a unmodified opinion on those financial statements on May 14, 2018.

### ***Auditors' 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 auditors' report that includes our opinion.

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

May 13, 2019

**Kingston Economic Development Corporation**  
**Statement of Financial Position as at December 31, 2018**

	2018	2017
<b>Assets</b>		
Current Assets		
Cash	\$ 691,083	\$ 634,941
Investments (note 3)	285,368	280,375
Accounts receivable (note 4)	91,030	216,875
Receivable from City of Kingston (note 18)	113,068	89,895
Sales tax recoverable	26,261	23,019
Prepaid expenses and refundable deposits (note 5)	88,450	44,875
	\$1,295,260	1,289,980
Investment in PARTEQ Angel Network (note 6(a))	10,000	10,000
Capital Assets (note 7)	49,409	43,194
	\$1,354,669	\$1,343,174
<b>Liabilities</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 203,647	\$ 152,541
Payable to Tourism Kingston	105,790	282,450
Deferred revenue (note 8)	113,634	50,039
	423,071	485,030
Deferred Contributions Related to Capital Assets (note 9)	6,544	27,749
Deferred Lease Inducements (note 10)	6,910	23,557
	436,525	536,336
<b>Fund Balances</b>		
Investment in Capital Assets (note 11)	42,865	15,445
Board Restricted (note 6(a))	10,000	10,000
Other Board Restricted (note 6(b))	50,000	50,000
Unrestricted	815,279	731,393
	918,144	806,838
	\$ 1,354,669	\$1,343,174
<b>Commitments and Contingencies (note 15)</b>		
<b>Economic Dependence (note 19)</b>		
<b>Restructuring (note 20)</b>		
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, 2018**

	<u>2018</u>	<u>2017</u>
<b>Revenues</b>		
Contributions from the Corporation of the City of Kingston (note 18)	\$1,439,820	\$1,418,542
Provincial government contributions (note 12)	222,768	618,392
Federal government contributions	51,460	47,297
Events and seminars	4,208	5,388
Partnership revenue and corporate investors (note 13)	156,605	98,254
Amortization of deferred contributions (note 9)	21,205	17,199
Interest	12,502	7,886
	<u>1,908,568</u>	<u>2,212,958</u>
<b>Expenses</b>		
Accounting and legal (notes 15 and 18)	48,107	62,645
Advertising	175,157	87,720
Amortization	20,332	70,030
Bank charges	5,990	4,929
Events and meetings	79,034	70,819
Grant disbursements	180,247	466,750
Information technology support (notes 15 and 18)	24,435	24,435
Insurance	7,095	8,350
Memberships and licenses	29,621	32,836
Office and miscellaneous	16,703	18,665
Professional contractors	243,793	244,710
Professional development	19,181	20,884
Rent (notes 15 and 18)	66,829	78,947
Salaries and benefits	739,291	717,107
Sponsorships and donations	103,018	76,092
Telephone	8,107	6,589
Travel	30,322	41,090
	<u>1,797,262</u>	<u>2,032,598</u>
<b>Excess of revenues over expenses before the following:</b>	<u>111,306</u>	<u>180,360</u>
Impairment in investment in PARTEQ Angel Network (note 6(a))	-	10,000
	<u>\$ 111,306</u>	<u>\$ 170,360</u>

**Kingston Economic Development Corporation**  
**Statement of Changes in Fund Balances**  
**Year Ended December 31, 2018**

	<b>Investment in Capital Assets</b>	<b>Board Restricted</b>	<b>Other Board Restricted</b>	<b>Unrestricted</b>	<b>Total 2018</b>	<b>Total 2017</b>
<b>Balance at beginning of year</b>	\$15,445	\$10,000	\$50,000	\$731,393	\$806,838	\$864,326
Excess (deficiency) of revenues over expenses	873	-	-	110,433	111,306	(57,488)
Interfund transfer (note 6(b))	-	-	-	-	-	-
Change in investment in capital assets	26,547	-	-	(26,547)	-	-
<b>Balance at end of year</b>	<b>\$42,865</b>	<b>\$10,000</b>	<b>\$50,000</b>	<b>\$815,279</b>	<b>\$918,144</b>	<b>\$806,838</b>

See accompanying notes to financial statements.

# Kingston Economic Development Corporation

## Statement of Cash Flow

Year Ended December 31, 2018

	2018	2017
<b>Cash flow from (used in) operating activities</b>		
Excess of revenues over expenses	\$ 111,306	\$ 170,360
Add (deduct) items not affecting cash		
Amortization	20,332	70,030
Amortization of deferred capital contributions	(21,205)	(17,199)
Deferred lease inducements	(16,647)	(16,265)
Impairment in investment in PARTEQ Angel Network (note6(a))	-	10,000
	<u>93,786</u>	<u>216,926</u>
 Changes in non-cash working capital balances		
Accounts receivable	125,845	(111,463)
Sales tax recoverable	(3,242)	(34,350)
Prepaid expenses and refundable deposits	(43,575)	(13,778)
Accounts payable and accrued liabilities	51,106	(72,763)
Receivable from/payable to City of Kingston	(23,173)	(30,667)
Receivable from/payable to Tourism Kingston	(176,660)	282,450
Deferred revenue	63,595	(112,335)
	<u>87,682</u>	<u>124,020</u>
 <b>Cash flow used in investing activities</b>		
Purchase of capital assets	(26,547)	(3,043)
Purchase of investments	(4,993)	(5,263)
	<u>(31,540)</u>	<u>(8,306)</u>
 <b>Net increase (decrease) in cash</b>	56,142	115,714
 <b>Cash at beginning of year</b>	<u>634,941</u>	<u>519,227</u>
 <b>Cash at end of year</b>	<u>\$691,083</u>	<u>\$634,941</u>

See accompanying notes to financial statements.

# Kingston Economic Development Corporation

## Notes to Financial Statements

Year Ended December 31, 2018

### 1. Nature of Operations

Kingston Economic Development Corporation (the "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.

During 2016, it was confirmed by City Council that the Destination Marketing Organization portfolio ("Tourism Kingston") would be separated from the Corporation. During 2017, Tourism Kingston was incorporated as a separate entity. Tourism Kingston established its own Board of Directors and hired an executive director and staff. The separation of Tourism Kingston into a standalone not-for-profit Corporation was completed effective January 1, 2018.

These financial statements have been prepared using the continuity of interest method. Under this method, the carrying value of the assets and liabilities and the presentation of the operations of the Corporation have been presented in the financial statements as if the Corporation and Tourism Kingston had always been separate entities. As such, the prior year figures do not include the financial results of Tourism Kingston. Please refer to note 20 for further details on the accounting for the restructuring.

### 2. 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. Significant accounting policies include the following:

(a) Investments

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

(b) Revenue Recognition

The Corporation follows the deferral method of accounting for contributions.

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.

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.

**Kingston Economic Development Corporation**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

**2. Significant Accounting Policies (continued)**

(b) Revenue Recognition

Revenues from resale materials, events and seminars and commissions 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.

Revenues from partners and other corporate investors towards various programs, events and meetings delivered 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.

(c) Capital Assets

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
Signage	7 years
Voicemail system	7 years
Leasehold improvements	10 years
CRM system	10 years

(d) 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.

(e) 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.

**Kingston Economic Development Corporation**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

**2. Significant Accounting Policies (continued)**

(f) Investment in PARTEQ Angel Network

The funds invested with 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.

(g) 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 investment PARTEQ Angel Network and the estimated useful lives of capital assets. Management has made its best estimate for any impairment to the carrying values.

**3. Investments**

Investments are comprised of the following:

	2018	2017
1.15% Term deposit with Kawartha Credit Union maturing March 25, 2018	\$ -	\$ 168,380
1.15% Term deposit with Kawartha Credit Union maturing July 7, 2018	-	111,995
2.20% GIC with Kawartha Credit Union maturing September 20, 2019	57,142	-
2. 4% GIC with Kawartha Credit Union maturing December 20, 2020	57,221	-
2.55% GIC with Kawartha Credit Union maturing October 20, 2021	57,280	-
2.00% GIC with Kawartha Credit Union maturing August 10, 2019	37,893	-
2.30% GIC with Kawartha Credit Union maturing August 10, 2020	37,938	-
2.00% GIC with Kawartha Credit Union maturing August 10, 2023	37,894	-
	<u>\$ 285,368</u>	<u>\$ 280,375</u>

# Kingston Economic Development Corporation

## Notes to Financial Statements

Year Ended December 31, 2018

### 4. Accounts Receivable

	<u>2018</u>	<u>2017</u>
Provincial contributions receivable	\$ 33,160	\$ 174,412
Federal contributions receivable	48,100	40,000
Economic Development trade receivables	9,770	2,463
	<u>\$ 91,030</u>	<u>\$ 216,875</u>

The allowance for doubtful accounts is \$Nil (2017 - \$Nil).

### 5. Prepaid Expenses and Refundable Deposits

	<u>2018</u>	<u>2017</u>
Innovation Park office rent	\$ 6,625	\$ 10,600
OMERS	65,790	
Travel costs	-	6,152
Memberships & subscriptions	6,204	8,051
Partnerships and sponsorships	4,064	2,000
Media	5,767	17,808
Contracted services	-	264
	<u>\$ 88,450</u>	<u>\$ 44,875</u>

### 6. Board Restricted Funds

(a) Board restricted funds are comprised of:

	<u>2018</u>	<u>2017</u>
PARTEQ Angel Network Fund	<u>\$ 10,000</u>	<u>\$ 10,000</u>

#### PARTEQ Angel Network Fund

The Corporation holds 10,000 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. The underlying original investments are in SPARQ Systems Inc at \$10,000. The result of these investments is that the Corporation has shareholder rights in the company which translates into less than 1% share in the company.

# Kingston Economic Development Corporation

## Notes to Financial Statements

Year Ended December 31, 2018

### 6. Board Restricted Funds (continued)

(b) The Corporation restricts net assets for various future expenditures under other board restricted funds. The expenses of the board restricted fund have been approved by the Board of Directors up to the following amounts:

	Board Approved	Opening Balance	Actual Transfers in Year	Expenses in Year	Ending Balance
Business Retention and Expansion	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 50,000
	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 50,000

### 7. Capital Assets

	<u>2018</u>		<u>2017</u>	
	Cost	Accumulated Amortization	Net	Net
Computer software	\$ 87,239	\$ 87,239	\$ -	\$ -
Computer hardware	102,700	102,700	-	1,105
Furniture and equipment	68,963	68,963	-	620
Signage	120,931	115,705	5,226	8,627
Voicemail system	22,044	22,044	-	-
Leasehold improvements- Innovation Park	112,123	105,579	6,544	17,757
CRM system	39,938	28,846	11,092	15,085
	553,938	531,076	22,862	43,194
Work in progress - website	26,547	-	26,547	-
	\$ 580,485	\$ 531,076	\$ 49,409	\$ 43,194

Cost and accumulated amortization in 2017 were \$553,938 and \$510,744 respectively.

# Kingston Economic Development Corporation

## Notes to Financial Statements

Year Ended December 31, 2018

### 8. Deferred Revenue

Deferred revenue consists of cash received in advance for operations for which the related expenses will not be recognized until a later period. The deferred revenue is comprised of:

	<u>2018</u>	<u>2017</u>
Small Business Enterprise Centre Core Funding	\$ 84,405	\$ 50,039
Starter Company Plus	-	-
Summer Company program	29,229	-
Balance at end of year	<u>\$ 113,634</u>	<u>\$ 50,039</u>

### 9. Deferred Contributions Related to Capital Assets

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

	<u>2018</u>	<u>2017</u>
Balance at beginning of year	\$27,749	\$ 44,948
Less amounts amortized to revenue		
-Innovation Park	(21,205)	(17,199)
Balance at end of year	<u>\$ 6,544</u>	<u>\$ 27,749</u>

### 10. Deferred Lease Inducements

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

	<u>2018</u>	<u>2017</u>
Balance at beginning of year	\$ 23,557	\$ 39,822
Add rent expense for the year	61,478	108,735
Less rents paid during the year	(78,125)	(125,000)
Balance at end of year	<u>\$ 6,910</u>	<u>\$ 23,557</u>

### 11. Investment in Capital Assets

Net assets invested in capital assets are calculated as follows:

	<u>2018</u>	<u>2017</u>
Capital assets	\$ 49,409	\$ 43,194
Less deferred contributions to related capital assets	(6,544)	(27,749)
	<u>\$ 42,865</u>	<u>\$ 15,445</u>

# Kingston Economic Development Corporation

## Notes to Financial Statements

Year Ended December 31, 2018

### 12. Provincial Government Contributions

	<u>2018</u>	<u>2017</u>
Small Business Enterprise Centre Core Funding	\$ 65,284	\$ 33,017
Summer Company program	73,736	124,500
Starter Company program	-	61,463
Starter Company Plus program	83,748	399,412
	<u>\$ 222,768</u>	<u>\$ 618,392</u>

### 13. Partnership Revenue and Corporate Investors

	<u>2018</u>	<u>2017</u>
Frontenac Community Futures Development Corporation	\$ 20,274	\$ 69,051
Kingston Accommodation Partners	2,500	4,203
Queen's Career Apprenticeship Program	100,000	-
Queen's Innovation Park	25,000	25,000
Other	8,831	-
	<u>\$ 156,605</u>	<u>\$ 98,254</u>

### 14. Bank Credit Facility

The Corporation has a short-term line of credit facility of \$100,000 (2017 - \$100,000) of which none had been drawn as at December 31, 2018. The line of credit bears interest at the lender's prime rate and is secured by a general security agreement.

### 15. Commitments and Contingencies

- (a) The Corporation is committed to a lease for office space under an operating lease expiring July 2019. The annual lease payments amount to \$125,000 per year.

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

The Corporation has an informal arrangement with Tourism Kingston that they sub-lease a portion of the premises during 2018 and until the lease expires in July 2019.

- (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 \$24,435 (2017 - \$24,435).

# Kingston Economic Development Corporation

## Notes to Financial Statements

Year Ended December 31, 2018

### 15. Commitments and Contingencies (continued)

- (c) The Corporation is committed to a service level agreement with the City of Kingston for accounting and reporting services. The annual charge for these services amounted to \$18,527 (2017 - \$23,250).
- (d) The Corporation has been party to an on-going request for information under Ontario's Municipal Freedom of Information and Protection of Privacy Act ("MFIPPA"). The Corporation was not waiving the fee to provide the information and was therefore seeking that the requesters of information reimburse the Corporation for the cost of providing the information as per MFIPPA guidelines. As such, the matter has been before an adjudicator to determine the outcome of the matter. Subsequent to year-end, the adjudicator issued its findings in favour of the Corporation and provided the fee estimate at \$14,681 that can be charged. Such amounts are not reflected in the accounts at this time.

### 16. 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 \$4.2 billion (at December 31, 2018) 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 2018 was \$51,217 (2017 - \$77,568) and is included as an expense in the statement of operations. There was an additional amount contributed to OMERS on behalf of the former Tourism Kingston portfolio employees, in the amount of \$65,790. This amount is treated as a prepaid expense by OMERS and will be reduced by the monthly remittances in 2019.

### 17. 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.

# Kingston Economic Development Corporation

## Notes to Financial Statements

Year Ended December 31, 2018

### 17. Fair Value of Financial Instruments (continued)

It is management's opinion that the Corporation is not exposed to significant interest rate, liquidity or credit risks arising from its financial instruments. There has been no change to the risk exposure from December 31, 2017 and there is expected to be no substantial change in the next fiscal year.

### 18. Related Party Transactions

The Corporation of the City of Kingston (the "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 Corporation operates under a service level agreement with the City's financial services department whereby the City pays certain expenses on behalf of the Corporation. The Corporation has a \$113,068 receivable from the City at year-end related to its service level agreement. In the prior year the Corporation had a \$89,895 receivable to the City of Kingston at year-end.

The City provided funding of \$1,439,820 (2017 - \$1,418,542) to the Corporation.

The Corporation paid the City for information systems and technology services, and accounting services as described in note 15(b) and (c).

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

### 19. Economic Dependence

The Corporation is economically dependent on the continued financial support of the Corporation of the City of Kingston. The Corporation derives a significant portion of its revenues each year from the City.

# Kingston Economic Development Corporation

## Notes to Financial Statements

Year Ended December 31, 2018

### 20. Restructuring

#### (a) Net Assets

The following table summarizes the impact to the Corporation's net assets as of January 1, 2018 as a result of the restructuring of the Corporation as described in Note 1:

	<u>2017</u>
As previously reported in the financial statements as at December 31, 2017	\$ 1,089,288
Net assets transfer from the Corporation to Tourism Kingston	(282,450)
	<hr/>
Restated, January 1, 2018	<u>\$ 806,838</u>

#### (b) Statement of Operations

As a result of the restructuring of the Corporation as described in Note 1, the Corporation recorded the following adjustments to the excess of revenue over expenses for the year-ended December 31, 2017:

	<u>2017</u>
As previously reported in the financial statements as at December 31, 2017	\$ 224,962
Excess of revenue over expenses attributable to Tourism Kingston	(54,602)
	<hr/>
Restated excess of revenue over expenses at January 1, 2018	<u>\$ 170,360</u>

### 21. Comparative Figures

Certain comparative figures have been restated to conform with the financial statement presentation adopted for the current year.