



YMCA Information Session

June 19th, 2019

Presented By:

Jason Carlston, Chair of the Board of Directors

Steve Compton, CEO

On behalf of the YMCA Board of Directors



Welcome
to an important information session
on the future of the
YMCA of Regina



Agenda

Time	Discussion
6:30 - 7:30	Presentation of YMCA of Regina Financial and Operational Overview
7:30 - 7:45	Next Steps
7:45 – 9:00	Questions and Answers



Information Session Objectives

- Follow-up on January AGM Request
- Present the current financial and operational status
- Present options available to the Board
- Inform the members, stakeholders, and staff of pending difficult decisions the board will have to make
- Invite questions



Current State





Current State

YMCA of Regina is an important part of this community:

- 3 facilities – Downtown, Northwest, East
- 10,328 members
- Over 425 licensed childcare spots throughout the city provided at 6 locations across the City of Regina
- Over 500 children enrolled in the Before and After School Program
- 80 children enrolled in the Beyond the Bell Program





Current State

- Over 100 volunteers provided their time through Youth Mentoring and Fitness Instruction
- Delivery of various Youth Leadership Programs for children starting in Grade 4 all the way to Grade 12
- PlusOne Mentoring Program is partnering youth with strong positive role models





Current State

- Assisted Membership Program benefiting people facing financial hardships who want to participate at the YMCA
- Inclusive experiences such as Summer Day Camps
- Perinatal Programs such as Childbirth Preparation, Y's Moms





Financial Overview





Key Overview

- The business model is not sustainable – revenues do not meet expenses.
 - Deferred maintenance is creating significant financial challenges.
 - Some facilities and some programs are contributing to the bottom line, some are drawing down on resources.
- Immediate change is required to ensure the sustainability of the YMCA.
 - The board is confident that a solution is possible but it will require significant change.

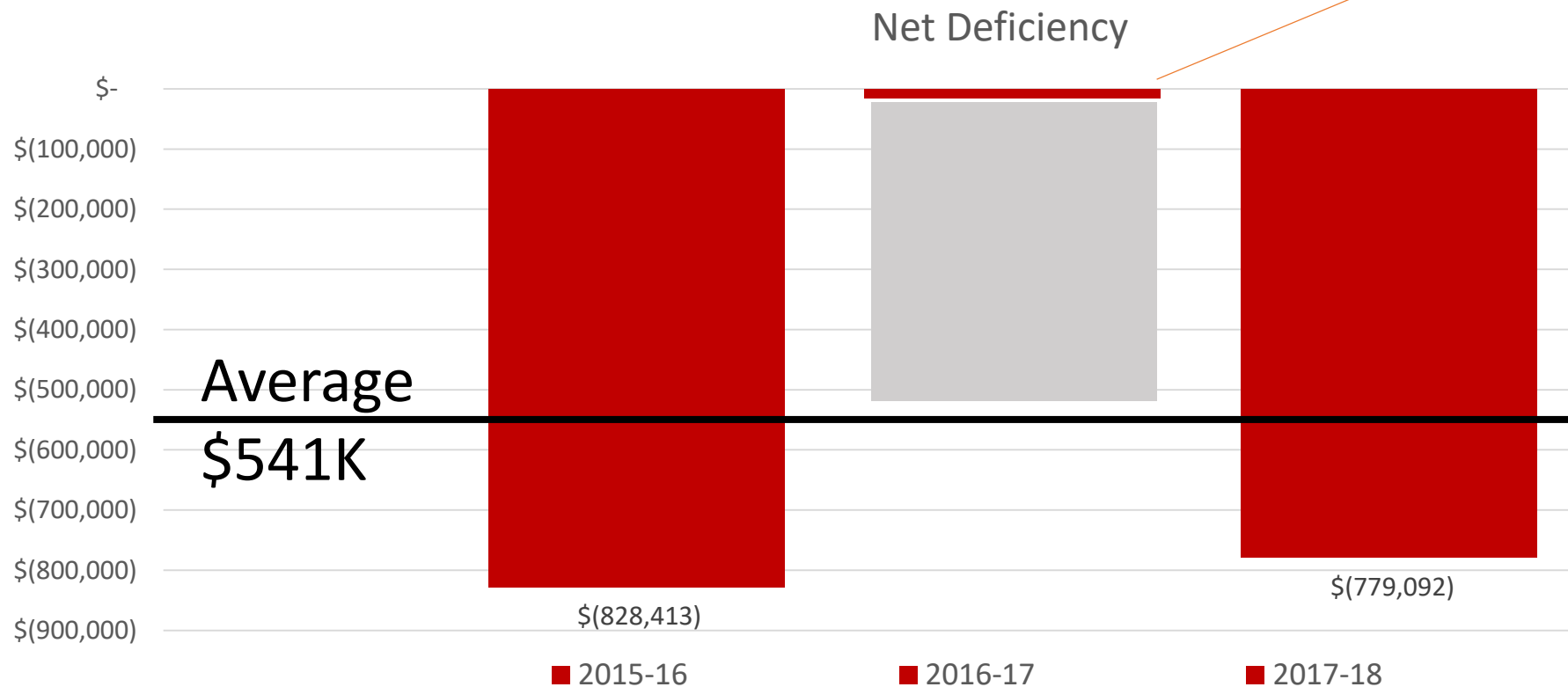


Financial Overview – Last Fiscal Year

Financial Statement Caption	Audited 2017-18 Total
Revenues	12,266,359
Operating expenses	(11,863,919)
Interest	(166,505)
Amortization	(1,015,027)
Net deficiency for the year	(779,092)



Financial Details – Last Three Years

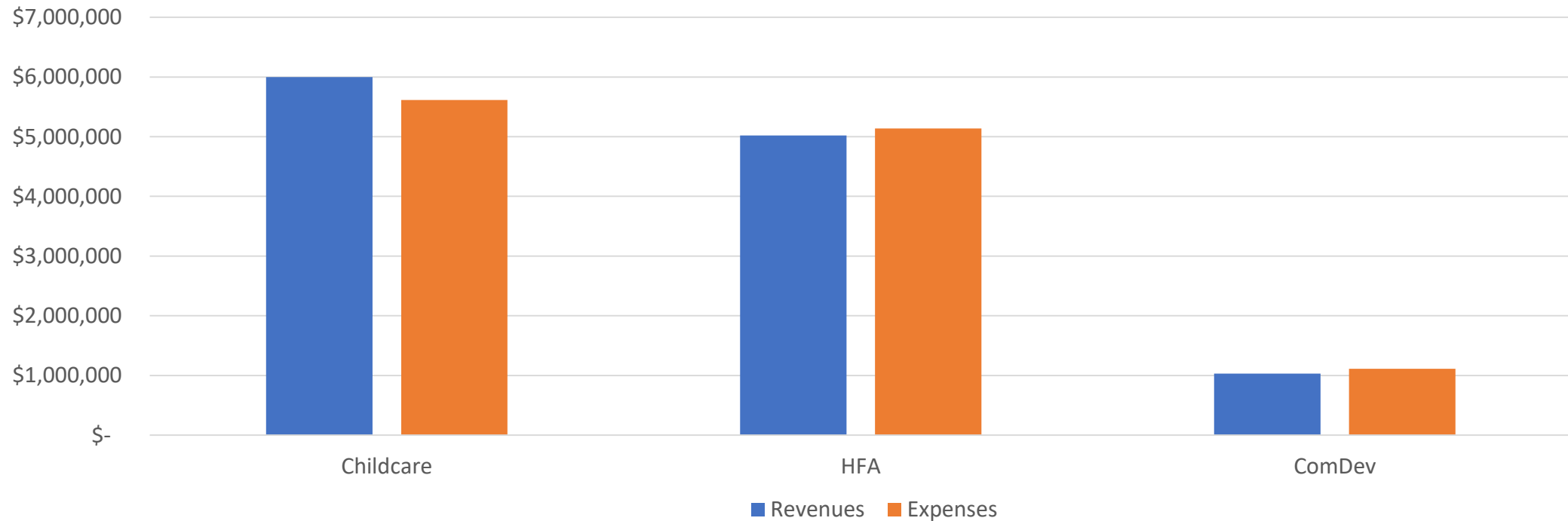


- \$280k donations for boiler project but not offset by expense
- \$120k endowment donation
- Maintenance spending reduced by 50% (deferred ~\$125 to next year)
- Spending reductions due to leadership change



Financial Overview – Last Fiscal Year Programs and Services

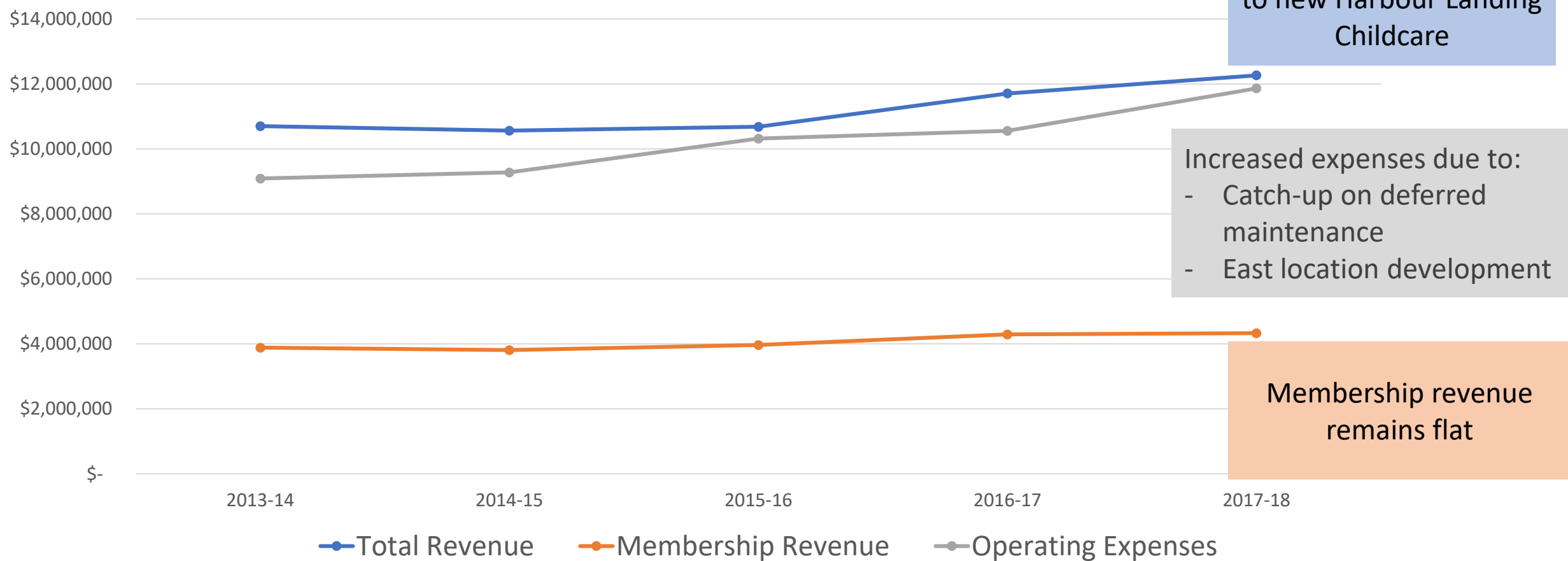
2017-18 Revenues and Expenses by Pillar



*NOTE: Expenses above are before amortization and interest costs

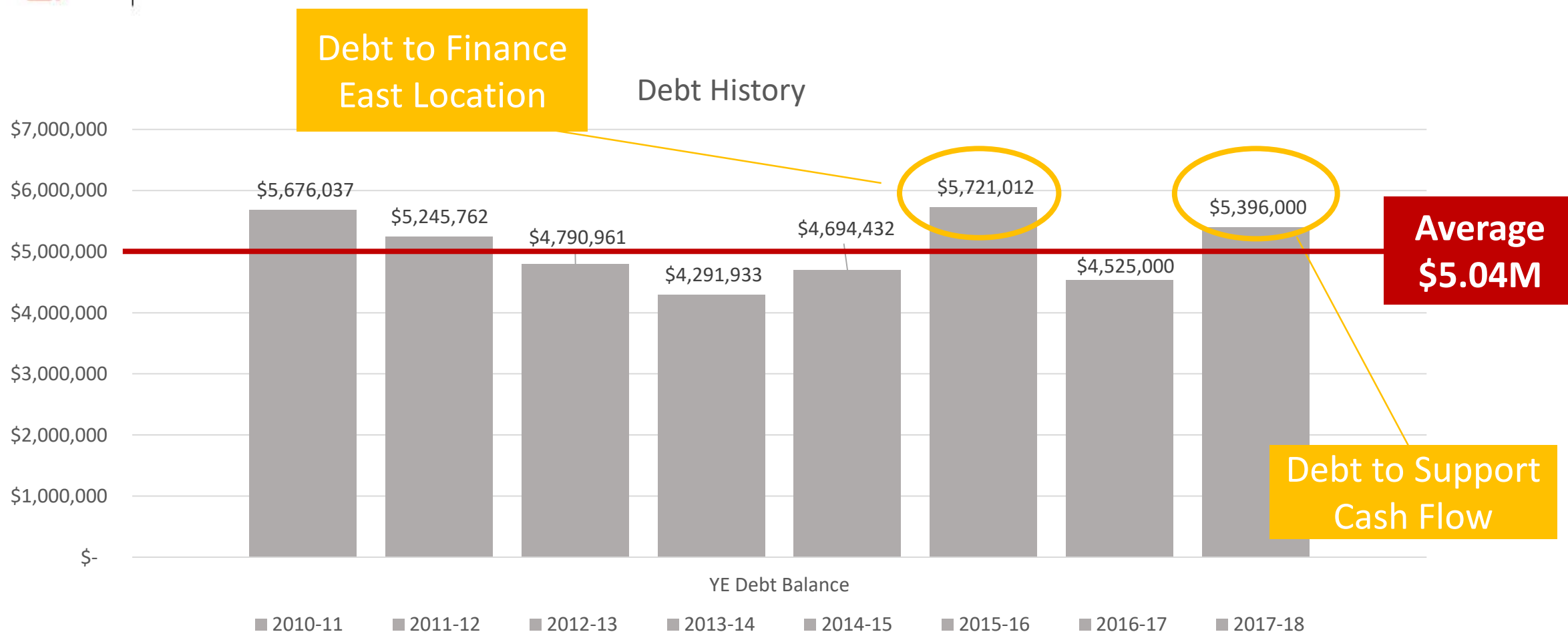


Financial Overview – Past Five Years



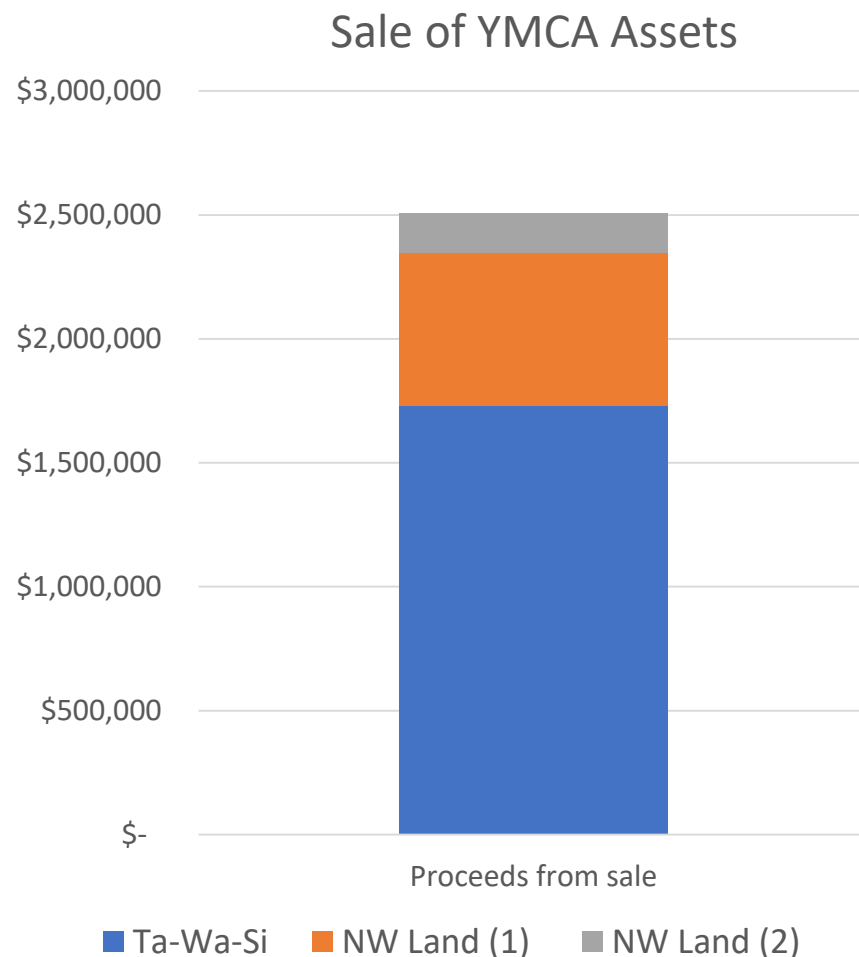


Debt Profile – Last Eight Years





Financial Overview – Historic Use of Reserves



- Total cash proceeds from the Camp Ta-Wa-Si and Northwest land sales were **\$2.51M**.
- All of these funds have been spent - there are NO reserves.

2005 – 2007	Northwest Facility	\$500k
2007 – 2013	Fitness Equipment	\$780k
2010 – 2011	Downtown Plus Renovation	\$662k
2014 – 2015	East Facility	\$470k



Financial Overview – Looking Forward

Projected Cash Flows – 5 Years ('000s)

	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
Revenues	12,115	11,879	11,884	12,119	12,394	60,391
Operating Expenses	(11,553)	(11,830)	(11,795)	(11,978)	(12,106)	(59,262)
Interest & Debt Repayments	(509)	(525)	(525)	(526)	(529)	(2,614)
Capital Lease Payments (incl. interest)	(91)	(136)	(136)	(87)		(450)
Capital Commitments	(700)	(33)	(33)	(2)		(768)
Debt Proceeds	500					500
NET CASH FLOW	(238)	(645)	(605)	(474)	(241)	(2,203)

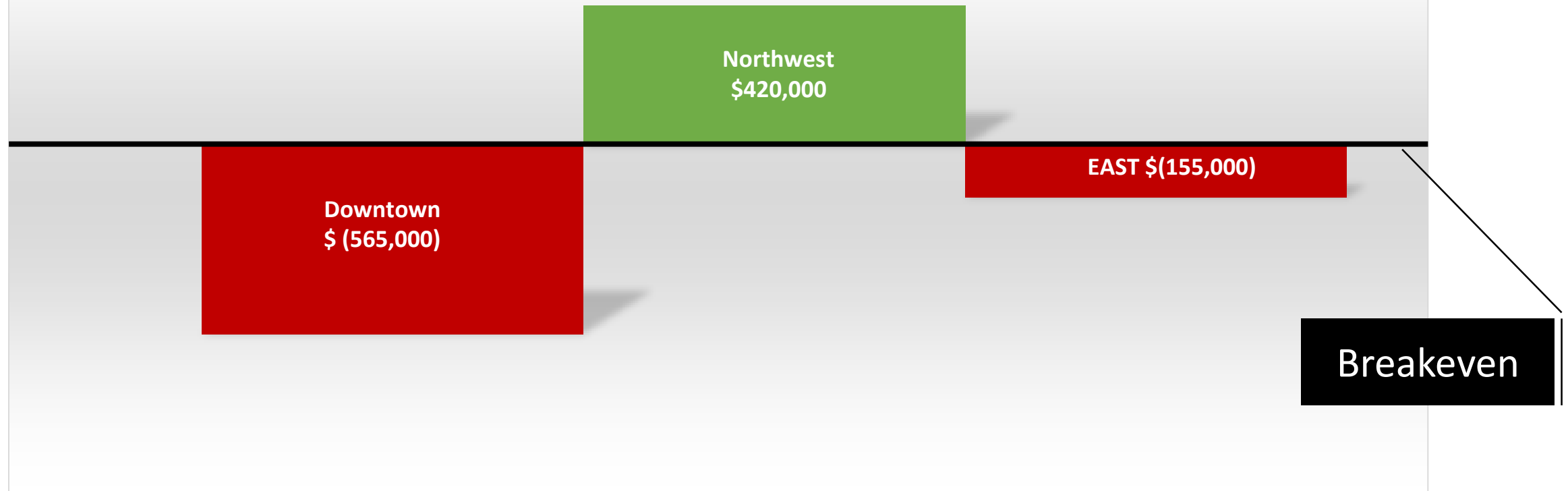


Financial Overview – By Facility



Financial Overview – By Facility

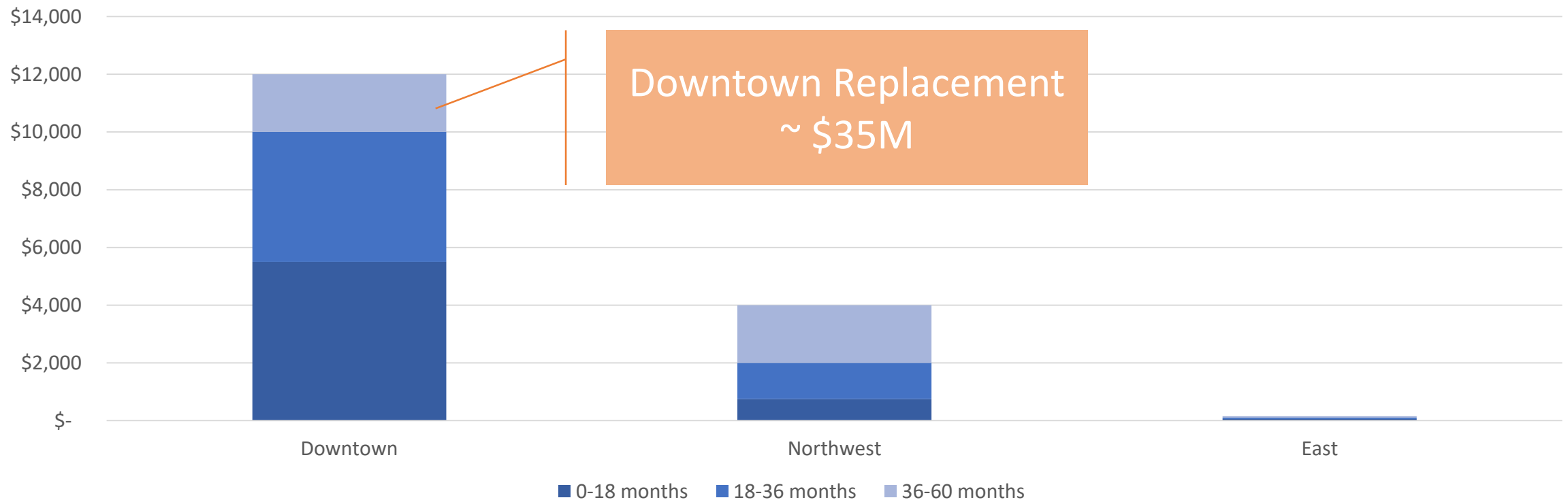
Projected Average Annual Operating Cash Flow by Location
(before Financing Costs or Capital Improvements)





Future Capital Maintenance Costs

Cost in \$'000s





Northwest Facility





Financial Details – Northwest Location

- Facility is well utilized and is sustainable ongoing.
- Many members use both the Northwest and Downtown facilities.
- Few competitors in the area.
- Facility is owned by the YMCA of Regina.
- No significant immediate deferred maintenance.
- Maintenance is manageable over time with appropriate reserves.



Northwest Projections

Projected Operating Cash Flows – 5 Years ('000s)

	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
Revenues	4,132	4,164	4,224	4,257	4,319	21,096
Operating Expenses	(3,686)	(3,679)	(3,730)	(3,777)	(3,791)	(18,663)
Capital Lease Payments (incl. interest)	(68)	(102)	(102)	(65)		(337)
NET OPERATING CASH FLOW	378	383	392	415	528	2,096



East Facility





Financial Details – East Location

- Facility has not met revenue and membership projections presented in the original business case.
- Facility is operating at a deficit.
- Facility is leased by the YMCA. Lease agreement ends in April 2021.
- Facility is in good condition with minimal capital costs expected over the next 5 years
- Area has significant competition – challenging to attract new members.
- Many members use both the East and Downtown facilities (~27%).



East Location Projections

Projected Operating Cash Flows – 5 Years ('000s)

	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
Revenues	865	878	866	879	892	4,380
Operating Expenses	(1,024)	(1,017)	(1,027)	(1,037)	(1,047)	(5,152)
Capital Lease Payments						
NET CASH FLOW	(159)	(139)	(161)	(158)	(155)	(772)



East Location – Development Costs

Capital Costs Incurred	(\$000's)	Sources of Funds	(\$000's)
Leasehold Improvements	1,930	Capital Raised*	200
Equipment	738	Ta-Wa-Si Fund	470
Other	18	Debt Financing	2,100
Total	2,686	Total	2,770

*Cash proceeds from capital raised were not received upfront– these were multi-year funding agreements.



Downtown Facility





Financial Details – Downtown Location

- Facility has declining revenues and is operating at a deficit.
- Increasing competition in the downtown for Health and Fitness Programming.
- Many downtown members also use East or Northwest locations.
- Facility is owned by the YMCA of Regina.
- Deferred capital maintenance is estimated at \$12-\$15M. Deferred maintenance is over and above the operating deficit.
- Facility deemed as “end of life” based on 3rd party assessments.



Downtown Projections

Projected Operating Cash Flows – 5 Years ('000s)

	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
Revenues	3,642	3,581	3,341	3,377	3,429	17,370
Operating Expenses	(4,100)	(4,085)	(3,906)	(3,962)	(4,019)	(20,072)
Capital lease payments (incl. interest)	(23)	(34)	(34)	(22)		(104)
NET OPERATING CASH FLOW	(481)	(538)	(599)	(607)	(590)	(2,815)



Key Financial Facts

- Five-year revenue projections do not offset expense projections.
- Membership levels are flat or declining at all locations.
- Competition in the health and fitness market is aggressive (East and Downtown in particular).
- All cost reduction measures have been exhausted.
- We have maximized our ability to borrow additional funds.
- No remaining financial reserves.
- Urgency does not allow for a capital funds development campaign nor can we recommend this until we have a sustainable business model.



What Does This Mean?



What Does This Mean?

With no change to the current situation, we will face insolvency within 12 months.

This means:

- Loss of child care spaces (particularly for lower income families)
- Loss of needed community programs for our youth
- Reduced health and fitness programs/facilities in our community
- Loss of a 125 year Regina charity

We must find solutions to sustain this historic and valuable institution.



Towards Sustainability – Looking Forward

- Significant change is required to achieve break even status and pay down debt.
- We will need to make decisions quickly.
- We are committed to maintaining the current number of licensed childcare spaces.
- We must choose a solution that serves the entire association and best meets the needs of members, staff and the community.
- With the right decisions, we will sustain our YMCA.



Options for Board Consideration

Closure of the East
Facility

Closure and sale of
the Downtown
Facility

Sale and lease
back of Northwest
Facility

Sale and lease
back of Downtown
Facility

Finding further
efficiencies in the
current operations

Additional bank
financing

Strategic capital
campaign



Next Steps






Next Steps

- Our board is working hard to review all options.
- We commit to a decision and communication in early summer.
- Please share any thoughts on the website portal. Please respond within the next week at www.regina.ymca.ca

Once decisions have been made, our board will engage our members and stakeholders in a new future for the YMCA of Regina.



Next Steps

 **YMCA of
Regina**
**Information
Session**

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FEEDBACK**

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TO BEGIN SURVEY**



Thank you for attending and we look forward
to your questions and comments.