

**MINUTES OF FINANCE COMMITTEE MEETING
APRIL 18, 2018**

Present: Juliette Meunier, Joyce Kirchhofer, Dave Lamb, Alicia Chacon-Bidwell, Minh Hoang, Dolores Daly, JoAnn DeLaHousaye

Absent: Jeff McBride

Meeting called to order at 4:00 pm

TASK LIST	WHO	DATE DUE	DONE

DECISIONS:

The minutes from the March meeting were approved. Juliette/M/Dave/S/All in favor

DISCUSSION:

Branch/Program Update:

Huntington Beach - Dolores briefly talked about the changes that were made at the Huntington Beach branch. We made the Kids Zone larger. Our niche in Huntington Beach is families and seniors. Huntington Beach has a big marketing plan to grab more families and seniors. Huntington Beach has 4 more years left on their lease. The area is very saturated with competition.

Murrieta - Clare McKenna is making a lot of changes with the staff to make this branch more successful, but it's going to take a while to see the results. One of their competitors left, so they feel that they will get some pick up in membership from that. Murrieta is still under a five year lease. We've looked at the option of getting out of the lease, but we can't.

Santa Ana - Still struggling, but we have a contract to run certain programs until 2020.

Pomona – We're still dealing with contracts that the prior Program Director put in place, as well as youth in government. We are not charging appropriately for this.

Mission Viejo - Has completely turned around, and is now making money!

Maple Hill – This is a new, small branch in Diamond Bar. Dolores said that we need to really look at this branch. They're not quite large enough so we may need to sell the property.

Dolores said that overall, membership is our top issue. We need to look at what's happening in the Orange County market more closely. Minh asked if Huntington Beach and Murrieta are cash negative. Murrieta is, but Huntington Beach is not. Juliette said that if these branches continue to lose money, maybe we should look at sub-leasing them. Dolores said that we're currently talking with CHOC about this. They want to sublease space from us for their physical therapy. Camp Elk – We are still utilizing the AS&F funds. Juliette asked if we expect to make Camp Elk profitable. Dolores said that we can only make it profitable if we move to a volunteer staff. We can't make it profitable with an all paid staff. Camp Elk needs stronger fundraising. Sarah Steffen is helping them with this. Juliette asked if we had

MINUTES OF FINANCE COMMITTEE MEETING
APRIL 18, 2018

considered raising the camp fees. Dolores said that we look at the fees every year.

New Horizons – This is a very profitable program. They recently moved from suite 105 to suite 150 which has given them a lot more needed space.

Corporate Wellness - Dolores said that we're losing about \$90,000. We're looking at doing something different with this program.

Expense Discussion:

Juliette asked about medical insurance costs. Joyce said that we looked at different plan designs this year as well as the employer portion we pay. We pay up to \$300 per employee per month for coverage. Minh asked how our benefits compare to other companies. Joyce said that we are in about the 55% range.

Minh asked about why our mileage reimbursement expense is so high. Dolores said it's because we have a lot of staff that have to do a lot of driving in their position.

Juliette asked about cell phone costs. Dolores said that we give all staff who are required to have a cell phone a \$50 per month allowance, and all staff who are required to have internet a \$50 per month allowance.

Juliette asked about program expenses. Dolores said that we've made huge progress with our childcare sites. They now have an "Instacart" account which was negotiated by Miguel. Instacart is a service where you place your order online and they deliver groceries to the site the same day. This new service has saved a lot of time at the childcare sites. Regarding credit card expenditures - Joyce said that we spend about \$2million a year on credit cards and we do get rebates, but we can do better. Dolores said were using YPG to leverage pricing. Joyce said that were going to be hiring a purchasing/contracts administrator position. Dolores said they talked to YPG about getting a procurement manager. YPG said that all we really need is a purchasing manager. Juliette said that it would be nice to have this person attend one of the Finance Committee meetings so that we can hear their ideas on cost savings.

Meeting adjourned at 5:05 pm

FINANCE COMMITTEE MEETING AGENDA

April 18, 2018 4:00 p.m.

YMCA – Tustin Office

- | | |
|---|------------------|
| 1. Review/Approve:
Minutes of March 21 st Finance/Facilities-
Capital Intersection Point Meeting | Juliette Meunier |
| 2. March Financials | Joyce Kirchhofer |
| 3. Thorough Review of Financial Statements | Joyce Kirchhofer |

Next Regular Meeting: May 16, 2018

**SPECIAL FINANCE COMMITTEE MEETING
TO DISCUSS FINANCE / FACILITIES CAPITAL COMMITTEE INTERSECTION POINTS
MARCH 27, 2018**

Present: Juliette Meunier, Joyce Kirchhofer, Minh Hoang, David Lamb, JoAnn DeLaHousaye, Sean Peasley, Alicia Chacon-bidwell

Absent: Jeff McBride, Dolores Daly

Guest: Weikko Wirta (Facilities – Capital Committee Chair)

Meeting called to order at 4:00 pm

TASK LIST	WHO	DATE DUE	DONE
Send current Facilities/Capital Committee policies & analyses to Juliette for distribution to Finance Committee	Weikko	4/1	
Send policies from Weikko to Finance Committee	Juliette	4/2	
Finance Committee to review Facilities/Capital policies and look for mentions of Finance Committee & get ideas for Finance Committee policy suggestions	Finance Committee	ASAP	
Propose thresholds by segment/transaction type which would trigger action by the Finance Committee	Weikko	ASAP	
Propose policies around thresholds recommended by Weikko to the Finance Committee. Policies need to be nimble so that timing doesn't slow down transactions that need urgency. Finance Committee will consider policies on: <ul style="list-style-type: none"> ○ Actions to take once triggers/material dollar amounts – how to close out, will they need to go to other committees (exec committee) or Board ○ Approvals needed by FC or Board on large dollar amounts or unusual expenditures that are outside of the Strategic Plan ○ Receive monthly reporting from the Facilities Committee on Return on Capital, progress on capital spending, comparisons to budgets, projected expenditures ○ Looking for large changes year over year ○ Weikko will send his list of 5-6 areas where he sees having room for improvement, including leveling expenditures, keeping projects on track, etc. ○ Consider areas for group purchasing to provide for discounts (this might be a broader FC/management initiative that would overlap to Facilities ○ Possible reporting twice a year to FC regarding the results of the "Capital Test" that is performed 	Juliette & Finance Committee	ASAP	
Run reports on how much has been spent on CapEx and report monthly.	Joyce	ASAP	

**SPECIAL FINANCE COMMITTEE MEETING
TO DISCUSS FINANCE / FACILITIES CAPITAL COMMITTEE INTERSECTION POINTS
MARCH 27, 2018**

This was a "special" meeting of the Finance Committee, specifically to discuss the Finance Committee/Facilities - Capital Committee Intersection Points.

Currently, the Facilities/Capital Committee does not have a threshold amount that would require the Financial Committee to get involved. Juliette asked if the Facilities/Capital Committee regularly looks at our properties to evaluate if they're still working for us or not. Weikko said that yes, they do this. Branch inspections are done with input from Kevin Trump and then the committee develops long term capital needs for each site. Kevin Trump does the overview for the facilities, and Ron Erickson was doing the overview for fitness equipment. The Facilities/Capital Committee then takes these two overviews to develop the capital expenditure plan. Juliette stated that we need big expenditure thresholds. Joyce stated that the five year Facilities/Capital plan needs to be worked into the overall budget, and that the Finance Committee should be made aware of this. Sean said that any unusual capital expenditures need to always be looked at by the Finance Committee. Joyce said that a general contingency is built into the budget each year. She also said that there's only an annual budget at this point not a long term budget, but that there are plans to have a long term budget in the future. Minh asked if we have the right resources and the right people with the right competencies to properly manage capital expenditures. Weikko said that this is something that Y management handles.

As a fiduciary on the Finance Committee, Juliette feels that we need processes in place to evaluate our sites. We evaluated the sites 18 months ago, but nothing was done about the recommendations that were made. She said that there should be a policy in place for how we follow through with any recommendations. Weikko said that Y leadership brings opportunities for new sites to the Facilities/Capital Committee to evaluate. He said that we have to look at lessons learned and have the right policies in place so that we don't make the same mistakes we've made in the past going forward. Juliette said that Jeff McBride asked that the Finance Committee develop policies so that future Finance Committees will have sound policies to follow. Joyce said we will definitely be able to get to where we need to go with this. The leadership is stable now so we'll see more consistency globally. Weikko stated that the PF&E document needs to be updated. He will talk with Joyce about this more after she is done with the audit and tax return.

Minh asked who is managing procurement at the Y. Weikko said the Facilities/Capital Committee has been doing this. David asked if the committee was getting involved with YPG. Weikko said that yes they are. Juliette said that at the next Finance Committee meeting we will look at high to low expenses. We can look at the top 5 or so expenses and dig into YPG more. Joyce said that we're looking at a purchasing manager position that would manage the YPG process as part of the job. Weikko said that a purchasing manager position would pay for itself. Minh asked if the Y has good procurement policies. Weikko said that they have improved.

Juliette asked Weikko what he and the Facilities/Capital Committee need from the Finance Committee. Weikko said they need:

Threshold Levels

A Facilities/Capital Budget

Major R & M spend

Capital tests - test a couple of items every quarter or twice a year to make sure it really is capital. The definition of capital is in the PF&E document.

Minh asked how much of the CapEx projects should the Finance Committee be a part of. Joyce said that the Finance Committee should report out on what has actually been done and spent. She said

**SPECIAL FINANCE COMMITTEE MEETING
TO DISCUSS FINANCE / FACILITIES CAPITAL COMMITTEE INTERSECTION POINTS
MARCH 27, 2018**

that the finance department can get run these reports. Minh asked if there is a fixed asset module in the financial reporting system. Joyce said yes, and that it has been cleaned up. It was decided that Weikko will propose thresholds by segment to the Finance committee, and that Juliette will propose some nimble and quick process around the thresholds. David suggested that we need to look at properties again – maybe sometime next year. Juliette said that we need to put processes in place around looking at the properties, and how we handle the recommendations.

Meeting adjourned at 3:50 pm

YMCA of Orange County

Financial Highlights – Year To Date

March 2018

Year to date has produced a \$707k surplus, this is (\$177k) less than what was budgeted. (\$113k) of this is related to the investments (valuation and short/long term realized losses). Fullerton, Mission Viejo and Laguna Niguel are doing very well. Huntington Beach and Murrieta continue to struggle; they are both in saturated markets with strong competition. Different combinations of renovations, leadership and for Huntington Beach opening the new Kids Zone in April to focus on families will improve the performance of these branches.

Below are selected highlights. Those branches close to their budgeted net may not have details unless there is something noteworthy.

Fullerton - \$49k Favorable Variance

- \$15k favorable variance for Annual Campaign, while \$13k of this is budgeted in the upcoming months, they have already beat their annual budget by \$2k.
- Sports Revenue is under budget by (\$11k), primarily due to an impact on the arena soccer season due to turf issues. We are working with the turf vendor to resolve this.
- \$19k Positive variance in wages and related expenses. Part of the Regional Executive Director's salary has been allocated to Murrieta and wage savings in other areas.
- Depreciation is under budget by \$21k due to a variety of reasons. Part of this will continue for the remainder of the year.

Huntington Beach – (\$60k) Unfavorable Variance

- Overall revenue is 4.3% higher than last year but is (\$20k) less than budgeted because they expected the Kid Zone expansion to be done in January. As of April, the enhanced Kids Zone is open.
- (\$21k) has been expensed related to items for Kids Zone that do not qualify for capitalization.
- Rent is (\$9k) over budget primarily due to the higher CAM charges.

Newport/Mesa - (\$2k) Unfavorable Variance

- There is still a temporary gap in leadership and staff are filling in as needed. Even though the Annual Campaign is (\$36k) behind budget they came close to meeting the budgeted net outcome. There is still \$60k more budgeted in upcoming months; there are plans in place to make up the Annual Campaign shortage during the year.

Laguna Niguel - \$110k Favorable Variance

- Due to a good start, the Annual Campaign is \$61k ahead of budget as of March; some of this will be reduced in future months when the remaining \$48k Annual Campaign revenue is budgeted.
- Adventures Guides program is growing, revenue is \$12k better than budget.
- Wages and related are being managed well producing a positive variance of \$14k.
- Depreciation expense is \$14k under budget; it is anticipated that this will be favorable all year.

Mission Viejo - \$42k Favorable Variance

- Annual Campaign did really well in March and is now \$10k over budget, similar to Laguna Niguel, there is \$22k remaining in future months in the budget.
- Adventure Guides Program Fees is \$18k ahead of budget due to a special adjustment.

Childcare – (\$18k) Unfavorable Variance

- While revenue was close to budget, the Child Development Fees were 2% under budget at (\$110k); this was offset \$70k by the revenue recognized related to the expenditures on the Sunset Crossing/Pomona Valley renovation and managing staffing levels. The biggest revenue shortages are at Mission Viejo sites and the Early Learning Center. Work is being done to increase enrollment but in the meantime, expenses are flexed and managed within revenue levels.
- Staffing is by far the largest cost; supervisors are managing staffing appropriately and have implemented the use of a newly updated Work Schedule to shift the focus on current and projected salaries. Directors are projecting and assessing rather than explaining overages after the month end. We have seen a \$25k improvement over the last two months.

Camp ELK – (\$40k) Unfavorable Variance

- (\$13k) Resident Camp revenue was under budget but is just a timing difference.
- (\$18k) was spent to enhance Camp ELK; AS&F revenue should have been recorded in March but will be in April.
- Gas is (\$7k) over budget. This is primarily due to an even spread in the budget, the warmer months will help to offset this overage.

Murrieta – (\$80k) Unfavorable Variance

- Annual campaign is under budget (\$14k), it is expected that this will be made up during the year.
- Clare McKenna who manages the Fullerton facility recently began overseeing this branch. Many changes have been made; she will continue to improve the numbers but it will take time. Hired a Membership Coordinator for planning and to increase membership revenues along with changing marketing tactics to improve the numbers. Expenses were reviewed in detail, wages and related are almost \$20k less this year than the same time last year.

Pomona – (\$44k) Unfavorable Variance

- The Youth In Government program transitioned late last year from Mission Viejo to Pomona Valley. No initial 2018 budget was established and the event pricing and costs were a carryover from the prior program director. Unfortunately, the prior program director didn't price the event fee correctly so this resulted in a loss for two large conferences that participants attended.
- No budget has caused an unfavorable variance of (\$27k) for the Association Service Fee.

Corporate Mission Initiatives

- \$8k of corporate membership revenue was received in 2018 but was related to November 2017 services; 2017 is closed and this is not large enough to warrant an audit entry so it will remain in 2018.

Association Offices, includes Board Fundraising – (\$140k) Unfavorable Variance

- The primary driver is the unbudgeted investment valuation of (\$77k) plus the short/long term loss on sales (\$36k). Last year at this same time the valuation was \$313k; the markets have definitely changed.
- While currently on budget, the board fundraising is still scheduled/budgeted to bring in an additional \$78k in donations for the Annual Campaign so there is still work to be done in this area.
- Consulting Fees are (\$44k) over budget. So far (\$20k) is due to the current 3rd party investigator and the majority of the remaining is due to NorthCreek's assistance with HR and Reveille's marketing consulting.

YMCA of Orange County
Statement of Financial Position
3/31/2018

	3/31/2018	12/31/2017
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 2,066,389	\$ 2,053,392
Investments	11,769,899	11,838,504
Accounts Receivable - Net Allowance	664,635	738,632
Annual Pledges Receivable - Net Allowance	126,900	25,392
Deposits and Prepaid Rent	231,608	173,666
Prepaid Insurance	123,003	106,150
Other Prepaid Expenses	299,190	276,716
Total Current Assets	15,281,624	15,212,452
<i>Other Assets</i>		
Property, Plant and Equipment, Net	17,551,271	17,750,069
Total Other Assets	17,551,271	17,750,069
Total Assets	\$ 32,832,895	\$ 32,962,521
LIABILITIES AND NET ASSETS		
<i>Current Liabilities</i>		
Accounts Payable	\$ 490,251	\$ 661,654
Accrued Payroll and Employee Benefits	1,937,862	1,725,220
Program Fees Received In Advance - Other	255,392	1,272,028
Deferred Annual Pledge Revenue	1,424,423	0
Notes Payable - Current Portion	0	0
Total Current Liabilities	4,107,928	3,658,902
<i>Long-term Liabilities</i>		
Self-Insurance Liability and Other Reserves	119,124	410,442
Notes Payable	4,680,227	4,759,121
Total Long-Term Liabilities	4,799,351	5,169,563
Total Liabilities	8,907,279	8,828,465
<i>Net Assets</i>		
Current Operations - YMCA	707,228	1,299,813
Current Operations - Tipper, LLC	(60,689)	(1,389)
Current Operations (Restricted, Capital & Unrestricted/Temporarily/Permanently Restricted)	(855,007)	707,831
	24,134,084	22,127,801
Total Net Assets	23,925,616	24,134,056
Total Liabilities And Net Assets	\$ 32,832,895	\$ 32,962,521

**Association Summary by Branch
For the Three Months Ending March 31, 2018**

Revenue By Branch

	Year-to-Date			YTD Comparison	
	Actual	Budget	Variance	Prior YTD	Curr YTD vs Prior YTD
Fullerton Family	\$629,550	\$634,980	(5,430)	\$672,296	(42,746)
Santa Ana Family	155,776	142,069	13,707	161,314	(5,538)
Huntington Beach Family	441,433	453,128	(11,695)	413,990	27,443
Yorba Linda/Placentia Family	145,752	159,239	(13,487)	114,716	31,036
Newport Mesa Family	589,713	594,771	(5,058)	588,105	1,608
YMCA Community Services	255,036	251,995	3,041	267,148	(12,112)
Laguna Niguel Family	855,228	780,262	74,966	720,844	134,384
Mission Viejo Family	857,277	823,522	33,755	985,519	(128,242)
Capistrano Beach Family	0	0	-	54,562	(54,562)
Childcare	6,048,281	6,079,029	(30,748)	5,583,514	464,767
Camp E.L.K.	38,786	42,354	(3,568)	44,629	(5,843)
San Gabriel Valley	0	0	-	34,215	(34,215)
YMCA of Riverside County	0	0	-	7,718	(7,718)
Murrieta Family	176,252	235,434	(59,182)	186,322	(10,070)
Pomona Valley	172,010	0	172,010	0	172,010
Maple Hill Family	29,555	21,489	8,066	0	29,555
Corporate Initiatives	31,650	25,356	6,294	15,750	15,900
Association Office	(56,506)	176,958	(233,464)	1,312,878	(1,369,384)
Total Revenue	10,369,793	10,420,586	(50,793)	11,163,520	(793,727)

Expenses By Branch

Fullerton Family	570,600	624,605	54,005	590,946	20,346
Santa Ana Family	206,160	194,829	(11,331)	139,265	(66,895)
Huntington Beach Family	525,416	476,905	(48,511)	435,906	(89,510)
Yorba Linda/Placentia Family	92,416	98,051	5,635	82,255	(10,161)
Newport Mesa Family	548,474	551,999	3,525	508,517	(39,957)
YMCA Community Services	181,114	174,624	(6,490)	152,640	(28,474)
Laguna Niguel Family	576,784	611,468	34,684	573,005	(3,779)
Mission Viejo Family	718,864	726,721	7,857	930,659	211,795
Capistrano Beach Family	0	0	-	41,305	41,305
Childcare	4,469,235	4,482,014	12,779	4,085,352	(383,883)
Camp E.L.K.	161,652	124,965	(36,687)	132,361	(29,291)
San Gabriel Valley	5,464	5,598	134	32,870	27,406
YMCA of Riverside County	0	1,187	1,187	16,840	16,840
Murrieta Family	347,686	327,097	(20,589)	330,851	(16,835)
Pomona Valley	216,188	0	(216,188)	0	(216,188)
Maple Hill Family	71,213	70,378	(835)	0	(71,213)
Corporate Initiatives	22,875	24,284	1,409	13,984	(8,891)
Association Office	948,426	1,041,557	93,131	1,072,703	124,277
Total Expenses	9,662,567	9,536,282	(126,285)	9,139,459	(523,108)

Association Summary by Branch
For the Three Months Ending March 31, 2018

Net Outcome by Branch

	Year-to-Date			%
	Actual	Budget	Variance	
Fullerton Family	58,950	10,375	48,575	468.2%
Santa Ana Family	(50,384)	(52,760)	2,376	-4.5%
Huntington Beach Family	(83,983)	(23,777)	(60,206)	253.2%
Yorba Linda/Placentia Family	53,336	61,188	(7,852)	-12.8%
Newport Mesa Family	41,239	42,772	(1,533)	-3.6%
YMCA Community Services	73,922	77,371	(3,449)	-4.5%
Laguna Niguel Family	278,444	168,794	109,650	65.0%
Mission Viejo Family	138,413	96,801	41,612	43.0%
Capistrano Beach Family	0	0	-	0.0%
Childcare	1,579,046	1,597,015	(17,969)	-1.1%
Camp E.L.K.	(122,866)	(82,611)	(40,255)	48.7%
San Gabriel Valley	(5,464)	(5,598)	134	-2.4%
YMCA of Riverside County	0	(1,187)	1,187	-100.0%
Murrieta Family	(171,434)	(91,663)	(79,771)	87.0%
Pomona Valley	(44,178)	0	(44,178)	-100.0%
Maple Hill Family	(41,658)	(48,889)	7,231	-14.8%
Corporate Initiatives	8,775	1,072	7,703	718.6%
Association Office	(1,004,932)	(864,599)	(140,333)	16.2%
Total Net Outcome	707,226	884,304	(177,078)	-20.0%

	YTD Comparison		
	Prior YTD	Curr YTD vs Prior YTD	Variance
	81,350	(22,400)	-27.5%
	22,049	(72,433)	-328.5%
	(21,916)	(62,067)	283.2%
	32,461	20,875	64.3%
	79,588	(38,349)	-48.2%
	114,508	(40,586)	-35.4%
	147,839	130,605	88.3%
	54,860	83,553	152.3%
	13,257	(13,257)	0.0%
	1,498,162	80,884	5.4%
	(87,732)	(35,134)	40.0%
	1,345	(6,809)	-506.2%
	(9,122)	9,122	-100.0%
	(144,529)	(26,905)	18.6%
	0	(44,178)	-100.0%
	0	(41,658)	-100.0%
	1,766	7,009	396.9%
	240,175	(1,245,107)	-518.4%
	2,024,061	(1,316,835)	-65.1%

Note: Investment Valuation is not budgeted but is in the actual numbers above in the Association Office Revenue & Net Outcome rows.

Investment Valuation - Gain / (Loss)	Current YTD	Prior YTD
	(76,504)	313,472

YMCA of Orange County
Investment Activity
For the Three Months Ending March 31, 2018

	<u>YTD Actual</u>
<i>Beginning Balance</i>	\$ 11,838,504
Interest	10,535
Dividends	49,133
Investment Valuation Change	(76,504)
Short Term Gain (Loss)	(12,247)
Long Term Gain (Loss)	(24,669)
Less: Investment Fees	(14,853)
<i>Net Investment Income/(Loss)</i>	<u>(68,605)</u>
<i>Ending Balance</i>	<u><u>\$ 11,769,899</u></u>
 <i>YTD Growth/(Decline) %</i>	 <i>-0.580%</i>

Tipper, LLC

Profit & Loss Statement For the Three Months Ending March 31, 2018

	YTD	
	Actual	% Rev
Revenue		
1210 Facility Rental	\$80,530.34	100.00%
Net Revenue Totals	80,530.34	100.00%
Expense		
2610 Telephone-Regular Service	577.11	0.72%
2710 Postage	27.00	0.03%
2845 Facility Maintenance	7,874.64	9.78%
2410 Legal Fees	1,280.00	1.59%
2450 Consulting Fees	516.00	0.64%
2480 DP Service/Maint Contract	300.00	0.37%
2831 Electricity	7,258.10	9.01%
2832 Gas	686.22	0.85%
2833 Water and Sewer	885.08	1.10%
2834 Refuse Collection	486.42	0.60%
2843 Landscape Maint	3,708.84	4.61%
2848 DNU Exterminator Service	55.00	0.07%
2850 Real And Personal Taxes	27,849.64	34.58%
2860 Property Management	2,444.49	3.04%
2880 Property/Liability Insurance	6,433.00	7.99%
4810 Association Services	2,400.00	2.98%
Total Operating Expenses	62,781.54	77.96%
EBITDA	\$17,748.80	25.02%
2890 Depreciation Expense	46,184.06	57.35%
5215 Interest Expense-External	30,653.64	38.06%
5610 Income Taxes Fed & State	1,600.00	1.99%
Net Income/(Loss)	(\$60,688.90)	(75.36%)

YMCA of Orange County
Top Expenses
For the Three Months Ending March 31, 2018

Item #	Acct #	Expense Account	Amount	% of Total Expenses	Explanation of Expense	Comments
Staffing Costs						
1a	2110	Salaries/Wages	4,789,826.23		1a. Staffing is our largest expense and also our most valuable resource. We have about 1200 employees with 250 full time and about 950 part time along with seasonal staff.	1a. Ratios and work schedules are planned and monitored via a combination of multiple sources. Utilizing shared staff such as Regional Executive Directors rather than a director for every branch. In 2018 we are also impacted by an increase in minimum wage (est. cost \$74k annually) in addition, due to multiple minimum wage increases, over the last several years, there was compression experienced where staff that were here for several years were making the same as others bumped up to the minimum wage so we gave equity adjustments to maintain the appropriate wage levels (est. cost \$222k annually). The cost for this was funded by implementing a \$100 summer field trip fee in childcare.
1b	2310	Payroll Taxes	360,338.74		1b. Statutory payroll taxes are calculated on wages paid.	1b. Moves with wages so what is done there trickles down to the payroll taxes.
1c	2320	Unemployment Insurance Premium	47,712.07		1c. Self-insured but calculated via payroll until year end when it is trued up to actual claims liability.	1c. We work with staff to be successful, involuntary termination is only done when necessary.
1d	2330	Worker's Compensation	143,747.09		1d. Part of a self-insured group but premiums calculated and remitted based on wages	1d. Self-insured group participants must meet criteria to join; QA & HR work with staff on safety to minimize injuries and keep a low mod rate
1e	2220	Retirement Plan Premiums	269,989.19		1e. Provide 11% contribution to retirement account for eligible employees	1e. Eligibility is dictated by the Y Retirement plan, the % contributed can change and has ranged from 8% to 12%. This is used to attract talent because our wages are generally under market.
1f	2245	Employee Insurance Benefits	182,706.95		1f. Currently provide \$300/mo. to full time staff for medical, EE only dental, 100% life & LTD	1f. We strategize on what our goal for the year is (it could be to minimize ER or EE costs, enhance benefits, etc.) then review detailed insurance plan proposals provided by our broker. For 2017 we wanted to make the employer contribution more fairly distributed among employee only vs. family coverage and switched to a \$300 flat employer contribution rate for insurance benefits.
		Total Staffing Costs	5,794,320.27	60.8%		
Other Costs						
2	2890	Depreciation Expense	402,267.67	4.2%	Our Balance Sheet shows \$17.5M of net fixed assets, we added about \$2M in cost during 2017, about 1/3 was for the Early Learning Center and Camp ELK that was covered by restricted donations	We use preferred Y Purchasing Group (YPG) vendors, get bids, negotiate lower costs, etc. Note: The current capitalization policy is \$2k, for 2019 we will be changing it to \$5k.
3	3429	Admissions Expense	367,881.49	3.9%	The vast majority of this is for the Adventure Guides program, events/trips with parents and children. We charge the family the cost of the event/trip.	We negotiate the best fees we can with each venue. The Adventure Guides events/trips are a break even activity; the Y's revenue comes from the AG program program fee charged annually and separate from the events which covers staffing and other program costs.
4	3425	Program Expense	353,805.51	3.7%	General items purchased for running programs that do not otherwise have a specific account are put here. Childcare \$97k and Youth in Government (YIG) \$87k account for about 1/2. The vast majority for YIG is for registration fees.	Purchases are done a variety of ways with YPG, local vendors, etc. We have already started looking at some ways to set up vendor relationships that will save us overall when comparing price & staff time.
5	2810	Facility Rental-Office	337,444.54	3.5%	Not all sites have donated use of land/building so those sites have leases and incur Facility Rent expense. Huntington Beach YTD is \$110k, Murrieta \$85k, the Assoc. Office \$61k and all of Childcare (over 70 sites) is at \$59k.	HB was recently negotiated and expanded. Murrieta's lease expires Jan 2022. Childcare is not much when you spread it over 70+ sites; we are paying per the mutually agreed upon rates in the contracts. We purchased the Assoc Office building in Tustin so the rent is going towards an investment rather than just an expense that has no return.
6	2450	Consulting Fees	240,488.07	2.5%	\$20k is for the first 3rd Party Investigator, \$10k is the last payment for the fitness expert. About 1/2 of the expense is for our IT support, we only have 2 IT staff members, the remaining ones are from 2 consulting companies. \$55k is for Reveille that provides marketing and public relations consulting.	3rd party investigation is still open and incurring additional costs, a second one may come into play. For IT consulting, we are switching to a flat fee for service rather than hourly as it was. Now that we have a VP of Marketing the consulting will focus on public relations only and will be \$5k lower each month. The IT department structure has been that way for years and is working well, we recently reviewed the cost vs. the market rates before renewing the contracts.

NOTE: We are in the process of adding a Purchasing/Contracts Administrator. This position will help us reduce costs that will amount to more than the cost of the position.

**YMCA of Orange County
Expense Listing
For the Three Months Ending March 31, 2018**

<u>Account Number</u>		<u>2018 Actual</u>	<u>% of Total Expenses</u>
	<i>Expenses</i>		
2110	Salaries-F/T Exempt	4,789,826.23	50.2%
2310	FICA	360,338.74	3.8%
2320	Unemployment Insur Prem	47,712.07	0.5%
2330	Worker's Compensation	143,747.09	1.5%
2220	Retirement Plan Premiums	269,989.19	2.8%
2245	Cafeteria Plan Expense	182,706.95	1.9%
	Total Staffing Costs	5,794,320.27	60.8%
2890	Depreciation Expense	402,267.67	4.2%
3429	Admissions Expense	367,881.49	3.9%
3425	Program Expense	353,805.51	3.7%
2810	Facility Rental-Office	337,444.54	3.5%
2450	Consulting Fees	240,488.07	2.5%
2480	DP Service/Maint Contract	228,552.18	2.4%
3012	Promo & Advertise	174,418.85	1.8%
3625	Credit Card EFT Proc Fees	150,749.85	1.6%
3710	Fair Share	124,637.00	1.3%
2880	Property/Liability Insur	109,262.00	1.1%
2831	Electricity	89,704.72	0.9%
2844	Building Reserve	87,883.10	0.9%
2845	Facility Maintenance	84,138.84	0.9%
3492	Nutrition	76,767.91	0.8%
3326	Travel Expense	73,777.28	0.8%
3110	Campaign Meeting Costs	60,538.95	0.6%
2610	Telephone-Regular Service	54,817.76	0.6%
2175	Temporary - Agencies	53,812.22	0.6%
2410	Legal Fees	48,713.54	0.5%
2670	Telephone-Cellular/Pagers	48,539.69	0.5%
3486	Program License & Permits	42,728.26	0.4%
5051	Computer Hdwr/Stwr & Acc	41,909.50	0.4%
2870	School District Fees	39,123.02	0.4%
2911	Equipment Lease/Rental	38,476.48	0.4%
3418	Adv Guides Event Program Exp	36,172.82	0.4%
2832	Gas	35,404.05	0.4%
2849	Pool Maintenance	34,424.75	0.4%
2885	SIR Expense	31,030.00	0.3%
5050	Equipment/Asset Purchases	27,183.35	0.3%
3320	Staff Training-Non Exempt	26,770.87	0.3%
2510	Office/Misc Supplies	25,623.56	0.3%
2560	Food & Beverage Supplies	23,800.06	0.2%
4360	Interview Misc Costs	23,073.40	0.2%
5215	Interest Expense-External	22,009.78	0.2%
3337	Staff Recognition	21,256.17	0.2%
3210	Mileage Reimbursement	18,227.00	0.2%
3345	Meeting Expense	18,178.04	0.2%
2843	Landscape Maintenance	16,116.56	0.2%
2520	Maintenance Supplies	16,113.15	0.2%
3630	Investment Fees	14,853.24	0.2%
3360	Subscriptions/Books	14,750.65	0.2%
2710	Postage	14,403.56	0.2%
3541	Veh License/Gas/Repair	14,308.92	0.2%

4320	Employment Advertising	13,825.83	0.1%
3520	Transportation	13,425.76	0.1%
3620	Bank Fees	12,313.86	0.1%
2833	Water and Sewer	11,370.28	0.1%
3013	Community Development	10,318.45	0.1%
2834	Refuse Collection	9,465.47	0.1%
2811	Facility Rent Offsite Storage	8,801.62	0.1%
3433	Special Funding/Grant Expenses	6,091.07	0.1%
2415	Audit Fees	5,500.00	0.1%
2930	Equipment Repairs/Mainten	4,973.29	0.1%
3510	Vehicle Insurance	4,466.00	0.0%
2850	Real and Personal Taxes	3,488.28	0.0%
3660	Courier Service - Regular	3,371.31	0.0%
3690	Misc Administrative Exp	2,479.83	0.0%
3336	Volunteer/Staff Recog	2,262.60	0.0%
3698	Contributions to otherNP	2,000.00	0.0%
3459	Staff Uniforms	863.88	0.0%
3899	Special Event Expense	194.58	0.0%
3610	Cash Over/Short	176.86	0.0%
3912	Sales Tax	132.82	0.0%
3640	Financing Charges	109.66	0.0%
4365	Volunteer Onboarding Costs	85.12	0.0%
2820	Bldg Licenses & Permits	58.25	0.0%
3130	Campaign Printing Costs	54.13	0.0%