



**54th ANNUAL GENERAL MEETING OF MEMBERS
YOUTH SCIENCE CANADA**

1. Welcome/Opening Remarks

The Chair, Malcolm Butler welcomed everyone to the 54th Annual General Meeting, including Jamie Parsons, Jennifer Gerritsen, Bob Thirsk, Gorick Ng, Brian Le, Najib Hayat, Alison Thompson, Reni Barlow, Carole Charlebois, Trevor Maguire, Patrick Whippey, Roland Grand'Maison, Wilson Wong, Christie Brown, Brad McCabe, Barb Tate - Lethbridge and Robert Young - Greater Vancouver, who joined by conference call.

In the Youth Science Canada offices was Lori Murray.

Malcolm announced that he would be Chairing the meeting today and Lori Murray will record the minutes and act as the Scrutineer.

2. Report of the Scrutineer

Lori Murray, acting as Scrutineer, tabled a report that seventeen (17) Members were present in person/on the phone with sixteen (16) Members represented by proxy for a total of thirty-three (33) Members eligible to vote. Lori reported that the necessary quorum of 15 required for conducting the business of the Annual General Meeting was in place.

3. Approval of the Minutes of the 53rd Annual General Meeting of Members

The Chair asked if there were any questions about or amendments to the minutes. No changes were forthcoming.

The Chair asked for approval of the following motion:

By Jennifer Gerritsen:

THAT THE MINUTES OF THE 53rd ANNUAL MEETING OF MEMBERS BE APPROVED AS PRESENTED.

2nd: Bob Thirsk
CARRIED

4. Chair, Board of Director's Report

Hello everyone, and best wishes for this unusually warm holiday season.

I want to welcome once again everyone on this conference call and in the offices of Youth Science Canada. YSC's priority continues to be to engage youth in science and inquiry. And our volunteers, our vast number of volunteers, are the true champions of this effort. We owe all those who volunteer for youth, including those on this call, a debt of thanks that cannot be repeated often enough.

Last year's CWSF was in Fredericton. It was a spectacular event. The university, city, and province all provided incredible support to the fair and the number of people passing through the fair was impressive. Even the Premier of New Brunswick spent extensive time on the floor, speaking to participants and feeling their enthusiasm.

Youth Science Canada continues to be a small organization - very few staff and contractors but with boundless commitment. We thank them all for their hard work with YSC, particularly Lori who is with us on this call.

This past year has posed continued challenges to the organization financially, though we are starting to see some glimmers of hope. One thing the Board has done is to put severe focus on its fiduciary responsibilities and worked with the ED to ensure the CWSF's future is secured through these times. Our new Treasurer for this past year, Najib Hayat, has put enormous effort in to understanding and monitoring our financial situation, and has worked closely with the ED to keep on top of both ongoing financial management and contingency planning.

The Board continues to meet regularly, face-to-face only if absolutely required, but primarily by Skype and through ongoing conversations on the Hub and in email. The Board has returned its focus to policy governance and the strategic governance of YSC - but as noted, the fiduciary component is at the front and centre of our activities at this time. We do see promise for the future and that is where we will focus our energy. I want to thank all the Board of Directors for their continued commitment - they are:

- Alison Thompson, from Calgary, Alberta (was on leave during the election campaign)
- Brian Le, from Vancouver, British Columbia
- Gorick Ng, from Cambridge, Massachusetts
- Jamie Parsons, Vice-Chair from St. John's, Newfoundland
- Jennifer Gerritsen, Board Secretary from Calgary, Alberta
- Najib Hayat, Treasurer from Pickering, Ontario
- Robert Thirsk, from Ottawa, Ontario (and Calgary, Alberta)

Together, with everyone involved with YSC, we are committed to the youth of Canada and are working to ensure that YSC will continue to play a role in motivating science-based inquiry in youth for years to come.

5. Executive Director's Report

Strategic Imperatives

Youth Science Canada is currently in year three of its current Strategic Imperatives. We continue to make a number of significant achievements in the delivery of these imperatives.

The 2016 Practical Vision focuses on 8 areas for the organization

1. CWSF
2. Participant Experience
3. Smarter Science
4. Visibility of YSC Brands
5. Long-term Financial Plan
6. Multi-year Funding Relationships
7. Building partnerships with other Canadian & Provincial players providing STEM leadership
8. Engaging Alumni

1. CWSF

- a. We continue to deliver upon an event that is recognized as the foremost science competition in Canada
 - i. Attendance at CWSF 2015 was almost double that of 2014 with over 7,000 people visiting the fair
 - ii. CWSF 2015 received over 72,000,000 earned media impressions from all across Canada
 - iii. It received involvement from the Mayor of Fredericton, the Premier of New Brunswick and the federal Minister of State (Science and Technology)
 - b. We launched a number of pilot activities at CWSF 2015
 - i. In partnership with Science East, we hosted 60 program partner who provided interactive experiences - creating engaging experiences for visitors with an aim to creating excitement and interest in STEM
 - ii. 7 speakers participated in the On the Podium speakers series delivering 13 sessions to over 1500 attendees
 - iii. A Parents & Visitors Package was created in concert with Fredericton Tourism
 - 1. Creating an active series of activities for visitors to the fair
 - 2. Including destination activities across the city as well as at CWSF
 - 3. Over 250 packages were sold
2. Participant experience - creating a vibrant experience
- a. Pre-CWSF
 - i. Getting Start and Stepping Up webinars
 - ii. Tweet Chat information sessions
 - iii. Finalist congratulations letters
 - b. At CWSF
 - i. CWSF app
 - ii. Finalists Rotation
 - 1. More interactive experience within the event itself
3. Smarter Science
- a. Establishing Smarter Science as a nationally significant and credible training program
 - i. Over the past year Smarter Science programming was engaged with:
 - 1. Catalyst in British Columbia
 - 2. STEMfest hosted in Saskatoon
 - 3. STAO in Ontario
 - 4. Ontario's Ministry of Education and Thames Valley District School Board
 - 5. 4H Canada
 - ii. Smarter Science will also be embedded into the STEM teachers conference being held at CWSF 2016
 - iii. We continue to work with school boards across the country to deliver Smarter Science
4. Visibility of YSC Brands
- a. We continue to work to raise the awareness of YSC at the regional and local level and the awareness of CWSF, Team Canada and Smarter Science being programs of Youth Science Canada.

- b. This past year:
 - i. We launched two virtual Town Halls engaging the regions and providing program updates
 - ii. YSC distributed congratulatory letters to the regional science fairs for all Finalists - welcoming them to CWSF 2015
5. Long-term Financial Plan
- a. Youth Science Canada is actively working to diversify our revenue streams
 - b. We continue to work to address the historical deficit of the organization
 - c. The current financial plan drives a balanced budget with any surplus directly addressing the historical deficit
6. Multi-year Funding Relationships
- a. All charitable organizations experience an annual turnover of supporters
 - b. YSC has secured new multi-year relationships with Astra Zeneca, L'Oreal Canada, NSERC, Canada Foundation for Innovation
7. STEM Leadership
- a. YSC actively works with a number of partners to provide a leadership voice for STEM at the provincial and national level
 - b. YSC is currently working with:
 - i. 4H Canada
 - ii. Partners In Research
 - iii. Let's Talk Science
 - iv. Foundation for Student Science and Technology
8. Engaging Alumni
- a. This remains a significant growth opportunity for YSC
 - b. We launched a donor campaign in the fall of 2014
 - c. We are launching an Alumni Homecoming at CWSF 2016
 - d. We are engaging young alumni volunteers as peer presenters for the Getting Started and Stepping Up webinars, leading CWSF social media elements, as CWSF Youth Ambassadors and in new programming

Any questions?

Reni Barlow - You mentioned BlackBerry and CIHR are no longer sponsors - Microsoft is off website is that lost too? Microsoft's change in sponsorship affects the current fiscal but, yes, they are no longer a sponsor. Microsoft had a significant write down of \$7.6 billion in July. As a result, they have ended all of their partnerships in Canada with the exception of three. We were not one of those three.

6. Financial Report

Introduction:

- Thank the team (staff and contractors) for the hard work, effort, time and dedication to the organization

Financial report:

- Deloitte Touche Tohmatsu Limited (Deloitte.) audited the financial statements for the year-end June 30, 2015 prepared by management
- The Board received and reviewed the draft financial statements on November 7th, 2015:

- Deloitte provided a qualified audit opinion on the financial statements consistent with what many other charitable organizations are provided.
- Deloitte expressed their appreciation for management and the overall audit process. They noted that this continued to be a very smooth audit.
- 2015 financial statements:
 - Note the operating deficit in 2014 of \$27K, as noted in last year's report. For 2015, this operating deficit was increased to approximately \$90K as a result of the decrease in revenue (due to sponsorship).
 - Significant changes were implemented as part of the austerity measures and objectives as a result of the decrease in revenue. Active oversight on the cash management (cash inflows and cash outflows) is being performed on a weekly basis and all expenses are being scrutinized to ensure that they are absolutely needed in order to maintain the status quo.
 - This was flagged by the auditors in their letter under "Emphasis of Matter," noting that the existence of the ongoing deficit was a matter of material uncertainty. The auditors are obliged to make this note when the organization is in deficit for two years in a row.
 - The Executive Director (ED) is aggressively pursuing funding opportunities with a goal to gain and provide sustainable operations and eventually completely eliminate the accumulated deficit.

Questions?

Reni Barlow

While financial statements include many numbers, in general, the one that measures the health or solvency of an organization is the value of its unrestricted net assets. In these statements that value is -\$403,396 – a decline from -\$336,113 at the end of FY2014 and a long drop from +\$35,882 at the end of June 2013. As a result, the past two auditor's reports in the statements have included a note emphasising "...the existence of a material uncertainty that may cast significant doubt on the Organization's ability to continue as a going concern." Now, a "going concern" note is not that uncommon for charitable organizations, but, two in a row is a red flag – to Members, and unfortunately, to prospective sponsors and donors.

So here's my question: It has now been almost 6 months since the date of these financial statements. If statements were to be prepared today, how would the value of unrestricted net assets compare to the -\$403,396 value – would it be significantly better, significantly worse, or about the same and what is the plan to address the situation to ensure that the FY16 statements do not include a third "going concern" statement from the auditors?

Najib response:

Cash flow being done weekly and Brad is working on funding.

If statements were done today, it would be similar to what financial statements say.

Brad response:

This year's budget was established at the beginning of the fiscal based on creating a balanced budget with only confirmed funds as of July 1st. Any new funding raised throughout the year will go against previous shortfalls.

Reni Barlow

The financial statements show that from FY14 to FY15 fundraising expenses increased by 33%, while during the same period, sponsorships and donations *decreased* by almost 50%. Aside from the dramatically lower revenue which is troubling in itself, this means that fundraising expenses in FY15 used over 20% of the funds raised. Further, the \$407,935 for sponsorships and donations in FY15 – that included Microsoft, which is no longer a sponsor – is the lowest in the past 15 years of financial statements – lower than in 2001 when the organization was run by volunteers.

What specific changes have been made to the fundraising strategy and tactics to improve effectiveness and results – and ensure a better return on fundraising expenditures?

Brad response:

YSC has been working to diversify its revenue streams to reduce the significant reliance on sponsorships.

T1 had been our sponsorship agency for three years until August of 2014. They are no longer in business as a fundraising company. Following a RFP process, we received three qualified submissions and contracted Sponsorship Canada to represent us. The cost of using an agency has increased overall but there were also additional costs for the initial on-boarding. We have had some success in back filling the sponsorship turnover but have not been as successful as we would like to date. The important thing is we are meeting with the right people in senior roles with potential sponsors.

Reni Barlow

The Equalized Travel Plan exists to equalize the cost of travel for all CWSF participants across Canada and to protect against significant fluctuation of travel cost to the regions. The Travel Plan restricted account essentially holds region funds in trust to achieve this purpose and as a result, these funds are not available for any purpose other than travel. Several years ago, an informal cap of about \$150,000 was placed on the Equalized Travel Plan to ensure that the liability to YSC would be maintained at a reasonable level – about \$200 per CWSF participant. The FY15 financial statements show that the liability in the Equalized Travel Plan account is now \$197,072, which represents almost half of the \$403,396 liability in the unrestricted net assets.

So my question is: What is the plan to reduce the ETP liability back to around \$150,000 or at least ensure that it does not increase beyond its current level?

Brad response:

A cap of \$150,000 is not part of any policy.

The travel plan needs to ensure that it covers all costs including the physical travel and associated administrative and operating costs.

Reni response to Brad's response:

Restricted account can only be used for travel costs.

Further to the previous question, I was surprised to see at an Ottawa Regional Science Fair meeting that the Travel Plan fee for CWSF 2016 is \$850, given that the fair is in Montréal.

The rotation of CWSFs to include a city in Ontario and Québec approximately every second year was put in place to ensure that the travel cost would be lower for regions in alternating years because the cost of flying to central airports in Toronto, Ottawa, and Montréal is a fair bit less than flying everyone east or west, and also because the number of lower-cost surface travellers is much higher. From 2008 to 2015 the CWSF was held in Ontario and Québec 4 times, with fees of \$675 (Ottawa), \$650 (Peterborough), \$650 (Toronto), and \$725 (Windsor), which was a slightly higher cost because it involved an additional flight from Toronto. Based on these figures, it would appear that the actual costs to the 2016 Travel Plan will be around \$650 to \$700. Now, my question is not about the price. YSC is free to set whatever Travel Plan fee it likes – and that the regions will bear. My question is related to how this may affect the Travel Plan liability and YSCs overall financial position. If, as those past Travel Plan fees to Ontario and Québec would suggest, the 2016 Travel Plan does generate a significant surplus – say about \$100 to \$150 per CWSF participant – that would add around \$80,000 to \$120,000 to the restricted account – funds that cannot be used for any purpose other than travel. This has the potential to increase the Travel Plan liability to between \$280,000 and \$320,000 on the FY16 financial statements.

So, with apologies for the long preamble, here is my question:
Does YSC anticipate that the 2016 Travel Plan will generate a significant surplus – in the range of about \$100 to \$150 per participant, and if so, what is the rationale for further increasing the Travel Plan liability, which is already higher than it needs to be and locks those funds into an account that can only be used for travel – or returned to the regions as travel credits?

Brad response:

The travel costs have increased but, additionally; YSC has historically not been properly allocating all costs against individual programs. All of our programs now have an appropriate allocation of administrative fees. The costs associated with the operation of the travel plan are more than just flights. There are a number of resources directly supporting the plan that need to be accounted for appropriately. Any potential increase will not be on the order you outlined.

Accept FY2015 Financial Statements

The Chair asked for approval of the following motion:

By Alison Thompson:

THAT THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015 BE ACCEPTED.

2nd: Roland Grand'Maison
CARRIED

7. Appointment of Auditors

Management and the Board are pleased with the auditors and recommend that Deloitte be reappointed auditors for FY2016.

The Chair asked for approval of the following motion:

By Jennifer Gerritsen:
THAT THE FIRM OF DELOITTE BE REAPPOINTED AS AUDITOR FOR THE 2016 FISCAL YEAR.

2nd: Jamie Parsons
CARRIED

Malcolm thanked everyone for joining the AGM today and wished everyone a wonderful holiday season and see you in Montreal CWSF2016.

8. Adjournment

Roland Grand'Maison made the following motion:

THAT THE 54th ANNUAL GENERAL MEETING OF MEMBERS BE ADJOURNED.

The meeting was adjourned at 10:45am.