

Friday December 21, 2019

Dear YMCA Member,

Thank-you for registering to attend the YMCA of Regina's Annual General Meeting (AGM) scheduled for Tuesday January 15, 2019 at our downtown branch. Please note that the doors open at 6:00 pm and the formal meeting will commence at 6:30 pm. We're pleased you will be joining us!

To confirm your status as a voting member, you are required to provide current photo identification or a YMCA Membership card upon arrival at the AGM.

A voting member for the purpose of this meeting is defined as an individual who has purchased a General Adult Membership or Membership Plus pass with a Health, Fitness and Aquatics facility of the YMCA of Regina. Members eligible to vote include adult (18+) paid members who have joined prior to January 2, 2019. YMCA clients holding day passes, complimentary passes, promotional passes, or using punch-passes are not entitled to vote.

In accordance with the Constitution and Bylaws of the YMCA of Regina, nominations to the Board of Directors are now closed. The Nominating Committee of the Board of Directors of the YMCA of Regina will be presenting our 2019 Slate of Nominees at the AGM for election to the Board.

This information package contains the following background documents which will be discussed at next week's AGM.

1. Meeting Agenda
2. Background Information on AGM Officials and Presenters
3. Minutes from the 2017-2018 AGM
5. 2017-2018 Board of Director Bios
6. Consolidated Financial Statements

The following resources are also available on the YMCA of Regina's website:

Annual General Meeting Background Information <http://regina.ymca.ca/agm/>


YMCA of Regina Constitution and Bylaws: <http://regina.ymca.ca/wp-content/uploads/2018/11/YMCA-of-Regina-Constitution-and-Bylaws-November-272c-2013.pdf>

YMCA Financial Statements (full version): <http://regina.ymca.ca/wp-content/uploads/2018/12/2017-18-YMCA-Regina-Audited-FS-with-Signatures.pdf> or <http://regina.ymca.ca/board-reports/>

If you have any questions or require additional information, please contact Steve Compton by email at steve.compton@regina.ymca.ca or by telephone at 306-559-7334.

We look forward to seeing you at the AGM!

Sincerely,



Jason Carlston

Chair, Board of Directors

YMCA of Regina



Steve Compton

Chief Executive Officer

YMCA of Regina

**YMCA of Regina
Annual General Meeting
Agenda**
January 15, 2019 (6:30 pm)
Downtown Branch (Gymnasium)

- | | |
|---|-----------------|
| 1. Welcome and Call to Order | Jason Carlston |
| 2. YMCA Story | Steve Compton |
| 3. Report from the Chair | Jason Carlston |
| 4. Approval of Meeting Minutes | Jason Carlston |
| a) 2016-2017 Annual General Meeting | |
| 5. Financial Report | Sean Gawley |
| a) Presentation of 2017-2018 Financial Statements | |
| b) Appointment of Auditors for 2018-2019 | |
| 6. Report of the Nominating Committee | Michele Arscott |
| a) Review of Selection Process | |
| b) Election of Directors | |
| 7. General Questions | Sally Houser |
| 8. Motion to Adjourn | Jason Carlston |

YMCA of Regina Annual General Meeting

Background Information on AGM Officials and Presenters

AGM Officials – YMCA of Regina

- Jason Carlston, Board Chair, YMCA of Regina
- Steve Compton, CEO, YMCA of Regina
- Sean Gawley – Finance and Audit Committee Chair, YMCA of Regina
- Michele Arscott – Board Vice Chair, Governance Committee Chair, YMCA of Regina

Auditor – Clint Ceholski

MWC Chartered Professional Accountants LLP (Mintz Wallace)

Parliamentarian – Stuart Wicijowski



Stuart Wicijowski is a Partner with McDougall Gauley LLP in Regina. He practices corporate and commercial law with a particular emphasis on commercial real estate, secured lending, venture capital financing and securities.

Stuart Wicijowski will act as the parliamentarian for our annual general meeting. The Parliamentarian's role is to provide advice to the meeting generally and to the Chair in particular, regarding the proceedings to ensure that a legal and fair meeting is held. For example, he may provide his advice as to whether a particular proposal or motion can properly be considered or voted upon at the meeting. Our parliamentarian is a lawyer who is very familiar with rules relating to annual general meetings.

Stuart's clients include major financial institutions, pension funds, investment funds, non-profit corporations and national and local real estate investors. He also possesses extensive expertise in corporate law and governance. Stuart gained experience as a Parliamentarian serving the Boards of major financial institutions, non-profit corporations and provincial professional associations.

Stuart was admitted to the Bar in 1988, having earned his Bachelor of Laws degree from the University of Saskatchewan in 1987

YMCA of Regina

Annual General Meeting Minutes

January 11, 2018 (6:30 pm)

YMCA Downtown Branch (Gymnasium)

1. Call to Order

The formal meeting was called to order at 7:02 pm. Quorum was confirmed by the Board Chair.

Point of Order: A voting member expressed concern that a motion to adopt the agenda was not included in the formal meeting proceedings.

Ruling: Chair ruled that it was not necessary to adopt or approve the agenda since the organization's Annual General Meetings have a specific, standard order of business, this was not the regular practice of the Association, was not strictly required by Robert's Rules and that this approach is consistent with the YMCA's Bylaws.

Point of Order: A voting member requested clarification on the process for introducing a special resolution at the Annual General Meeting.

Ruling: The Chair advised that special resolutions could not be introduced at the AGM as the bylaws require a specific procedure including notice to members.

2. Approval of Meeting Minutes

Motion: To approve the meeting minutes from the 2015-16 AGM and the June 29, 2017 meeting minutes as presented.

Moved by: Jason Carlston

Seconded by: Zena Amundsen

Motion carried.

3. Financial Report

Sean Gawley, Chair of the Finance and Audit Committee, presented the 2016-2017 Audited Financial Statements.

Motion: To appoint MWC Chartered Professional Accountants LLP as the YMCA of Regina auditors for the year ending August 31, 2018.

Moved by: Zena Amundsen

Seconded by: Michele Arscott

Motion carried.

4. Report of the Nominating Committee

Jason Carlston, Chair of the Board Nominating Committee, provided an overview of the Board recruitment process.

The following slate of Directors was proposed:

One Year Term

Jean-Paul Martin

Richard Morris

John Stevenson

Two Year Term

Ryan Cavan

Sean Gawley

Three Year Term

Zena Amundsen

John Ash

James Holtom

Sally Housser

Motion: To approve the proposed slate of Directors as presented.

Moved by: Michele Arscott

Seconded by: Judy Ash Motion carried.

It was noted that Michele Arscott, Haley Bolen and Jason Carlston will continue to serve on the Board of Directors under their existing terms.

5. Motion to Adjourn

Point of Order: A voting member expressed concern that a motion to approve the Audited Financial Statements had not been made.

Ruling: Chair ruled that the governing legislation and bylaws provide that the financial statements are only to be presented at the AGM and that the Board is responsible for the approval of financial statements.

Motion: To adjourn the formal business meeting.

Moved by: Michelle Arscott

Seconded by: Dan Ash

Motion Carried. The formal meeting was adjourned at 7:39 pm.

The 2017-2018 YMCA of Regina Board of Directors

Jason Carlston

Board Chair

- Hometown: Regina, Saskatchewan
- YMCA Member since 1989
- Term Expires: 2020
- Occupation: Developer
- Currently: Regional Vice President, Dream Development
- Community Service: Member, Pats Community Foundation Board
- Education: M.A. in Urban Geography, University of Regina, 1996.



Michele Arcsott

Board Vice-Chair

- Hometown: Regina, Saskatchewan
- YMCA Member since 1992
- Term Expires: 2022 (Chair in 2020 and 2021)
- Occupation: Chartered Professional Accountant (CPA)
- Currently: Executive Director, Corporate Services, Saskatchewan Agriculture
- Community Service: served on the Regina Symphony Board, the University of Regina Senate and coached community soccer
- Education: Bachelor of Administration, Master of Public Administration



Sean Gawley

Finance and Audit Committee Chair

- Hometown: Regina, Saskatchewan
- YMCA Member since 2009
- Term Expiry: 2019 (new two-year term)
- Occupation: Financial professional, currency risk management specialist
- Currently: Vice President, Risk Management, EncoreFX
- Community Service: University of Regina Rams, Ranch Ehrlo Foundation
- Education: B.A. Economics, University of Alberta, 2008



Haley Bolen

Fund Development Committee Chair

- Hometown: Regina, Saskatchewan
- YMCA Member since 2016
- YMCA of Regina Board Member since 2016.
- Term Expires: 2019
- Occupation: Community Programming/Fundraising Professional
- Currently: Community Consultant, City of Regina
- Community Service: Regina Folk Festival, Habitat for Humanity, Fada Dance, National Philanthropy Day, and others.
- Education: B.A.; Certificate in Business Administration and Management, University of Regina, 2014.



Zena Amundsen

- Hometown: Regina, Saskatchewan
- YMCA Member since early childhood
- YMCA of Regina Board Member since 2017
- Term Expires: 2021 (new three-year term)
- Occupation: Certified Financial Planner (CFP)
- Currently: Business Owner, Astra Financial Services
- Community Service: spent youth and early adulthood as a Y staff and volunteer; YMCA of Regina Heritage Club Board Member; founder of Women Wine Wealth Regina; committed to encouraging and promoting legacy of charitable giving to ensure the YMCA is here for future generations.
- Education: Bachelor, Arts and Science, University of Regina/Athabasca



Ryan Cavan

- Hometown: Kelowna, British Columbia
- YMCA Member since 2008
- Term Expires: 2019 (new two-year term)
- Occupation: Chartered Professional Accountant (CPA)
- Currently: Senior Manager, Crowe MacKay LLP.
- Education: Bachelor of Business Admin (Honours), University of British Columbia (Okanagan), 2007.



James Holtom

- Hometown: Regina, Saskatchewan
- YMCA Member since childhood
- Term Expires: 2020 (new three-year term)
- Occupation: Project Manager
- Currently: Principal, Project Manager, JPH Consulting
- Community Service: Past Board Member, Lakeview Community Association, Regina Farmers' Market (Past President), and the Regina Engineering Society
- Education: BSc, Electrical Engineering, University of Saskatchewan, 2003



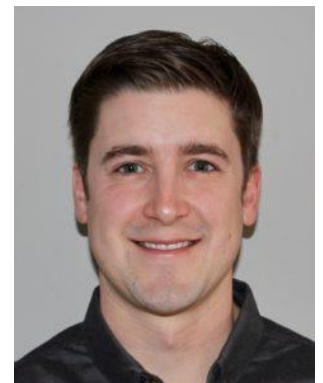
Sally Houser

- Hometown: St. John's, Newfoundland
- YMCA Member since January 2015 at the YMCA of Regina (Previous Y Memberships in other provinces)
- Term Expires: 2020 (new three-year term)
- Occupation: Political and Communications Consultant
- Currently: Senior Consultant, Navigator Ltd., previously, Press Secretary, AB Premier Rachel Notley during her successful electoral campaign, five years with Canadian High Commission, London, England
- Community Service: Association for New Canadians and Ottawa Public Library (Teaching English Conversation classes to adults)
- Education: BA, Political Science and Government, University of Ottawa, 2002; fluency in English and French



Jean-Paul Martin

- Hometown: Regina, Saskatchewan
- YMCA Member since 2016
- Term Expires: 2018 (new one-year term)
- Occupation: Assistant General Manager, Kenroc Building Materials Ltd.
- Community Service: Past Board Member, Saskatchewan Advanced Technology Association, Strategy Director, Meka Okochi Mayoral Campaign, 2012
- Education: Bachelor of Administration (Finance), University of Regina, 2009



Richard Morris
Board Past Chair

- Hometown: Regina, Saskatchewan
- YMCA Member since 1981
- Term Expires: 2018 (new one-year term)
- Occupation: Civil Litigator
- Currently: Queen's Counsel, Lawyer of Counsel, McKercher LLP
- Community Service: Served as a director of the YMCA of Regina for several years, before becoming Board Chair in
- 2004 and 2005, when he oversaw the sale of Camp Ta-Wa-Si and the
- creation of the North-West Branch of the YMCA; served many years as President of the Saskatchewan Arthritis Association
- Education: Bachelor of Laws, University of Saskatchewan, 1967; B.A., University of Regina, 1965



John Stevenson

- Hometown: Regina, Saskatchewan
- YMCA Member since 1987
- Term Expires: 2018 (new one-year term)
- Occupation: Management Consultant and Project Management Professional
- Currently: Executive Director, Canadian Agri-Traceability Services
- Community Service: Vice-President, Canadian Information Processing Society (CIPS), SK Chapter; long-time volunteer with 84th Scouts Group; long-time volunteer including Chairperson and
- Treasurer and currently serving as Director, local School Community Council; Coach, Regina Community Basketball Association
- Education: B.Sc in Computer Science, Brandon University [1983], Certified Information Systems Professional (ISP/ITCP) and Project Management Professional (PMP), Certification in Change Management.



YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Financial Statements

Year Ended August 31, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Young Men's Christian Association of Regina have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.


The integrity and reliability of Young Men's Christian Association of Regina's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Finance and Audit Committee. The Finance and Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Finance and Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.



Chief Executive Officer



Treasurer

Regina, Saskatchewan
November 29, 2018



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Young Men's Christian Association of Regina

We have audited the accompanying financial statements of Young Men's Christian Association of Regina, which comprise the statement of financial position as at August 31, 2018 and the statement of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(continues)

An asset to our clients, not an expense

Independent Auditor's Report to the Members of Young Men's Christian Association of Regina
(continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Young Men's Christian Association of Regina as at August 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

MWC LLP

Chartered Professional Accountants

Regina, Saskatchewan
November 29, 2018

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Statement of Financial Position

August 31, 2018, with comparative information for 2017

| | 2018 | 2017 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 495,121 | \$ 239,900 |
| Accounts receivable | 362,685 | 321,179 |
| Prepaid expenses | 74,807 | 45,289 |
| | <u>932,613</u> | <u>606,368</u> |
| Property, plant and equipment (note 3) | 10,358,204 | 11,129,321 |
| Intangible assets (note 4) | 223,812 | 143,539 |
| Endowments (note 5) | 161,198 | 41,289 |
| Assets held in trust (note 6) | 135,728 | 145,090 |
| | <u>\$ 11,811,555</u> | <u>\$ 12,065,607</u> |
| Liabilities and net assets | | |
| Current liabilities: | | |
| Bank indebtedness (note 7) | \$ - | \$ 305,000 |
| Accounts payable and accrued liabilities (note 8) | 757,116 | 1,023,049 |
| Deferred revenue (note 9) | 286,641 | 254,146 |
| Current portion of long term debt (note 7) | 267,000 | 809,000 |
| Due to trust (note 6) | - | 103,160 |
| | <u>1,310,757</u> | <u>2,494,355</u> |
| Long term debt (note 7) | 5,129,000 | 3,411,000 |
| Trust liabilities (note 6) | 135,728 | 145,090 |
| | <u>6,575,485</u> | <u>6,050,445</u> |
| Net assets | 5,236,070 | 6,015,162 |
| Commitments (note 10) | | |
| Contingent liability (note 11) | | |
| | <u>\$ 11,811,555</u> | <u>\$ 12,065,607</u> |

See accompanying notes to the financial statements.

On behalf of the Board:



Director



Director

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Statement of Operations

Year ended August 31, 2018, with comparative information for 2017

| | 2018 | 2017 |
|---|--------------|--------------|
| Revenue: | | |
| Memberships | \$ 4,654,890 | \$ 4,590,306 |
| Assisted membership fees (note 12) | (328,179) | (298,789) |
| | 4,326,711 | 4,291,517 |
| Childcare fees | 4,303,927 | 3,665,689 |
| Grant funding (note 13) | 2,101,829 | 1,834,036 |
| Program fees (note 12) | 590,536 | 613,172 |
| Program administration services (note 6) | 506,612 | 293,629 |
| Merchandise, rental and other revenue | 201,329 | 237,589 |
| Donations | 119,068 | 289,030 |
| United Way | 52,839 | 80,436 |
| Endowment donations | 5,208 | 120,355 |
| Endowment earnings (note 5) | 7,554 | 2,195 |
| Restricted capital donations | 50,000 | 149,834 |
| Restricted capital grant funding | 746 | 129,254 |
| | 12,266,359 | 11,706,736 |
| Expenses: | | |
| Salaries, wages and benefits | 8,635,969 | 7,660,837 |
| Amortization of property, plant and equipment | 1,015,027 | 1,054,006 |
| Program supplies | 824,555 | 686,128 |
| Utilities | 514,611 | 468,285 |
| Rent | 369,150 | 392,403 |
| Facility cleaning and maintenance | 317,164 | 261,488 |
| Office and administration | 277,563 | 245,977 |
| Building repairs | 250,798 | 125,659 |
| Interest | 166,505 | 112,360 |
| YMCA Canada allocations | 156,370 | 154,180 |
| Professional fees | 128,312 | 115,920 |
| Bank charges | 122,003 | 109,849 |
| Staff and volunteer training and development | 86,439 | 110,186 |
| Travel and conferences | 68,053 | 62,048 |
| Marketing | 64,778 | 67,215 |
| Bad debts | 42,083 | 71,910 |
| Miscellaneous and other | 4,160 | 10,815 |
| Fundraising | 1,911 | 12,725 |
| | 13,045,451 | 11,721,991 |
| Deficiency of revenue over expenses | \$ (779,092) | \$ (15,255) |

See accompanying notes to the financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Statement of Changes in Net Assets

Year ended August 31, 2018, with comparative information for 2017

| August 31, 2018 | Unrestricted Fund | Restricted Capital Fund | Endowment Fund | Total |
|---|------------------------------|------------------------------------|---------------------------|--------------|
| Balance, beginning of year | \$ 5,861,518 | \$ - | \$ 153,644 | \$ 6,015,162 |
| Excess (deficiency) of revenue over expenses | (842,600) | 50,746 | 12,762 | (779,092) |
| Interfund transfers (note 14) | 50,746 | (50,746) | - | - |
| Balance, end of year | \$ 5,069,664 | \$ - | \$ 166,406 | \$ 5,236,070 |

| August 31, 2017 | Unrestricted Fund | Restricted Capital Fund | Endowment Fund | Total |
|---|------------------------------|------------------------------------|---------------------------|--------------|
| Balance, beginning of year | \$ 5,999,323 | \$ - | \$ 31,094 | \$ 6,030,417 |
| Excess (deficiency) of revenue over expenses | (416,893) | 279,088 | 122,550 | (15,255) |
| Interfund transfers (note 14) | 279,088 | (279,088) | - | - |
| Balance, end of year | \$ 5,861,518 | \$ - | \$ 153,644 | \$ 6,015,162 |

See accompanying notes to the financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Statement of Cash Flows

Year ended August 31, 2018, with comparative information for 2017

| | 2018 | 2017 |
|---|--------------|-------------|
| Cash provided by (used in): | | |
| Operations: | | |
| Deficiency of revenue over expenses | \$ (779,092) | \$ (15,255) |
| Items not involving cash: | | |
| Amortization of property, plant and equipment | 1,015,027 | 1,054,006 |
| Change in non-cash operating working capital: | | |
| Accounts receivable | (41,506) | (44,527) |
| Prepaid expenses | (29,518) | 25,213 |
| Accounts payable and accrued liabilities | (265,933) | 452,326 |
| Deferred revenue | 32,495 | (11,697) |
| | (68,527) | 1,460,066 |
| Investing: | | |
| Purchase of property, plant and equipment | (243,910) | (646,050) |
| Purchase of intangible assets | (80,273) | (143,539) |
| Net endowment activity | (119,909) | (10,195) |
| | (444,092) | (799,784) |
| Financing: | | |
| Change in due to trust | (103,160) | (49,100) |
| Proceeds from bank indebtedness | - | 305,000 |
| Repayment of bank indebtedness | (305,000) | - |
| Proceeds from long term debt | 5,500,000 | 999,000 |
| Repayment of long term debt | (4,324,000) | (2,500,012) |
| | 767,840 | (1,245,112) |
| Increase (decrease) in cash | 255,221 | (584,830) |
| Cash, beginning of year | 239,900 | 824,730 |
| Cash, end of year | \$ 495,121 | \$ 239,900 |

See accompanying notes to the financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements

Year ended August 31, 2018

1. Nature of operations:

The Young Men's Christian Association of Regina (the "Association") is open to all and dedicated to enriching our community and individuals at every stage of life. It is a value-based builder of health, leadership and personal development. The Association operates three facilities and a variety of program sites in the community of Regina, Saskatchewan and is a registered charity which is exempt from income taxes under paragraph 149(1)(f) of the Income Tax Act.

2. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Fund accounting:

The Association follows the restricted fund method of accounting for contributions, which includes donations, grants and sponsorships. The Association records its activities in the following funds:

Unrestricted fund

The unrestricted fund is established for the general operations of the Association. All operational transactions, including those of a capital nature, are recorded in the accounts of this fund.

Restricted capital fund

The restricted fund is established to record externally restricted contributions and revenues specifically designated for property renewals, replacements and development.

Endowment fund

The endowment fund is established to record resources contributed for endowment. Contributions to this fund are held in perpetuity with the earnings available for use as restricted by the contributor.

(b) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue in the unrestricted fund when the related expenses are incurred. All other restricted contributions are recognized as revenue of the restricted fund when the amount is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue in the unrestricted fund in the year they are receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements (continued)

Year ended August 31, 2018

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Program revenue including membership fees, rental revenue, program administrative services fees and other revenue are recognized as revenue in the unrestricted fund when the service is provided and that collection is reasonably assured. Interest income is recognized in the period earned.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Subsequently they are recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry its endowment assets at fair value. Changes in fair value are recognized in the Statement of Operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected amount or timing of future cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Property, plant and equipment:

Property, plant and equipment is recorded at cost. Amortization is calculated using the straight-line method over their estimated useful lives as follows:

| Asset | Rate |
|------------------------|--------------------------------------|
| Buildings | 20-40 years |
| Equipment | 3-4 years |
| Leasehold improvements | Amortized over the life of the lease |

A full year of amortization is taken in the year of acquisition and no amortization is taken in the year of disposal.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements (continued)

Year ended August 31, 2018

2. Significant accounting policies (continued):

(d) Intangible assets:

Intangible assets are comprised of a membership database and revenue tracking software (DfM software). Intangible assets are recorded at cost and amortized using the straight-line method over the estimated useful life. No amortization was taken in the current year as the asset is not yet in use.

(e) Contributed services:

The Association is dependent on the voluntary services of many people. Since these services are not normally purchased by the Association and because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(f) Employee future benefits:

The Association and certain employees make contributions to the YMCA Canada Pension Plan, a defined contribution multi-employer pension plan. The Association's contributions are expensed as incurred. Eligible employees include full-time employees who may join the plan after two years and must join after three years of service, and part-time employees who may join the plan after earning certain levels of income for two consecutive years.

For the year ended August 31, 2018, the Association contributed and expensed \$208,691 (2017 - \$165,894) with respect to this plan.

(g) Interest rate swaps:

The Association uses interest rate swaps to manage fluctuations in interest rates on its banker's acceptances. The Association has not elected to use hedge accounting as the expected change in interest rates during the holding period is not significant due to the short-term nature of the banker's acceptances held. The amount owing under the swap agreement is recorded at fair market value at year end.

(h) Use of estimates:

The preparation of the financial statements 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 amount of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions includes the carrying amount of accounts receivable and the estimated useful lives of property plant and equipment, and intangible assets.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements (continued)

Year ended August 31, 2018

3. Property, plant and equipment:

| | Cost | Accumulated amortization | 2018 Net Book Value | 2017 Net Book Value |
|------------------------|----------------------|-----------------------------|------------------------|------------------------|
| Land | \$ 341,268 | \$ - | \$ 341,268 | \$ 341,268 |
| Buildings | 14,738,954 | 6,135,540 | 8,603,414 | 8,755,323 |
| Equipment | 1,416,152 | 967,708 | 448,444 | 745,967 |
| Leasehold improvements | 1,930,145 | 965,067 | 965,078 | 1,286,763 |
| | <u>\$ 18,426,519</u> | <u>\$ 8,068,315</u> | <u>\$ 10,358,204</u> | <u>\$ 11,129,321</u> |

4. Intangible assets:

| | Cost | Accumulated amortization | 2018 Net Book Value | 2017 Net Book Value |
|--------------|------------|-----------------------------|------------------------|------------------------|
| DfM software | \$ 223,812 | \$ - | \$ 223,812 | \$ 143,539 |

No amortization was taken as the software is not yet in use at year end.

5. Endowments:

The South Saskatchewan Community Foundation Inc. (SSCF), an independent agency, manages the assets of the Association's endowment fund.

The fair value of the assets invested with SSCF as at August 31, 2018 is \$161,198 (2017 - \$41,289). The Association is allocated a portion of the earnings on investments managed by SSCF based on their relative holdings of the SSCF managed funds. For the year ended August 31, 2018 investment earnings from SSCF were \$7,554 (2017 - \$2,195).

6. Trust fund:

The Association has agreements to administer in trust three projects under the National Homelessness Initiative which is funded by Human Resources and Skills Development Canada (HRSDC). As part of the agreements, the Association receives amounts from HRSDC and is required to provide the funding to participants under the direction of a third party advisory board. The Association does not have any control over the funds other than ensuring payments are in compliance with the agreements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements (continued)

Year ended August 31, 2018

6. Trust fund (continued):

All proceeds received under the agreements are deposited into a separate bank account. All costs are paid out of the Association's bank account. Periodic transfers are done between the bank accounts for these transactions which results in amounts owing from (to) the trust fund. Effective April 1, 2018 all expenses related to the 2018-19 funding year are being paid out of the separate bank account.

Included in the trust fund balance for 2018 is \$30,000 (2017 - nil) of unspent funds received from the City of Regina for the Plan to End Homelessness.

| | 2018 | 2017 |
|------------------------------|----------------|----------------|
| Trust fund assets: | | |
| Due (to) from YMCA of Regina | \$ (70,000) | \$ 103,160 |
| Cash | 205,728 | 41,930 |
| | <u>135,728</u> | <u>145,090</u> |
| Trust fund liabilities: | | |
| Trust fund liability | (135,728) | (145,090) |
| | <u>\$ -</u> | <u>\$ -</u> |

The table below summarizes the trust fund activity throughout the year. Only the project administration fees payable to the Association for services provided under the agreements are included in the Statement of Operations. These fees cover expenses incurred by the Association for program staff salaries, wages and benefits, travel and conferences, marketing, professional fees, and other administrative expenses of the program.

| | 2018 | 2017 |
|---------------------------------|-------------------|-------------------|
| Trust assets, beginning of year | \$ 145,090 | \$ 341,639 |
| Funding received | 2,979,677 | 2,448,290 |
| Programming costs | (2,482,427) | (2,351,210) |
| Project administration fees | (506,612) | (293,629) |
| | <u>(9,362)</u> | <u>(196,549)</u> |
| Trust assets, end of year | <u>\$ 135,728</u> | <u>\$ 145,090</u> |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements (continued)

Year ended August 31, 2018

7. Credit facilities:

| | 2018 | 2017 |
|---|--------------|--------------|
| Credit facility 2, 3 (2017) and 4: Banker's acceptance | \$ - | \$ 4,220,000 |
| Credit facility 3 (2018): Banker's acceptance | 5,396,000 | - |
| | 5,396,000 | 4,220,000 |
| Less: current portion of long term debt | 267,000 | 809,000 |
| | \$ 5,129,000 | \$ 3,411,000 |

The Association has the following credit facilities with the Royal Bank of Canada:

Facility 1 is a \$350,000 revolving demand facility available in increments of \$5,000 bearing interest at Royal Bank Prime plus 1.00%. As at August 31, 2018 no funds (2017 - \$305,000) were drawn on this facility.

Facility 3 (2018) is a \$5,500,000 non-revolving term facility drawn by way of banker's acceptances. As at August 31, 2018 the Association holds banker's acceptances bearing interest at 2.42% fixed rate and a 1.50% stamping fee, repayable in quarterly installments ranging from \$66,000 to \$88,000.

Facilities 2, 3 (2017) and 4 were non-revolving term facilities drawn by way of banker's acceptances. Prior to cancellation on July 9, 2018, the Association held banker's acceptance under the pre-existing facilities bearing interest at fixed rates ranging from 1.156-1.25%, and stamping fees ranging from 1.06-1.26%. The banker's acceptances were repayable in monthly installments ranging from \$40,000 to \$45,000 and quarterly installments ranging from \$72,000 to \$74,000.

The Association also has a VISA Business credit facility up to a maximum of \$80,000.

The Association's bank indebtedness and long term debt owing to the Royal Bank of Canada are secured by a general security agreement representing a first charge on all of the Association's property and mortgage collateral on the Association's downtown real property. The carrying value of the Association's real property is included in Note 3.

Principal repayments for the next five year and thereafter are as follows:

| | |
|------------|------------|
| 2019 | \$ 267,000 |
| 2020 | 278,000 |
| 2021 | 291,000 |
| 2022 | 304,000 |
| 2023 | 317,000 |
| Thereafter | 3,939,000 |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements (continued)

Year ended August 31, 2018

7. Credit facilities (continued):

Subsequent to yearend, the Association borrowed an additional \$500,000 in the form of a variable rate term loan to fund capital repairs. The new loan is secured by a \$1,250,000 mortgage on the Association's northwest real property.

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$31,491 (2017 - \$75,235), which includes amounts payable for federal and provincial sales taxes, and payroll taxes.

9. Deferred revenue:

| | 2018 | 2017 |
|-----------------|------------|------------|
| Membership fees | \$ 154,824 | \$ 169,622 |
| Grants | 90,328 | 15,120 |
| Program fees | 24,815 | 53,020 |
| Other | 16,674 | 16,384 |
| | <hr/> | <hr/> |
| | \$ 286,641 | \$ 254,146 |

10. Commitments:

The Association is committed under leases for rent and equipment and with service contracts over the next five years as follows:

| | |
|------|------------|
| 2019 | \$ 432,922 |
| 2020 | 428,467 |
| 2021 | 268,020 |
| 2022 | - |
| 2023 | - |

The Association has entered into an agreement with other YMCA's of Canada to develop the DfM Software. The remaining expected commitment for the Association is as follows:

| | |
|------|-----------|
| 2019 | \$ 24,335 |
| 2020 | 21,074 |
| 2021 | 21,074 |
| 2022 | 1,756 |

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements (continued)

Year ended August 31, 2018

11. Contingent liability:

The Association is involved in litigation relating to a wrongful dismissal claim. The Association does not expect the outcome to result in any material financial impact.

12. Membership and program assistance:

The Association sponsors qualifying individuals and families through the Membership Assistance Program. The value of the assisted fees are excluded from the Association's revenue.

| | 2018 | 2017 |
|--------------------------|------------|------------|
| Assisted membership fees | \$ 328,179 | \$ 298,789 |
| Assisted program fees | 15,046 | 14,907 |
| | <hr/> | <hr/> |
| | \$ 343,225 | \$ 313,696 |

13. Grant funding:

| | 2018 | 2017 |
|---------------------------------------|--------------|--------------|
| Provincial funding (childcare grants) | \$ 1,652,687 | \$ 1,344,751 |
| Non-government funding | 335,540 | 422,661 |
| Federal funding | 113,602 | 66,624 |
| | <hr/> | <hr/> |
| | \$ 2,101,829 | \$ 1,834,036 |

14. Interfund transfers:

For the year ended August 31, 2018, \$50,746 (2017 - \$279,088) has been transferred from the restricted capital fund to the unrestricted fund for the purchase of capital assets.

15. Financial risks and concentration of risk:

The Association faces certain financial risks such as interest rate, credit risk, and liquidity risk which can impact financial performance.

Interest rate risk

The Association is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities. To manage this risk, the Association uses interest rate swap agreements to fix in the interest rates of the bankers' acceptances at 2.42% with a maturity of July 7, 2025.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF REGINA

Notes to Financial Statements (continued)

Year ended August 31, 2018

15. Financial risks and concentration of risk (continued):

Credit risk

The Association's cash and accounts receivable are not subject to any significant concentration of credit risk. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The carrying amounts of the financial assets in the statement of financial position represent the Association's maximum credit exposure as at the statement of financial position date. The credit risk on cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit rating agencies.

Liquidity risk

The Association manages its liquidity risk by maintaining adequate cash, having access to operating lines of credit, preparing operating budgets and reviewing cash flow needs on a regular basis.

15. Corresponding figures:

The financial statements have been reclassified, where applicable, to conform to the current year's presentation.