



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Finance Committee

Meeting Minutes

September 19, 2018

FINANCE COMMITTEE MEETING MINUTES
September 19, 2018 4:00 p.m.
YMCA – Tustin Office – Front Conference Room

Joyce – call to order 4:05

Attendees: Jeannie DeLaura (guest from Bolton), Alicia Chacon-bidwell, Dolores Daly, Joyce Kirchhofer, Juliette Meunier, Minh Hoang, Ryan Fessler

Joyce introduced Ryan Fessler

Ryan is CFO for Pieology Pizza in RSM. This is his first time on a non- profit committee and was referred by Katie O'Conner.

1. **YMCA Insurance Coverage** (Jeannie Delaura)

- Jeannie has been insurance broker 6 years
- Jeannie Presented a schedule of coverages & premiums with the estimated increases for our 2019 renewal
- Auto rates are going up across the board about 10%
- Commercial package is with Philadelphia which is one of Bolton's largest carriers.
 - Philadelphia is very good with non-profits and response time to Bolton
- Directors and officers liability had one claim so there will be increases on that policy, carrier is Hiscock; 15% increase is expected.
- Jeannie will send Joyce a reference for IT audit.
- Ryan asked if Bolton does site assessments
 - YES! Jeannie said absolutely
 - As new sites have come on Jeannie or a representative will walk the sites, advise on what needs to be done.
- General Insurance
 - Juliette asked if the current level of coverage is enough?
 - We don't have a lot of "bigger" exposure. Jeannie will look at everything else. Jeannie feels like the coverage we have is adequate & for an organization of our size it is hearty.
- Active Shooter Program
 - YMCA of OC had our Quality Staff attend a training
 - Ryan read an article that there is a "blue pull" right next to the fire alarm pull that automatically notifies the police for and active shooter.
- Bolton will present the quotes based on the items we've talked about

2. **Review/Approve** (Juliette Meunier)

- Minutes of June Finance Committee Meeting
- Minutes of CARES-PDF Intersection Points Meeting

✚ Juliette – Motion to accept the minutes as presented

✚ Minh seconds, 2 in favor

✚ Ryan abstains as he is new

3. **August Financials** (Alicia Chacon-Bidwell, Joyce Kirchhofer)

- YMCA
 - Joyce mentions the summary is in the packet. Asks if the committee would prefer to talk the highlights?
 - Committee prefers high level only
- Balance Sheet
 - Property Plant and equip has most notable \$3M difference.
 - Due to renovations and Pomona asset transfer.
 - Murrieta and HB are still struggling.
 - HB has new leadership and is making changes
 - Murrieta is making changes as well
 - We are looking at both Dolores stated the “store front” model is not working for us.
 - We are looking at options including subleasing
 - 2 more years left on HB and 5 more years left on Murrieta
- Minh asked why branch net outcomes are down from last year
 - Last year the AO office was carrying the depreciation of all the branches.
 - Joyce came back to the YMCA and put it all “back” to where it should be, approximately \$800k
- Tipper
 - Financials are in the packet for review

4. **Review fixed asset policy changes** (Joyce Kirchhofer)

- Only substantive change is moving the limit from 2k to 5k.

5. **Review Chart of Work** (Joyce Kirchhofer, Juliette Meunier)
 - 2018 Revised
 - 2019 Proposed
 - Finance Committee Members will review the 2018 and 2019 charts of work and will email Crystal comments or agreement.
 - Juliette is in agreement
 - Joyce is in agreement
6. Crystal to send Ryan a list of committees and brief synopsis of what they do as well as all intersection charts of work.

Meeting Adjourn at 5:08pm

Next Regular Meeting: October 17, 2018

FINANCE COMMITTEE MEETING AGENDA
September 19, 2017 4:00 p.m.
YMCA – Tustin Office – Front Conference Room

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|--|-----------------------|
| 1. YMCA Insurance Coverage | Jeannie Delaura |
| 2. Review/Approve: | Juliette Meunier |
| - Minutes of June Finance Committee Meeting | |
| - Minutes of CARES-PDF Intersection Points Meeting | |
| 3. August Financials | Alicia Chacon-Bidwell |
| - YMCA | Joyce Kirchhofer |
| - Tipper | |
| 4. Review and approval for fixed asset policy | Joyce Kirchhofer |
| 5. Review Chart of Work | Joyce Kirchhofer |
| - 2018 Revised | Juliette Meunier |
| - 2019 Proposed | |

Next Regular Meeting: October 17, 2018

YMCA Insurance Coverage

YMCA Of Orange County
Summary Of Insurance

Type of Insurance	Carrier AM Best Rating Effective Dates Policy Number	Nature of Coverage	Current Coverage	Premium Payment Plan
General Liability	Philadelphia Indemnity	Third Party Liability coverage for Bodily Injury and Property Damage. Coverage includes Employee Benefit Liability and Abuse and Molestation.	\$2,000,000 Aggregate \$2,000,000 Products Completed Aggregate \$1,000,000 Personal Advertising Injury \$1,000,000 Per Occurrence \$1,000,000 Damage to Rented Premises \$20,000 Medical Payments	<u>Philadelphia Package</u> \$114,662.40 Direct Bill 25% Deposit 9 Monthly Installments
	Insurance Company A++ XV, Admitted 03/01/2018-01/01/2019 PHPK1784890			
Property	Philadelphia Indemnity Insurance Company A++ XV, Admitted 03/01/2018-01/01/2019 PHPK1784890	Special Form equivalent coverage for damage to Business Personal Property. Replacement Cost Valuation. Business Income/Extra Expense. Earthquake Sprinkler Leakage. Equipment Breakdown.	\$28,322,212 Building Coverage \$4,176,000 Business Personal Property \$31,872,109 Business Income/Extra Expense Full Policy Limits Earthquake Sprinkler Leakage \$10,000 Property Deductible \$1,000 Equipment Breakdown Deductible 2% Earthquake Sprinkler Leakage Deductible 24 Hour Wait Period on Business Income	<u>Philadelphia Package</u> <i>Included</i>
Business Auto	Philadelphia Indemnity Insurance Company A++ XV, Admitted 03/01/2018-01/01/2019 PHPK1784890	Coverage for Bodily Injury and Property Damage to 3rd Parties arising out of Owned, Hired and Non-Owned Autos. Physical Damage for Scheduled Vehicles.	\$1,000,000 Liability \$1,000 Comprehensive Deductible \$1,000 Collision Deductible	<u>Philadelphia Package</u> <i>included</i>
Professional Liability	Philadelphia Indemnity Insurance Company A++ XV, Admitted 03/01/2018-01/01/2019 PHPK1784890	Third Party Liability coverage for a loss arising from any covered error, omission or negligent act committed in giving professional advise, services or products sold.	\$1,000,000 Each Professional Incidental Limit \$2,000,000 Aggregate Limit (Includes coverage for the Chaplain)	<u>Philadelphia Package</u> <i>included</i>

This summary is for information purposes only. All coverages are subject to the respective policy terms, conditions, limitations, and exclusions.



YMCA Of Orange County
Summary Of Insurance

Type of Insurance	Carrier AM Best Rating Effective Dates Policy Number	Nature of Coverage	Current Coverage	Premium Payment Plan
Crime	<u>Philadelphia Indemnity</u> Insurance Company A++ XV, Admitted 03/01/2018-01/01/2019 PHPK1784890	Coverage for Employee Theft of assets, Forgery or Alteration of financial instruments, Money Orders and Counterfeit Currency, and Identity Recovery Expense Reimbursement.	\$500,000 Employee Dishonesty / \$5,000 Deductible \$250,000 Forgery or Altercation/ \$2,500 Deductible \$5,000 Money Order/Counterfeit Currency/ \$1,000 Deductible \$250,000 Computer Fraud	<u>Philadelphia Package</u> <i>Included</i>
Umbrella Liability	<u>Philadelphia Indemnity</u> Insurance Company A++ XV, Admitted 03/01/2018-01/01/2019 PHUB619703	Additional Limits of Insurance over the General Liability, Business Auto, Employee Benefits and Worker's Compensation	\$15,000,000 Limit \$10,000,000 Sublimit for Abuse and Molestation \$10,000 Self Insured Retention	\$39,985.00 Direct Bill 25% Deposit 9 Monthly Installment
<u>Executive Protection</u> Directors & Officers Liability Employment Practices Liability	Hiscock Insurance Company A XI, Admitted 03/01/2018-01/01/2019 UDA1149181.18	<u>Directors & Officers</u> : Personal Asset protection for the Board Members for suits alleging the breach of fiduciary responsibility of the companies assets and continuity. <u>Employment Practices</u> : Protects the company from suits brought by employees for alleged employment law violations.	\$10,000,000 Directors & Officers (D&O) \$50,000 D&O Deductible \$10,000,000 Employment Practices (EP) \$100,000 EP Deductible	\$71,228.00 Agency Bill Full Annual Pay
Workers Compensation	<u>Quality Comp</u> Self Insured Group Excess Insurance: NY Marine & General Insurance Co A XI, Admitted 01/01/2018-01/01/2019 QUACO1	Covers the compulsory Statutory Coverage mandated by law for Employee work related injuries. Also, covers Employers Liability.	\$1,000,000 Liability	\$482,416.00 Direct Bill 10 Equal Installments

YMCA Of Orange County
Summary Of Insurance

Type of Insurance	Carrier AM Best Rating Effective Dates Policy Number	Nature of Coverage	Current Coverage	Premium Payment Plan
Cyber Liability	<u>Philadelphia Indemnity</u> Insurance Company A++ XV, Admitted 03/01/2018-01/01/2019 PHSD1325955	Liability for a data breach involving sensitive customer information.	\$4,000,000 Limit - \$10,000 Deductible	\$10,342.00 Direct Bill 25% Deposit 9 Monthly Installments
Volunteer/Accident Policy	<u>Philadelphia Indemnity</u> Insurance Company A++ XV, Admitted 03/01/2018-01/01/2019 PHPA015372	Volunteer , 1099 Employee, and Coaches accidental medical coverage, Accidental death or dismemberment is a policy that pays benefits to the beneficiary if the cause of death an accident.	Accident Medical Expense Benefits: \$25,000 Accident Death Benefit: \$15,000 Accidental Dismemberment Benefit: \$50,000	\$18,774.00 Direct Bill 25% Deposit 9 Monthly Installments
Difference in Condition (Earthquake & Flood)	<u>Mt. Hawley Insurance</u> Company A+ XI, Non Admitted 03/01/2018 - 01/01/2019 MCD0201693	Perils of Earthquake & Flood	\$5,000,000 for a loss due to single occurrence or event	\$22,640.02 Agency Bill Full Annual Pay

Bolton & Company Client Service Team

Broker

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YMCA of Orange County
PREMIUM ESTIMATES 2019

Coverage Description	2018 to 2019 Premium	2018-2019 Pro-Rated Premium for 1/1/2019 Expiration	2019 -2020 Premium Estimates
Commercial Package	\$49,053.00	\$41,114.00	10% Increase
Property Premium	\$28,322,212	\$28,322,212	
Building Coverage	\$4,176,000	\$4,176,000	
Building Personal Property	\$31,872,109	\$31,872,109	
Business Income including Extra Expense			
Inland Marine (EDP and Contractors Equipment)	\$2,448.00	\$2,051.00	5% Increase
General Liability (incl. Employee Benefits, Abuse/Molestation)	\$58,812.00	\$59,298.00	5% Increase
Professional Liability	\$6,474.00	\$6,279.00	5% Increase
Business Automobile	\$18,993.40	\$15,920.40	15% Increase
Vehicle Count at Inception	15	15	16
Excess Liability	\$47,715.00	\$39,985.00	10% Increase
Difference in Conditions (Earthquake)	\$26,986.80	\$22,640.02	5% Increase
Management Liability**			15% Increase
(Directors & Officers Liability & Employment Practices Liability)	\$28,708.00 \$56,250.00	\$24,065.00 \$47,163.00	
Policy Fee			
Volunteers Accident Policy	\$22,350.00	\$18,774.00	5% Increase
Cyber Liability	\$12,342.00	\$10,342.00	7% Increase
Annual Aggregate Limit	\$4,000,000	\$4,000,000	
Workers Compensation	\$482,416.00	\$482,416.00	10% Increase
Bolton Broker Fee	\$36,951.05	\$36,951.05*	\$50,000 Less Commissions
Total Program Cost	\$849,499.25	\$796,998.47	Pending

*Bolton & Co received \$13,048.95 in Commissions directly from the carriers.

This summary provides general guidelines of factors which influence rate changes and/or premium calculations. Carriers may take other factors into consideration and estimates are based on current knowledge of claims and current general rate tendencies in the marketplace.

PREMIUM ESTIMATES 2019

Coverage Description	Factors which Influence Rating
Property <i>Building Coverage</i> <i>Building Personal Property</i> <i>Business Income including Extra Expense</i>	<ul style="list-style-type: none"> • Additional Exposure (<i>adding new locations, increasing coverage for buildings, BPP, or Business Income</i>) • Claims History • Values • Some Locations are in Brush Are, with recent fires this may be considered higher risk
Inland Marine (EDP and Contractors Equipment)	<ul style="list-style-type: none"> • Increased/ Additional Exposure • Values
General Liability (incl. Employee Benefits, Abuse/Molestation)	<ul style="list-style-type: none"> • Increased/ Additional Exposure • Square Footage of Locations • Number of Students • Claims History
Professional Liability	<ul style="list-style-type: none"> • Employee Count • Number of Employees with Professional Designation
Business Automobile <i>Vehicle Count at Inception</i>	<ul style="list-style-type: none"> • Vehicle Count • Loss History • CA Auto Rates have increased
Excess Liability	<ul style="list-style-type: none"> • Exposure of underlying coverage (<i>General Liability, Employee Benefits, Abuse/Molestation, Auto Liability</i>)
Difference in Conditions (Earthquake)	<ul style="list-style-type: none"> • Values • Current Soft market – this may change with increase in catastrophic losses
Management Liability** (Directors & Officers Liability & Employment Practices Liability) Policy Fee	<ul style="list-style-type: none"> • Number of Directors • Employee Count • Loss History
Volunteers Accident Policy	<ul style="list-style-type: none"> • Number of Volunteers
Cyber Liability <i>Annual Aggregate Limit</i>	<ul style="list-style-type: none"> • Number of Records • Annual Revenue • Loss History

Workers Compensation	<ul style="list-style-type: none"> • Class Code <i>Change in 8868 Class Code with the State</i> • Payroll • Employee Count • Loss History
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This summary provides general guidelines of factors which influence rate changes and/or premium calculations. Carriers may take other factors into consideration and estimates are based on current knowledge of claims and current general rate tendencies in the marketplace.

Finance Committee Meeting Minutes

June 25, 2018

**MINUTES OF FINANCE COMMITTEE MEETING
JUNE 25, 2018**

Present: Juliette Meunier, Jeff McBride, Joyce Kirchhofer, Minh Hoang, Sean Peasley, Dolores Daly, Alicia Chacon-Bidwell

Absent: NA

Guests: NA

Meeting called to order at 3:55 pm

TASK LIST	WHO		
Combine chart/graph by program so the data is on one page	Alicia		
Intermittently, provide branch graphs	Alicia		
Reach out to Jess Meyers regarding software	Joyce		
Carryover to next month's agenda: 1) Review draft guidelines of intersection points and 2) Discuss Limits of Authority	Alicia		

DECISION(S):

The minutes from the May16 regular meeting were approved. Juliette/M/Sean/S/All in favor

The Tipper, LLC 2018 budget was approved. Juliette/M/Sean/S/All in favor

DISCUSSION:

Financial Update:

Alicia went over the balance sheet stating \$37M in assets and \$28.5M Net Assets with the increase due to the Pomona Valley Y asset transfer of two properties. Juliette asked about the SIR reserves decrease, Joyce responded some amounts accrued to 2017 were paid in 2018. Alicia stated the year to date net outcome is a surplus of \$5.5M primarily due to \$4M for the property transfers and \$740k from Daly Dykema's gift. Taking this into account that would put us behind budget. Alicia went over the big items causing this: Camp ELK budget error, Huntington Beach & Murrieta not performing, wages are over budget, legal fees are high in addition to \$118k loss on investments and taking a loss for writing off Bi360 software that will not work for our needs. Laguna Niguel and Mission Viejo continue to do well and we are pursuing multiple opportunities to expand programs. Sean mentioned when we narrow down our choices for software, see if they will do a proof of concept prior to signing contract. He also mentioned good software for analytics is Tableau and Click.

Dolores went into more details about what is going on at the various branches. Joyce asked the committee for feedback on the narrative being provided, it was decided the limit for reporting can be raised so only the larger items are covered.

Alicia referenced the Investment Activity Summary and Joyce let the committee know we needed to take \$1m out of investments to maintain sufficient liquid cash to meet our loan covenants. At year end we missed it by \$100k, the bank waived the default. Alicia presented a new revenue chart and a new net outcome graph. This was good information to have, to further enhance the reporting, the committee would like to see the two reported

MINUTES OF FINANCE COMMITTEE MEETING
JUNE 25, 2018

together. Juliette mentioned adding headcounts would be good in the future, Joyce said that is already on our radar.

Organization Revenue Analysis:

Dolores discussed organizational revenue and presented charts for fitness facilities and for child care that displayed small revenue growth since 2014. Dolores provided a good list of current contracts and opportunities and what we have done and continue to do to win contracts and diversify revenue. A few highlights are:

- Market analysis underway with an independent 3rd party consultant to hone in on community opportunities, including school districts.
- Several meetings took place with OC Dept. of Education, Y is in a unique position to offer them services because of the infrastructure we have in place currently.
- Tricia has joined a couple of boards in O.C. area which helps the Y expand opportunities within the community.
- Saddleback school district is our largest revenue opportunity right now.

Tipper Financials & 2018 Budget:

Joyce presented the Tipper YTD financials. Currently an (\$82k) deficit but the EDITDA is covering the interest expense and as of June the units are fully rented. There was deferred maintenance that has been taken care of so we anticipate this slowing down soon. Joyce presented the Tipper, LLC 2018 budget and stated it is based off of actuals through May then based on the trends and what we know, projected out through December. The Finance Committee decided that Tipper, LLC should follow the same approval process as the Y so the 2018 Tipper, LLC budget was reviewed and approved.

Adjourned: 5:00 pm

Intersection Meeting - Finance/Cares/PDF

Meeting Minutes

June 25, 2018

**SPECIAL FINANCE COMMITTEE MEETING
TO DISCUSS FINANCE / CARES / PDF COMMITTEE INTERSECTION POINTS
JUNE 25, 2018**

Present: Juliette Meunier, Minh Hoang, Sean Peasley, Joyce Kirchhofer, Dolores Daly, Alicia Chacon-Bidwell

Absent: NA

Guests: John Rochford (PDF Committee Chair), Mike Proud (CARES Committee Chair)

Meeting called to order at 3:10 pm

TASK LIST	WHO		
Send CARES/PDF policies/procedures to the attendees	Dolores		
Meet with their respective committees to see if there are any other intersection points and areas we can strengthen controls and reduce risk	John/Mike		
Add language in CARES/PDF processes around 1) conflicts of interest/related parties and 2) avoid funding to misaligned mission and/or cause brand damage	John/Mike		
Schedule meeting to discuss how Finance and Compensation Committees will work together on intersection points	Crystal		

DECISION(S):

None.

DISCUSSION:

Intersection Points with CARES/PDF Committees:

Juliette stated that for the intersection points, the Finance Committee is only concerned with big spends and big risks. Mike stated CARES has fully developed processes with Dolores adding CARES also has an online grant application process. It was stated PDF processes were developed so they are consistent with CARES.

Below are some of the discussion points/actions that came up:

- Dolores will send to the Finance Committee the policies/procedures that have been developed for the CARES and PDF committees
- The Finance Committee will review them, and see if there are any natural intersection points where we might want the two committees to interact
- Example –Staff will communicate with the Finance Committee, when the amount of money, to be set aside for future allocation, for PDF and CARES is decided
- Example – Staff will report out quarterly regarding 1) where the money is going, and 2) some sort of scorecard. PDF and CARES committee chairs will communicate to the full board

**SPECIAL FINANCE COMMITTEE MEETING
TO DISCUSS FINANCE / CARES / PDF COMMITTEE INTERSECTION POINTS
JUNE 25, 2018**

- Mike and John will discuss with their committees any areas where we think we can strengthen controls and reduce risk to the organization
- Mike and John will add some language in their processes around conflicts of interest and related party transactions (i.e., requesting funds where there is a family relation)
- Mike and John will add language in their processes around avoiding funding to organizations which could be misaligned with our mission and/or cause brand damage
- What award amount should Finance Committee be made aware of? Likely use the \$250,000 limit that is consistent with Limits of Authority.
- Need to meet with Compensation Committee on potential intersection points
- Regarding all of the intersection guidelines:
Every year, each committee will make sure those guidelines are still relevant (put a review on the charts of work)

Every five years, possibly go to an outside consultant to ask them to review our policies/guidelines/processes, and see if they have suggestions for improvement, for now perhaps have Gigi or Jess review the intersection points documents

Adjourned: 3:50 pm

Financial Highlights

YMCA of Orange County

Financial Highlights – Year to Date

August 2018

Year to date has produced a \$4.7M surplus (14.2% of revenue), this is \$3.9M more than budgeted. The Pomona Valley YMCA asset transfer of Maple Hill and Sunset Crossing properties account for \$4M of the surplus along with the generous \$1.3M bequest received from the Dale Dykema trusts. Other amounts affecting the variance are 1) Tipper, LLC net loss unbudgeted (\$129k), 2) Bi360 software previously purchased was written off for (\$108k), 3) legal and consulting fees beyond the normal course of business accounts for another unfavorable variance of about (\$175k) and 4) a budgeting error for Camp ELK of (\$278k) related to the timing of grant income recognition.

Besides Childcare's surplus at \$2.6M (16% of their revenue), YMCA Community Services (New Horizons), Laguna Niguel and Fullerton generated the largest surpluses at \$230k (28.2% of revenue), \$270k (14.4% of revenue) & \$72k (4.3% of revenue) respectively.

Membership revenue is down (3.5%) from budget and is up 2.1% over prior year. We have added a mobile app and on-line membership sales (315 added thru 9/11), but we are struggling to reach the 5.7% growth target budgeted. This week we received the first phase of a 3rd party market study and member survey. We will be utilizing the data to take the necessary actions to improve this area; we will be looking at all options. Murrieta and Huntington Beach are the branches with the largest YTD deficits at (\$457k) and (\$379k) respectively. Huntington Beach has a new Associate Executive Director, an internal candidate who has proven herself worthy of the challenge that lies before her. Murrieta has been struggling for several years, it is taking time to change course and our ability to make it profitable is still to be determined.

Growth opportunities are a focus of executive leadership. Recent opportunities secured includes five new childcare sites in the fall, renewed two-year contract with OCTA, the new Rancho Mission Viejo Pavilion gymnasium and a new business line with Orange County Department of Education to do classroom assessments in over 200 schools.

Below are selected highlights. Unless noteworthy, only branches with larger variances are listed below.

Santa Ana – \$99k Favorable Variance

- Secured \$75k check from Children's and Families Commission of Orange County representing 3 years worth of available funding from 2011 contract. This funding covers scholarships to kids ages 0-5. \$12.5k of revenue will be deferred to 2019 since that portion covers 1/1/19-6/30/19.
- The aquatics and sports programs are doing well producing a \$94k surplus year to date.
- While the branch does have a (\$94k) deficit, a positive Operating Net of \$150k has been achieved. Keep in mind, \$250k annual revenue from the Orange County Children's and Families Commission will cease after 2020.

Huntington Beach – (\$281k) Unfavorable Variance

- This branch has new leadership via an internal promotion. The new Associate Executive Director is Jennifer Todd, she is up for the challenge for what this branch needs.
- Revenue is under budget by (\$99k) with the largest driver being family memberships (\$53k) but overall membership revenue is down. Membership is impacted by new gyms that have opened up over the last 1 ½ years.

- Wages and benefits are over budget (\$51k), this has been addressed and changes have been made moving forward.
- (\$37k) has been expensed related to items for the new Kids Zone that did not qualify for capitalization.
- Rent is (\$64k) over budget primarily due to an incorrect rent amount loaded in the budget, this will continue to increase about (\$10k)/month.

Newport/Mesa– (\$69k) Unfavorable Variance

- This branch is undergoing a change in leadership. While the Net Outcome is unfavorable and negative, the Operating Net is \$338k.
- Annual Campaign has an unfavorable variance of (\$45k) YTD. A donation in the range of \$25k-\$30k is anticipated in September.

Laguna Niguel– \$156k Favorable Variance

- This branch is performing well in most departments. Costs are managed well in relation to revenue changes. Revenue has increased 6% over the prior year.
- Annual Campaign did well this year, coming in \$40k better than budget.
- Third party memberships have been negatively affected by the pool closure due to construction.
 - The City of Laguna Niguel's massive construction project has started. Due to entry/exit delays and parking issues, it has already started impacting 3rd Party Membership visits such as Silver Sneakers and therefore will lower revenue. The construction will also create challenges with member retention and getting new members to join. Construction will continue through early 2020. Branch staff will work on some creative solutions to help overcome this situation.
- Included in these totals is the use of \$85k of Rita Benson gifted funds that offsets about \$54k in expenses with the difference in expenditures being capitalized.
- Due to the promotion of Jen Heinen to Director of Operations for Branches, Kelly Kneubuhl was promoted to Executive Director for Laguna Niguel, it will be exciting to see what they each do in their new positions.

Childcare– (\$118k) Unfavorable Variance

- This is 4.3% off of the budgeted net outcome so while the dollars are large, from a percentage perspective it isn't concerning. Fall headcounts are improving, not just with adding new sites but with our existing sites as well. Overall revenue has a favorable variance of \$70k.
- Wages were a challenge in the beginning of the year and again a bit in August. Salary projection work schedules were not consistently implemented in summer, it is being readdressed for Fall.
- New unbudgeted sites open: Pantera, Journey and Esencia with two Oxford Charter Schools to follow.

Camp Elk– (\$431k) Unfavorable Variance

- (\$278k) budgeting error related to a timing difference in the revenue recognition for a grant.
- The camp has been undergoing a much needed renovation and program enhancement investment over the last year. There is still some AS&F funds that will be used for upcoming projects to improve the camp.
- Revenue is lagging, a water leak that caused loss of a week of camp did not help matters.
- Camp E.L.K. will host user groups in September followed by 2 YMCA Family Camps in October.

San Gabriel Valley-- (\$73k) Unfavorable Variance

- There is an aquatics/swim grant from Supervisor Solis that is being finalized, once we have the specific timeframe and amount we can then record the appropriate revenue. The grant is for the school year 7/2018-6/2019, we are trying to obtain approval to include expenses incurred prior to July.

Murrieta - (\$177k) Unfavorable Variance

- Overall membership revenue is (\$130k) under budget. The membership budget was too aggressive with an 18% budgeted increase over prior year so that will continue to be off all year. Membership continues to be a challenge, we will be delving deep into the market analysis data to help drive our actions going forward.
- Many changes have and are taking place such as improving the facility that is making current members happier which is increasing retention, focus on communicating changes to past members to try and get them back, a membership drive in September and restructured the staff team. Staff is confident the team is now well rounded, they have stronger programming and state of the art facility; she anticipates the improvement will show leading into the new year.
- Wages and benefits are over budget (\$30k); August wages were finally in line with the budget.
- Annual campaign is under budget (\$22k), some but not all will be made up before year end.

Pomona - (\$69k) Unfavorable Variance

- (\$47k) of wages, severance, benefits and taxes was paid in prior months but nothing was budgeted. June was the last month with any wages for this person.
- No budget has caused an unfavorable variance of (\$36k) for the Association Service Fee.

Association Offices, includes Board Fundraising – \$4.8M Favorable Variance

- The remaining two properties from Pomona Valley YMCA were deeded to us resulting in \$4M of non-cash revenue.
- Dale Dykema bequest of \$1.3M received from two trusts with another approximately \$150k coming over three years.
- Market fluctuations resulting in Investment valuation change of (\$109k) and short/long term loss on sales (\$43k). Last year's valuation at this same time was \$731k.
- (\$109k) write-off due to the determination that the Bi360 software will not handle our needs.
- Subsidiary loss on Tipper, LLC (\$129k) which was not budgeted for 2018.
- Legal fees are (\$134k) over budget, due to the various matters during the year.
- Consulting Fees are (\$72k) over budget due to the 3rd party investigator and NorthCreek's assistance with HR.

Growth & Renewed Opportunities:

- The Y has been awarded a contract with the Orange County Department of Education to provide 200 pre-school class room assessments county wide, during this current school year.
- The Y has added 5 new childcare contracts for fall: Journey School-LN (Charter school), Esencia-MV (new school in CUSD), Pantera-MV (taking from competitor), Oxford-Mission Viejo (Charter) and Oxford-Lake Forest (Charter).
- Opening a contracted fitness location, Ranch Mission Viejo.
- A management agreement with another YMCA is currently being negotiated.

August Financials

YMCA of Orange County
Statement of Financial Position-Consolidated
8/31/2018

	<u>8/31/2018</u>	<u>12/31/2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$2,613,197	\$2,053,392
Investments	11,059,685	11,838,504
Accounts Receivable - Net Allowance	1,024,886	738,632
Annual Pledges Receivable - Net Allowance	48,834	25,392
Deposits and Prepaid Rent	79,430	173,666
Prepaid Insurance	6,511	106,150
Other Prepaid Expenses	457,433	289,156
Total Current Assets	<u>15,289,976</u>	<u>15,224,892</u>
Other Assets		
Property, Plant and Equipment, Net	21,497,142	17,686,296
Total Other Assets	<u>21,497,142</u>	<u>17,686,296</u>
Total Assets	<u><u>\$36,787,118</u></u>	<u><u>\$32,911,188</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$441,913	\$624,753
Accrued Payroll and Employee Benefits	1,987,686	1,725,220
Program Fees Received In Advance - Other	1,903,716	1,272,028
Notes Payable - Current Portion		
Total Current Liabilities	<u>4,333,315</u>	<u>3,622,001</u>
Long-term Liabilities		
Self-Insurance Liability and Other Reserves	150,072	410,442
Notes Payable	4,600,396	4,759,121
Total Long-Term Liabilities	<u>4,750,468</u>	<u>5,169,563</u>
Total Liabilities	<u>9,083,783</u>	<u>8,791,564</u>
Net Assets		
Current Operations - YMCA	4,663,051	1,285,381
Current Operations - Tipper, LLC	(129,336)	(1,389)
Current Operations (Restricted, Capital & Endowment)	(950,005)	707,831
Unrestricted/Temporarily/Permanently Restricted	24,119,625	22,127,801
Total Net Assets	<u>27,703,335</u>	<u>24,119,624</u>
Total Liabilities And Net Assets	<u><u>\$36,787,118</u></u>	<u><u>\$32,911,188</u></u>

YMCA of Orange County

Association Summary by Branch

For the Eight Months Ending

August 31, 2018

Revenue By Branch

	Year-to-Date				YTD Comparison		
	Actual	Budget	Variance	% Variance	Prior YTD	Curr YTD vs Prior YTD	% Variance
Fullerton Family	\$1,677,896	\$1,728,006	(\$50,110)	-2.9%	\$1,818,244	(\$140,348)	-7.7%
Santa Ana Family	635,009	523,073	111,936	21.4%	559,453	75,556	13.5%
Huntington Beach Family	1,088,261	1,167,065	(78,804)	-6.8%	1,096,351	(8,090)	-0.7%
Yorba Linda/Placentia Family	228,852	232,213	(3,361)	-1.4%	252,224	(23,372)	-9.3%
Newport Mesa Family	1,589,741	1,575,720	14,021	0.9%	1,599,771	(10,030)	-0.6%
YMCA Community Services	815,356	783,603	31,753	4.1%	816,781	(1,425)	-0.2%
Laguna Niguel Family	1,866,700	1,741,356	125,344	7.2%	1,764,579	102,121	5.8%
Mission Viejo Family	1,905,398	1,846,794	58,604	3.2%	2,217,823	(312,425)	-14.1%
Capistrano Beach Family	0	0	0	0.0%	106,715	(106,715)	0.0%
Rancho Mission Viejo	13,570	0	13,570	0.0%	0	13,570	100.0%
Childcare	16,176,423	16,106,320	70,103	0.4%	14,767,290	1,409,133	9.5%
Camp E.L.K.	494,825	868,246	(373,421)	-43.0%	1,131,103	(636,278)	-56.3%
San Gabriel Valley	2,270	76,513	(74,243)	0.0%	35,423	(33,153)	-93.6%
YMCA of Riverside County	0	0	0	0.0%	17,068	(17,068)	-100.0%
Murrieta Family	451,402	630,326	(178,924)	-28.4%	496,393	(44,991)	-9.1%
Pomona Valley	370,119	154,000	216,119	100.0%	97,133	272,986	100.0%
Maple Hill Family	180,325	168,709	11,616	6.9%	191	180,134	100.0%
Corporate Initiatives	75,300	75,963	(663)	-0.9%	71,100	4,200	5.9%
Association Office	5,288,899	295,450	4,993,449	1690.1%	1,840,088	3,448,811	187.4%
Total Revenue	32,860,346	27,973,357	4,886,989	17.5%	28,687,730	4,172,616	14.5%

Expenses By Branch

Fullerton Family	1,605,486	1,699,298	93,812	5.5%	1,608,652	3,166	0.2%
Santa Ana Family	729,372	716,068	(13,304)	-1.9%	576,492	(152,880)	-26.5%
Huntington Beach Family	1,467,668	1,265,946	(201,722)	-15.9%	1,184,695	(282,973)	-23.9%
Yorba Linda/Placentia Family	233,595	221,956	(11,639)	-5.2%	248,970	15,375	6.2%
Newport Mesa Family	1,659,603	1,576,204	(83,399)	-5.3%	1,577,751	(81,852)	-5.2%
YMCA Community Services	585,159	582,097	(3,062)	-0.5%	524,704	(60,455)	-11.5%
Laguna Niguel Family	1,597,169	1,627,659	30,490	1.9%	1,581,623	(15,546)	-1.0%
Mission Viejo Family	1,903,851	1,868,617	(35,234)	-1.9%	2,284,172	380,321	16.7%
Capistrano Beach Family	0	0	0	0.0%	87,074	87,074	100.0%
Rancho Mission Viejo	12,967	0	(12,967)	0.0%	0	(12,967)	#DIV/0!
Childcare	13,587,870	13,399,935	(187,935)	-1.4%	12,505,028	(1,082,842)	-8.7%
Camp E.L.K.	627,747	570,238	(57,509)	-10.1%	514,343	(113,404)	-22.0%
San Gabriel Valley	75,797	77,003	1,206	1.6%	86,757	10,960	12.6%
YMCA of Riverside County	0	2,974	2,974	100.0%	66,543	66,543	100.0%
Murrieta Family	908,592	910,750	2,158	0.2%	933,889	25,297	2.7%
Pomona Valley	438,535	153,176	(285,359)	-100.0%	199,260	(239,275)	-100.0%
Maple Hill Family	246,176	239,579	(6,597)	-2.8%	71,164	(175,012)	-100.0%
Corporate Initiatives	62,632	70,050	7,418	10.6%	40,022	(22,610)	-56.5%
Association Office	2,455,076	2,249,902	(205,174)	-9.1%	2,518,110	63,034	2.5%
Total Expenses	28,197,295	27,231,452	(965,843)	-3.5%	26,609,249	(1,587,982)	-6.0%

YMCA of Orange County

Association Summary by Branch

For the Eight Months Ending

August 31, 2018

Net Outcome by Branch

	Year-to-Date				YTD Comparison		
	Actual	Budget	Variance	% Variance	Prior YTD	Curr YTD vs Prior YTD	% Variance
Fullerton Family	72,410	28,708	43,702	152.2%	209,592	(137,182)	-65.5%
Santa Ana Family	(94,363)	(192,995)	98,632	-51.1%	(17,039)	(77,324)	453.8%
Huntington Beach Family	(379,407)	(98,881)	(280,526)	283.7%	(88,344)	(291,063)	329.5%
Yorba Linda/Placentia Family	(4,743)	10,257	(15,000)	-146.2%	3,254	(7,997)	-245.8%
Newport Mesa Family	(69,862)	(484)	(69,378)	14334.3%	22,020	(91,882)	-417.3%
YMCA Community Services	230,197	201,506	28,691	14.2%	292,077	(61,880)	-21.2%
Laguna Niguel Family	269,531	113,697	155,834	137.1%	182,956	86,575	47.3%
Mission Viejo Family	1,547	(21,823)	23,370	-107.1%	(66,349)	67,896	-102.3%
Capistrano Beach Family	0	0	0	0.0%	19,641	(19,641)	0.0%
Rancho Mission Viejo	603	0	603	0.0%	0	603	0.0%
Childcare	2,588,553	2,706,385	(117,832)	-4.4%	2,262,262	326,291	14.4%
Camp E.L.K.	(132,922)	298,008	(430,930)	-144.6%	616,760	(749,682)	-121.6%
San Gabriel Valley	(73,527)	(490)	(73,037)	14905.5%	(51,334)	(22,193)	43.2%
YMCA of Riverside County	0	(2,974)	2,974	-100.0%	(49,475)	49,475	-100.0%
Murrieta Family	(457,190)	(280,424)	(176,766)	63.0%	(437,496)	(19,694)	4.5%
Pomona Valley	(68,416)	824	(69,240)	-100.0%	(102,127)	33,711	-100.0%
Maple Hill Family	(65,851)	(70,870)	5,019	-7.1%	(70,973)	5,122	-100.0%
Corporate Initiatives	12,668	5,913	6,755	114.2%	31,078	(18,410)	-59.2%
Association Office	2,833,823	(1,954,452)	4,788,275	-245.0%	(678,022)	3,511,845	-518.0%
Total Net Outcome	4,663,051	741,905	3,921,146	528.5%	2,078,481	2,584,634	124.4%

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

	Current YTD	Prior YTD
Investment Valuation - Gain / (Loss)	108,928	(730,987)
Short Term Gain (Loss)	(24,958)	5,327
Long Term Gain (Loss)	(18,599)	39,125
Total	65,371	(686,535)

YMCA of Orange County
Investment Activity
For the Eight Months Ending August 31, 2018

	<u>YTD Actual</u>
Beginning Balance	\$ 11,838,504
Transfers In / (Out)	(1,000,000)
Interest	31,333
Dividends	162,814
Investment Valuation Change	108,928
Short Term Gain (Loss)	(24,958)
Long Term Gain (Loss)	(18,599)
Less: Investment Fees	(38,337)
Net Investment Income/(Loss)	221,182
Ending Balance	<u>\$ 11,059,685</u>
 YTD Growth/(Decline) %	 1.87%

Tipper
August Financials

Tipper, LLC

Profit & Loss Statement For the Eight Months Ending August 31, 2018

	YTD		
	Actual	Budget	Act vs Bud Variance
Revenue			
1210 Facility Rental	\$271,849.71	\$263,032.00	\$8,817.71
Net Revenue Totals	271,849.71	263,032.00	8,817.71
Expense			
2520 Maintenance/Janitorial Supplies	3,815.42	1,799.00	(2,016.42)
2610 Telephone-Regular Service	3,187.81	2,751.00	(436.81)
2710 Postage	51.00	69.00	18.00
2845 Facility Maintenance	64,734.63	41,796.00	(22,938.63)
Program Services Sub-Total	71,788.86	47,915.00	(23,873.86)
2410 Legal Fees	7,284.00	2,717.00	(4,567.00)
2415 Audit Fees	6,400.00	0.00	(6,400.00)
2450 Consulting Fees	6,199.72	1,086.00	(5,113.72)
2480 DP Service/Maint Contract	300.00	600.00	300.00
2820 Bldg Licenses & Permits	164.00	0.00	(164.00)
2831 Electricity	27,353.32	32,948.00	5,594.68
2832 Gas	2,471.71	3,389.00	917.29
2833 Water and Sewer	2,929.44	2,546.00	(383.44)
2834 Refuse Collection	1,707.63	1,701.00	(6.63)
2843 Landscape Maint	11,769.44	10,068.00	(1,701.44)
2848 Exterminator Service	330.00	330.00	0.00
2850 Real And Personal Taxes	27,849.64	27,849.00	(0.64)
2860 Property Management	8,779.25	9,122.00	342.75
2880 Property/Liability Insurance	6,433.00	6,433.00	0.00
3620 Bank Fees	45.00	45.00	0.00
3690 Misc Admin Expense	911.10	0.00	(911.10)
Supporting Services Sub-Total	110,927.25	98,834.00	(12,093.25)
Total Operating Expenses	182,716.11	146,749.00	(35,967.11)
EBITDA	\$89,133.60	\$116,283.00	(\$27,149.40)
2890 Depreciation Expense	(134,522.71)	(134,245.00)	(277.71)
5215 Interest Expense-External	(82,346.84)	(82,111.00)	(235.84)
5610 Income Taxes Fed & State	(1,600.00)	(1,600.00)	0.00
Total Non-Operating Expenses	(218,469.55)	(224,356.00)	(5,886.45)
Net Income/(Loss)	(\$129,335.95)	(\$108,073.00)	(\$21,262.95)

Fixed Asset Capitalization Policies
Current & Proposed

keam

YMCA OF ORANGE COUNTY
POLICY AND PROCEDURE MANUAL

Title:	<u>FIXED ASSET CAPITALIZATION POLICY</u>
	(X) Policy () Procedure
File Number:	<u> .400 </u> Revised Issue Date: Effective 19
Issuing Authority:	<u>Executive Leadership Team</u> --
Signed by	<u> F </u>

1. Statement of Policy

Fixed Assets are a significant category of assets at the YMCA, and are comprised of tangible property, facilities and equipment that provide an economic benefit to the association for two or more years with a value of at least \$5,000. Fixed assets are capitalized at historical cost or fair market value for In-kind gifts and depreciated over the useful life using the straight line method. Prior to the purchase, all fixed asset purchases must be approved as defined by the Capital Expenditure section of the Limits of Authority. The retirement or transfer of a fixed asset will be communicated to the accounting office within a week of the transaction but no later than the last workday of the month to ensure timely reporting in the financial statements.

2. Purpose of Policy

The purpose of the Fixed Asset Policy is to identify which expenditures or in-kind gifts qualify as fixed assets and provide guidelines for the useful life, depreciation method, retirement and transfer of such assets.

3. Qualifying Expenditures For Fixed Asset Capitalization

- a. Individual acquisitions (expenditure or in-kind gift) that have a useful life of 3 or more years with a value of at least \$5,000 will be capitalized. Purchases which fall below these minimums will be expensed.
- b. Documentation of the in-kind donation and support for the value of the gift received should be provided to accounting within a week and no later than the last workday of the month to ensure timely reporting in the donor record and financial statements.
- c. Occasionally, a group of items that will be used together for a single purpose with a combined purchase of \$5,000 or more and a useful life of 3 or more years qualify as a fixed asset. Accounting will make the final determination of whether a group of items qualify. A few examples are below.

- i. New building or renovation of facilities
- ii. Land improvements - Hardscape and Softscape: Examples may include items such as brick, plants, cement, planters, trees, shrubs, etc. {related to a new or renovated facility otherwise it falls under maintenance}.
- d. The cost of readying a fixed asset for its intended use should be included in the amount capitalized. This could be architect, engineer fees, software programming costs, etc.
- e. Acquisitions that materially extend the life of the asset can be capitalized. Repairs & maintenance expenditures or in-kind gifts for repairs and maintenance do not qualify and should be charged to an expense as incurred. For example, purchasing a new pool pump could be capitalized but repair of an existing pool pump is expensed.
- f. Construction In Progress (CIP) is typically used when there is a new site being built or a renovation project for one or more sites that will have work done over multiple months and where there will be multiple payments over a period of time. Examples of some items that would go into CIP are: Construction progress payments, equipment purchases for the new or renovated site(s), engineering costs, Insurance costs during construction, interest during construction and other costs relating to construction in progress are capitalized. Construction in progress items are not depreciated while they are in CIP. Once the asset(s) is placed in service, it will be moved out of CIP and into the appropriate asset category and depreciation will commence. If at some point, items are in CIP and the particular project is no longer probable, the items will be moved out of CIP and expensed.
- g. The cost of inspection or repairs is expensed, even if it is associated with a major maintenance project. For example, if maintenance on a pool is being done and one of the items is repairs on the plumbing which costs \$20,000 it is an expense.
- h. The cost of long term maintenance projects such as roof replacement or modular structure renovation is capitalized.
- i. Branch start-up activities are costs incurred to evaluate or form a new branch and should be expensed as incurred. They relate to one-time costs associated with:
 - i. Forming a new legal entity
 - ii. Evaluating the viability of a new branch
 - iii. Introducing a new facility
 - iv. Introducing a new product or service
 - v. Conducting activities in a new territory
 - vi. Initiating a new process in an existing facility
- j. Current financial accounting standards (FASB/FAS) will determine if a lease is capitalized.
- k. The Accounting Office will ensure only qualified items are recorded as fixed assets.

4. Fixed Asset Purchase Request and Approval Process

- a. Fixed asset purchases must be requested and pre-approved by the appropriate authorized individual(s) as defined by the Capital Expenditure section of the Limits of Authority document.
- b. Refer to the current Limits of Authority for Capital Expenditures to determine the appropriate approvals required prior to purchase.
- c. Upon receipt of the invoice, submit to the Accounting Office with the approvals and coding.

5. Useful Life

- a. Useful life of a fixed asset is determined by utilizing the table below. Refer to the detailed fixed asset useful life table for more information.

Buildings	10 to 30 years
Modular Structures	5 to 15 years
Landscape	3 to 20 years
Signage (door/wall)	3 to 7 years
Monument signage	3 to 10 years
Furniture	3 to 10 years
Fixtures	3 to 10 years
Equipment	3 to 10 years
Hardware (computers)	3 to 5 years
Servers (computers)	3 to 5 years
Software	3 to 5 years
Vehicles	3 to 5 years
Leasehold improvements	3 to 10 years (based on lease terms)

- b. With input from operations, the accounting office will assign the appropriate useful life to be used based on the asset purchased within the ranges above.

6. Depreciation

- a. If an asset is not placed in service immediately, staff must notify the accounting office when the fixed assets will be placed in service so depreciation can start at the appropriate time.
- b. The month a fixed asset is placed in service the Accounting Office will process and record depreciation based on the date it is placed in service and the useful life assigned.
- c. The Accounting Office will investigate assets that have not been placed in service within 60 days of purchase or within 30 days of the anticipated in-service date.
- d. The straight line method of depreciation will be used.
- e. Land will not be depreciated.

7. Retirement (Sale/Disposal/Trade-In/Obsolete)

- a. The sale, disposal, trade-In or determination the fixed asset is obsolete will be communicated to the accounting office within a week of the transaction but no later than the last workday of the month to ensure timely reporting in the financial statements.
- b. Staff will forward all payments received for the sale of assets to accounting for processing.
- c. The accounting office will retire the asset, reverse the capitalized amount, reverse any accumulated depreciation and will record any gain/loss on disposal of asset.

8. Transfer

- a. The transfer of a fixed asset between branches, sites or programs will be communicated to the accounting office within a week of the transaction but no later than the last workday of the month to ensure timely reporting in the financial statements.
- b. The accounting office will transfer the asset's capitalized amount, accumulated depreciation and change the relevant general ledger accounts for future activity related to the asset such as capitalized asset amount, depreciation expense, accumulated depreciation and the gain/loss on disposal of asset.

9. Other

- a. Fixed asset activity documentation will be retained per the Document Retention and Destruction policy.
- b. The YMCA records the values of fixed assets in the following categories:
 - i. Land
 - ii. Building
 - III. Furniture, Fixtures and Equipment
 - iv. Vehicles
 - v. Leasehold Improvements
 - vi. Land Improvements
 - vii. Construction Progress
- c. Annually, long term assets will be reviewed for any indication that an asset may be impaired. If there is an indication that an asset may be impaired, then the asset's recoverable amount must be calculated, the loss will be an expense in the income statement and depreciation will be adjusted for future periods.

Current

YMCA OF ORANGE COUNTY
POLICY AND PROCEDURE MANUAL

Title:	FIXED ASSET CAPITALIZATION POLICY -	
	(X) Policy	() Procedure
File Number:	3.400	Revised Issue Date: November 7, 2015
Issuing Authority:	Executive Leadership Team	
Signed by:	COO and Accounting Manager	

1. Statement of Policy

Fixed Assets are a significant category of assets at the YMCA, and are comprised of tangible property, facilities and equipment that provide an economic benefit to the association for two or more years with a value of at least \$2,000. are capitalized at historical cost or fair market value for in-kind gifts and depreciated over the useful life using the straight line method. Prior to the purchase, all fixed asset purchases must be approved as defined by the Capital Expenditure section of the Limits of Authority. The retirement or transfer of a fixed asset will be communicated to the accounting office within a week of the transaction but no later than the last workday of the month to ensure timely reporting in the financial statements.

2. Purpose of Policy

The purpose of the Fixed Asset Policy is to identify which expenditures or in-kind gifts qualify as fixed assets and provide guidelines for the useful life, depreciation method, retirement and transfer of such assets.

3. Qualifying Expenditures For Fixed Asset Capitalization

- a. Individual acquisitions (expenditure or in-kind gift:) that has a useful life of two or more years can be capitalized with the following minimum cost/value:
 - i. Buildings - Permanent \$10,000 minimum
 - ii. Buildings - Modular \$5,000 minimum
 - iii. Land improvements - \$5,000 minimum (i.e. soccer field, parking lot)
 - iv. Leasehold improvements - \$2,000 minimum (i.e. plumbing, flooring, fencing)
 - v. Furniture & Fixtures - \$2,000 minimum
 - vi. Equipment - \$2,000 minimum (i.e. pool pump)
 - vii. Gym Equipment \$2,000 minimum
 - viii. Computer Equipment \$2,000 minimum
 - ix. Software Development costs \$5,000 minimumPurchases which fall below these minimums will be expensed.

- b. Documentation of the in-kind donation and support for the value of the gift received should be provided to accounting within a week and no later than

the cost of readying a fixed asset for its use should be included in the cost of the asset.

the last workday of the month to ensure timely reporting in the donor record and financial statements.

- c. Occasionally, a group of items that will be used together for a single purpose with a combined purchase of \$2,000 or more and a useful life of 3 or more years qualify as a fixed asset. Accounting will make the final determination of whether a group of items qualify.
 - I. New building or renovation of facilities
 - II. Landscaping - Hardscape and Softscape-Cement, planters, trees, shrubs, etc. (related to a new or renovated facility otherwise it falls under maintenance). Monument signage would fall into this category.
 - III. Furniture purchased as a unit, such as a conference table and chairs. Plastic furniture does not qualify.
 - IV. The cost of readying a fixed asset for its intended use can be included in the amount capitalized. This could be architect, engineer fees, software programming costs, etc.
- d. Acquisitions that materially extend the life of the asset can be capitalized. Repairs & maintenance expenditures or in-kind gifts for repairs and maintenance do not qualify and should be charged to an expense as incurred. For example, purchasing a new pool pump could be capitalized but repair of an existing pool pump is expensed.
 - Construction progress payments, equipment purchase costs, engineering costs, insurance costs, interest and other costs relating to construction in progress are capitalized when the construction is completed if project takes less than 6 months, or semi-annually for longer projects or are expensed at the time the YMCA determines that development of a particular project is no longer probable.
- f. The cost of inspection or repairs is expensed, even if it is associated with a major maintenance project. For example, if maintenance on a pool is being done and one of the items is repairs on the plumbing which costs \$20,000 it is an expense.
- g. The cost of long term maintenance projects such as roof replacement or modular structure renovation is capitalized.
- h. Branch start-up activities are internal or external costs incurred to evaluate or form a new branch and should be expensed as incurred. They related to one-time costs associated with:
 - I. Forming a new legal entity
 - ii. Evaluating the viability of a new branch
 - iii. Introducing a new facility
 - iv. Introducing a new product or service
 - v. Conducting activities in a new territory
 - vi. Initiating a new process in an existing facility
- i. Current financial accounting standards (FASB/FAS) will determine if a lease is capitalized.

- j. The Accounting Office will ensure only qualified items are recorded as fixed assets.

4. Fixed Asset Purchase Request and Approval Process

- a. Fixed asset purchases must be requested and pre-approved by the appropriate authorized individual(s) as defined by the Capital Expenditure section of the Limits of Authority document approved by the Board of Directors.
- b. Refer to the current Limits of Authority for capital Expenditures to determine the appropriate approvals required prior to purchase.
- c. Upon receipt of the invoice, submit to the Accounting Office with the approvals and coding.

5. Useful Life

- a. Useful life of a fixed asset is determined by utilizing the table below:

Buildings	10 to 30 years	<i>changed one</i>
Modular Structures	5 to 10 years	
Landscape	5 to 10 years	<i>changed one</i>
Signage (door/wall)	3 to 5 years	
Monument signage	5 to 10 years	<i>changed one</i>
Furniture	3 to 7 years	
Fixtures	3 to 7 years	<i>changed one</i>
Equipment	3 to 7 years	
Hardware (computers)	3 to 5 years	<i>changed one</i>
Servers (computers)	5 to 7 years	
Software	3 to 5 years	<i>changed one</i>
Vehicles	3 to 5 years	
Leasehold improvements	5 to 10 years (base on lease terms)	

- b. With input from operations, the accounting office will assign the appropriate useful life to be used based on the asset purchased within the ranges above.

6. Depreciation

- a. Staff must notify the accounting office when the fixed assets are placed in service.
- b. The month a fixed asset is placed in service the Accounting Office will process and record depreciation based on the date it is placed in service and the useful life assigned.
- c. The Accounting Office will investigate assets that have not been placed in service within 60 days of purchase or within 30 days of the anticipated in-service date.
- d. The straight line method of depreciation will be used.
- e. Land will not be depreciated.

7. Retirement (Sale/Disposal/Trade-in/Obsolete)

- a. The sale, disposal, trade-in or determination the fixed asset is obsolete will be communicated to the accounting office within a week of the transaction but

no later than the last workday of the month to ensure timely reporting in the financial statements.

- b. The accounting office will retire the asset, reverse the capitalized amount, reverse any accumulated depreciation and will record any gain/loss on disposal of asset.

8. Transfer

- a. The transfer of a fixed asset between branches, sites or programs will be communicated to the accounting office within a week of the transaction but no later than the last workday of the month to ensure timely reporting in the financial statements.
- b. The accounting office will transfer the asset's capitalized amount, accumulated depreciation and change the relevant general ledger accounts for future activity related to the asset such as capitalized asset amount, depreciation expense, accumulated depreciation and the gain/loss on disposal of asset.

9. other

- a. Fixed asset activity documentation will be retained per the Document Retention and Destruction policy.
- b. The YMCA records the values of fixed assets in the following categories:
 - i. Land
 - ii. Building
 - iii. Furniture, Fixtures and Equipment
 - iv. Software
 - v. Vehicles
 - vi. Leasehold improvements
 - vii. Land improvements
 - viii. Construction in Progress
- c. Annually, long term assets will be reviewed for any indication that an asset may be impaired. If there is an indication that an asset may be impaired, then the asset's recoverable amount must be calculated, the loss will be an expense in the income statement and depreciation will be adjusted for future periods.



2019 Capital Expenditures Request

	Requester	PCS Code	Branch	Asset Description	Asset New/Replace	Cost (incl tax, freight, installation)	Placed in service	Useful Life	Status	Comment
1	Dolores Dal	20017 Tipper, LLC	Assoc. Offices	ADA Upgrades	Replace	\$ 100,000	1/1/2019	10	Approved	
2	Dolores Dal	20017 nooer, LLC	Assoc. Offices	Bathroom Renovations	Reolace	\$ 75,000	4/1/2019	10	Approved	
3	Dolores Dal	20017 no....., LLC	Assoc. Offices	Celling Tile Replacement Upstairs Main Work Area	Replace	\$ 35,000	4/1/2019	10	Approved	
4	K.Trump	80922 Property Management	Assoc. Offices	Replace Mini Bus with Utility Truck	Replace	\$ 35,000	2/1/2019	3	Approved	
5	F. Ferra	40121 Benson - SA - CC	Childcare	AC	Replace	\$ 1000	6/1/2019	10	Approved	
6	F. Ferra	40121 Benson - SA - CC	Childcare	Ramp	Reolace	\$ 12,000	6/1/2019	10	Approved	
7	F. Ferra	4023 Lorna Visa - SA - CC	Childcare	Ramp	Replace	\$ 12000	7/1/2019	10	Approved	
8	Tricia Quinn	40131 Eader	Childcare	Floors	Replace	\$ 23,000	7/1/2019	7	Approved	CC Project Site
9	Tricia Quinn	40132 Hawes	Childcare	Floors	Replace	\$ 23,000	7/1/2019	7	Approved	CC Project Site
10	Tricia Quinn	40134 Moffett	Childcare	Floors	Replace	\$ 35,000	7/1/2019	7	Approved	CC Project Site
11	Tricia Quinn	40209 Oak Grove	Childcare	Floors	Reolace	\$ 23,000	7/1/2019	7	Approved	CC Project Site
12	Tricia Quinn	40222 Bathgate	Childcare	Floors	Reolace	\$ 11500	7/1/2019	7	Approved	CC Project Site
13	Tricia Quinn	40224 Castille	Childcare	Floors	Replace	\$ 11500	7/1/2019	7	Approved	CC Project Site
14	Tricia Quinn	40245 obo	Childcare	Floors	Replace	\$ 23,000	7/1/2019	7	Approved	CC Project Site
15	F. Ferra	40132 Hawes	Childcare	Ramp	Replace	\$ 12,000	7/1/2019	10	Approved	
16	F. Ferra	40134 Moff	Childcare	Ramp	Replace	\$ 12000	6/1/2019	10	Approved	
17	F. Ferra	40153 Mariners	Childcare	AC	Replace	\$ 1000	5/1/2019	10	Approved	
18	K. Martin	40201 Bergeson	Childcare	AC	Replace	\$ 1000	6/1/2019	10	Approved	
19	K. Martin	40208 Moulton	Childcare	Ramp	Replace	\$ 12,000	6/1/2019	10	Approved	
20	K. Martin	40209 Oak Grove	Childcare	AC	Replace	\$ 10,000	3/1/2019	10	Approved	
21	K. Martin	40209 Oak Grove	Childcare	Ramp	Replace	\$ 12,000	6/1/2019	10	Approved	
22	Hooe Manuel	40222 Bathgate	Childcare	AC	Reolace	\$ 10,000	6/1/2019	10	Approved	
23	Hooe Manuel	40226 Philip Reilly	Childcare	AC	Replace	\$ 1000	8/1/2019	10	Approved	
24	K. Martin	40240 Ambuehl	Childcare	AC	Replace	\$ 10,000	6/1/2019	10	Approved	
25	K. Martin	40243 Del Obispo	Childcare	AC	Replace	\$ 10,000	3/1/2019	10	Approved	
26	K. Martin	40245 Lobo	Childcare	Ramp	Replace	\$ 12000	6/1/2019	10	Approved	
27	E. Trice	40260 YMCA Early Learning Center SC	Childcare	Window Coverings	New	\$ 7,000	2/1/2019	10	Approved	
28	E. Trice	40260 YMCA Early Learning Center SC	Childcare	HVAC	Replace	\$ 1000	5/1/2019	10	Approved	
29	C. McKenna	80500 Admin - Facility	Fullerton	Two AC Units	Replace	\$ 23,000	1/1/2019	10	Approved	
30	C. McKenna	80500 Admin - Facility	Fullerton	Gym ceiling / sound system	Replace	\$ 6,000	1/1/2019	5	Approved	
31	C. McKenna	80500 Admin - Facility	Fullerton	Functional fitness	Reolace	\$ 8000	1/1/2019	5	Approved	
32	K. Trump	80500 Admin - Facility	Huntington Beach	Old Kid Zone - New floor; remove desk	Reinstall	\$ 35,000	1/1/2019	5	Approved	
33	Jen Todd	80500 Admin - Facility	Huntington Beach	LK Press	Replace	\$ 6,000	1/1/2019	5	Approved	



2019 Capital Expenditures Request

	Requester	PCSCode	Branch	Asset Description	Asset New/Replace	Cost (incl tax, freight, installation)	Placed in service	Useful Life	StaM	Comment
34	Jennifer Heinen	80500 Admin- Facility	Laguna Niguel	Gymnasium Doors	ReDlance	\$ 10,000	1/1/2019	5	ADDrived	
35	Jennifer Heinen	80500 Admin- Facility	Laguna Niguel	Lobby Furniture	ReDlance	\$ 5,000	6/1/2019	3	Approved	
36	K.Trump	80500 Admin- Facility	Maple Hill	Pool Equipment	Replace	\$ 35,000	4/1/2019	10	Denied	Keep lease until assessed sit.
37	K.Trump	80500 Admin- Facility	Maple Hill	HVAC	Replace	\$ 30,000	5/1/2019	10	Denied	Hold dotf, will budget \$8k repoin
38	K.Trump	80500 Admin- Facility	Maple Hill	Room Renovations	Replace	\$ 75,000	5/1/2019	20	Denied	Hold until assess site
39	Jennifer Heinen	80500 Admin- Facility	Mission Viejo	Cycle (Le:ised)	Replace	\$ 45,000	1/1/2019	5	Approved	
40	Jennifer Heinen	80500 Admin- Facility	Mission Viejo	Weight Room Strength	Replace	\$ 25,000	3/1/2019	5	Approved	Medium priority
41	Jennifer Heinen	80500 Admin- Facility	Mission Viejo	Family Restroom	Replace	\$ 15,000	5/1/2019	10	Approved	
42	Jennifer Heinen	80500 Admin- Facility	Mission Viejo	AC Unit	Replace	\$ 10,000	6/1/2019	10	Approved	City of Vista, food nt ropt- 20U
43	K.Trump	80500 Admin- Facility	Newport Mesa	Parking lot	Replace	\$ 175,000	1/1/2019	10	Approved	
44	K.Trump	80500 Admin- Facility	Newport Mesa	Plumbing	Replace	\$ 10,000	6/1/2019	10	Approved	
45	K.Trump	80500 Admin- Facility	Newport Mesa	Pool Heater	Replace	\$ 15,000	6/1/2019	10	Approved	
46	K.Trump	80500 Admin- Facility	Newport Mesa	Pool filter	Replace	\$ 12,000	6/1/2019	10	Approved	
47	P.Tittle	80500 Admin- Facility	Newport Mesa	Ball Court Resurface	Replace	\$ 8,000	8/1/2019	5	Denied	
48	P.Tittle	80500 Admin- Facility	Newport Mesa	Pool Deck/Pump room	Replace	\$ 160,000	10/1/2019	10	Denied	Hold, can go another year
49	P.Tittle	80500 Admin- Facility	Newport Mesa	Pools Plaster	Replace	\$ 120,000	10/1/2019	7	Denied	Hold, can go another year
50	K.Trump	80500 Admin- Facility	Santa Ana	Splash Pool Replacements	Replace	\$ 5,000	3/1/2019	5	Approved	
51	P.Tittle	80500 Admin- Facility	Santa Ana	Pool Heater	Replace	\$ 15,000	5/1/2019	10	Approved	
52	P.Tittle	80500 Admin- Facility	Santa Ana	Pool Pump	Replace	\$ 5,000	6/1/2019	10	Approved	
53	C.McKenna	35106 NH Weekend	YCS	Bus	New	\$ 80,000	1/1/2019	5	Approved	Sell a van, medium priority

2019 Total Requested \$ 1,518,000

2019 Approved \$ 1,090,000

2019 Denied \$ 428,000

Finance Committee
Chart of Work - 2018

CHART OF WORK (2018)

Each meeting will cover an overview of financial statements

January	Minimize financial risk through a review adequacy of insurance coverages
February	Develop of processes for connection points with other committees (Audit & Site Evaluation)
March	Develop processes for connection points with other committees (HR/Legal & Executive Compensation)
April	Thorough review of financial statements, analyzing profitability of business units/branches, large expenditures, budget overages/under ages and causes
May	Minimize financial risk by ensuring that financial policies and procedures to safeguard Organization's assets are documented, and updated as necessary. Monitoring adherence financial policies and procedures (long-term contracts or leases, loans or lines of credit, capital purchases, etc.)
June	Review analysis developed by management regarding maximizing the organization revenue (i.e., school districts, private, middle school, new horizons)
July	Minimizing expenses/vendor management – Understand processes to minimize expenses & vendor management; review top 10-15 largest expense items; understand quantification of savings
August	No regular meeting, can add as needed
September	Minimize financial risk through a review of insurance coverage with a presentation by Insurance Broker to review coverages and to discuss renewal options and risks. Discuss limits of authority as it pertains to multiyear approvals such as lease agreements.
October	Thorough review of financial statements to include detail review of expenses including a presentation by the purchasing/contracts administrator regarding minimizing expenses. Revenue analysis and overview of trends and future potential.
November	Review and approve annual operating budget developed by management; Ensure budget aligns with organizational goals and has strategies to achieve Review and approve Tipper budget

December	Review discuss and approve the 2019 chart of work and determine metrics to report to the BOD bases on the strategic plan.
As Needed Meetings	<p>Approve large expenditures that require Finance Committee approval including long-term leases/contracts, loans, capital expenditures.</p> <p>Connection to other committees:</p> <p>Connection with Site Review Committee re: approve recommendations as to new sites or discontinuance of sites</p> <p>Joint meeting with one or more other committees to review any large risks/liabilities identified by Legal/HR/IT/Audit</p> <p>Review significant control deficiencies/audit findings identified by Audit Committee</p> <p>Review and approve significant funding through PDF or CARES committees</p>

Finance Committee
Chart of Work - 2019

CHART OF WORK (2019)

Each meeting will cover an overview of financial statements

January	Year-end review of detailed financials
February	HR and Legal Committee Joint Meeting to review and update guidelines on intersection points
March	Review and discuss a multiyear budget developed by management; ensure budget aligns with strategic plan.
April	Thorough review of financial statements to include detail review of the top 10-15 largest expenses including a presentation by the purchasing/contracts administrator regarding minimizing expenses
May	Strategic Plan Benchmark status update. Audit Committee joint meeting to review update guidelines on intersection points.
June	Facilities & Capital Committee Joint Meeting to review and update guidelines on intersection points
July	Minimizing expenses/vendor management – Understand processes to minimize expenses & vendor management Cares and PDF joint meeting to review and update guidelines on intersection points
August	No regular meeting, can add as needed FC Chair, CEO and CFO to discuss FC Chair succession plan
September	Minimize financial risk through a review of insurance coverage with a presentation by Insurance Broker to review coverages and to discuss renewal options and risks. Revenue analysis and overview of trends and opportunities
October	Strategic Plan Benchmark status update. Executive compensation and Investment committees joint meeting to review update guidelines on intersection points
November	Review and approve annual operating budget developed by management; Ensure budget aligns with organizational goals and has strategies to achieve Review and approve Tipper budget
December	Review discuss and approve the 2020 chart of work and metrics to report to the BOD based on the strategic plan.
As Needed Meetings	Approve large expenditures that require Finance Committee approval including long-term leases/contracts, loans, capital expenditures

	<p>Connection to other committees:</p> <p>Connection with Site Review Committee re: approve recommendations as to new sites or discontinuance of sites</p> <p>Joint meeting with one or more other committees to review any large risks/liabilities identified by Legal/HR/IT/Audit</p> <p>Review significant control deficiencies/audit findings identified by Audit Committee</p> <p>Review and approve significant funding through PDF or CARES committees</p>
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YMCA Of Orange County
Summary Of Insurance

Type of Insurance	Carrier AM Best Rating Effective Dates Policy Number	Nature of Coverage	Current Coverage	Premium Payment Plan
General Liability	Philadelphia Indemnity Insurance Company A++ XV, Admitted 03/01/2018 -01/01/2019 PHPK1784890	Third Party Liability coverage for Bodily Injury and Property Damage. Coverage includes Employee Benefit Liability and Abuse and Molestation.	\$2,000,000 Aggregate \$2,000,000 Products Completed Aggregate \$1,000,000 Personal Advertising Injury \$1,000,000 Per Occurrence \$1,000,000 Damage to Rented Premises \$20,000 Medical Payments	<u>Philadelphia Package</u> \$114,662.40 Direct Bill 25% Deposit 9 Monthly Installments
Property	Philadelphia Indemnity Insurance Company A++ XV, Admitted 03/01/2018 -01/01/2019 PHPK1784890	Special Form equivalent coverage for damage to Business Personal Property. Replacement Cost Valuation. Business Income/Extra Expense. Earthquake Sprinkler Leakage. Equipment Breakdown.	\$28,322,212 Building Coverage \$4,176,000 Business Personal Property \$31,872,109 Business Income/Extra Expense Full Policy Limits Earthquake Sprinkler Leakage \$10,000 Property Deductible \$1,000 Equipment Breakdown Deductible 2% Earthquake Sprinkler Leakage Deductible 24 Hour Wait Period on Business Income	<u>Philadelphia Package</u> <i>Included</i>
Business Auto	Philadelphia Indemnity Insurance Company A++ XV, Admitted 03/01/2018 -01/01/2019 PHPK1784890	Coverage for Bodily Injury and Property Damage to 3rd Parties arising out of Owned, Hired and Non-Owned Autos. Physical Damage for Scheduled Vehicles.	\$1,000,000 Liability \$1,000 Comprehensive Deductible \$1,000 Collision Deductible	<u>Philadelphia Package</u> <i>included</i>
Professional Liability	Philadelphia Indemnity Insurance Company A++ XV, Admitted 03/01/2018 -01/01/2019 PHPK1784890	Third Party Liability coverage for a loss arising from any covered error, omission or negligent act committed in giving professional advise, services or products sold.	\$1,000,000 Each Professional Incidental Limit \$2,000,000 Aggregate Limit (Includes coverage for the Chaplain)	<u>Philadelphia Package</u> <i>included</i>

This summary is for information purposes only. All coverages are subject to the respective policy terms, conditions, limitations, and exclusions.



YMCA Of Orange County
Summary Of Insurance

Type of Insurance	Carrier AM Best Rating Effective Dates Policy Number	Nature of Coverage	Current Coverage	Premium Payment Plan
Crime	<u>Philadelphia Indemnity Insurance Company</u> A++ XV, Admitted 03/01/2018 -01/01/2019 PHPK1784890	Coverage for Employee Theft of assets, Forgery or Alteration of financial instruments, Money Orders and Counterfeit Currency, and Identity Recovery Expense Reimbursement.	\$500,000 Employee Dishonesty / \$5,000 Deductible \$250,000 Forgery or Altercation/ \$2,500 Deductible \$5,000 Money Order/Counterfeit Currency/ \$1,000 Deductible \$250,000 Computer Fraud	<u>Philadelphia Package</u> <i>Included</i>
Umbrella Liability	<u>Philadelphia Indemnity Insurance Company</u> A++ XV, Admitted 03/01/2018 -01/01/2019 PHUB619703	Additional Limits of Insurance over the General Liability, Business Auto, Employee Benefits and Worker's Compensation	\$15,000,000 Limit \$10,000,000 Sublimit for Abuse and Molestation \$10,000 Self Insured Retention	\$39,985.00 Direct Bill 25% Deposit 9 Monthly Installment
<u>Executive Protection</u> Directors & Officers Liability Employment Practices Liability	<u>Hiscock Insurance Company</u> A XI, Admitted 03/01/2018 -01/01/2019 UDA1149181.18	<u>Directors & Officers</u> : Personal Asset protection for the Board Members for suits alleging the breach of fiduciary responsibility of the companies assets and continuity. <u>Employment Practices</u> : Protects the company from suits brought by employees for alleged employment law violations.	\$10,000,000 Directors & Officers (D&O) \$50,000 D&O Deductible \$10,000,000 Employment Practices (EP) \$100,000 EP Deductible	\$71,228.00 Agency Bill Full Annual Pay
Workers Compensation	<u>Quality Comp</u> Self Insured Group Excess Insurance: NY Marine & General Insurance Co A XI, Admitted 01/01/2018 -01/01/2019 QUACO1	Covers the compulsory Statutory Coverage mandated by law for Employee work related injuries. Also, covers Employers Liability.	\$1,000,000 Liability	\$482,416.00 Direct Bill 10 Equal Installments

This summary is for information purposes only. All coverages are subject to the respective policy terms, conditions, limitations, and exclusions.



YMCA Of Orange County
Summary Of Insurance

Type of Insurance	Carrier AM Best Rating Effective Dates Policy Number	Nature of Coverage	Current Coverage	Premium Payment Plan
Cyber Liability	<u>Philadelphia Indemnity</u> Insurance Company A++ XV, Admitted 03/01/2018 -01/01/2019 PHSD1325955	Liability for a data breach involving sensitive customer information.	\$4,000,000 Limit - \$10,000 Deductible	\$10,342.00 Direct Bill 25% Deposit 9 Monthly Installments
Volunteer/Accident Policy	<u>Philadelphia Indemnity</u> Insurance Company A++ XV, Admitted 03/01/2018 -01/01/2019 PHPA015372	Volunteer , 1099 Employee, and Coaches accidental medical coverage, Accidental death or dismemberment is a policy that pays benefits to the beneficiary if the cause of death an accident.	Accident Medical Expense Benefits: \$25,000 Accident Death Benefit: \$15,000 Accidental Dismemberment Benefit: \$50,000	\$18,774.00 Direct Bill 25% Deposit 9 Monthly Installments
Difference in Condition (Earthquake & Flood)	<u>Mt. Hawley Insurance</u> Company A+ XI, Non Admitted 03/01/2018 - 01/01/2019 MCD0201693	Perils of Earthquake & Flood	\$5,000,000 for a loss due to single occurrence or event	\$22,640.02 Agency Bill Full Annual Pay

Bolton & Company Client Service Team

Broker

Jeannie DeLaura, Senior Vice President
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Client Service Representative

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YMCA of Orange County
PREMIUM ESTIMATES 2019

Coverage Description	2018 to 2019 Premium	2018-2019 Pro-Rated Premium for 1/1/2019 Expiration	2019 -2020 Premium Estimates
Commercial Package			
Property Premium	\$49,053.00	\$41,114.00	10% Increase
Building Coverage	\$28,322,212	\$28,322,212	
Building Personal Property	\$4,176,000	\$4,176,000	
Business Income including Extra Expense	\$31,872,109	\$31,872,109	
Inland Marine (EDP and Contractors Equipment)	\$2,448.00	\$2,051.00	5% Increase
General Liability (incl. Employee Benefits, Abuse/Molestation)	\$58,812.00	\$59,298.00	5% Increase
Professional Liability	\$6,474.00	\$6,279.00	5% Increase
Business Automobile	\$18,993.40	\$15,920.40	15% Increase
Vehicle Count at Inception	15	15	16
Excess Liability	\$47,715.00	\$39,985.00	10% Increase
Difference in Conditions (Earthquake)	\$26,986.80	\$22,640.02	5% Increase
Management Liability**			15% Increase
(Directors & Officers Liability & Employment Practices Liability)	\$28,708.00	\$24,065.00	
Policy Fee	\$56,250.00	\$47,163.00	
Volunteers Accident Policy	\$22,350.00	\$18,774.00	5% Increase
Cyber Liability	\$12,342.00	\$10,342.00	7% Increase
Annual Aggregate Limit	\$4,000,000	\$4,000,000	
Workers Compensation	\$482,416.00	\$482,416.00	10% Increase
Bolton Broker Fee	\$36,951.05	\$36,951.05*	\$50,000 Less Commissions
Total Program Cost	\$849,499.25	\$796,998.47	Pending

*Bolton & Co received \$13,048.95 in Commissions directly from the carriers.

This summary provides general guidelines of factors which influence rate changes and/or premium calculations. Carriers may take other factors into consideration and estimates are based on current knowledge of claims and current general rate tendencies in the marketplace.

PREMIUM ESTIMATES 2019

Coverage Description	Factors which Influence Rating
Property <i>Building Coverage</i> <i>Building Personal Property</i> <i>Business Income including Extra Expense</i>	<ul style="list-style-type: none"> • Additional Exposure (<i>adding new locations, increasing coverage for buildings, BPP, or Business Income</i>) • Claims History • Values • Some Locations are in Brush Are, with recent fires this may be considered higher risk
Inland Marine (EDP and Contractors Equipment)	<ul style="list-style-type: none"> • Increased/ Additional Exposure • Values
General Liability (incl. Employee Benefits, Abuse/Molestation)	<ul style="list-style-type: none"> • Increased/ Additional Exposure • Square Footage of Locations • Number of Students • Claims History
Professional Liability	<ul style="list-style-type: none"> • Employee Count • Number of Employees with Professional Designation
Business Automobile <i>Vehicle Count at Inception</i>	<ul style="list-style-type: none"> • Vehicle Count • Loss History • CA Auto Rates have increased
Excess Liability	<ul style="list-style-type: none"> • Exposure of underlying coverage (<i>General Liability, Employee Benefits, Abuse/Molestation, Auto Liability</i>)
Difference in Conditions (Earthquake)	<ul style="list-style-type: none"> • Values • Current Soft market – this may change with increase in catastrophic losses
Management Liability** (Directors & Officers Liability & Employment Practices Liability) Policy Fee	<ul style="list-style-type: none"> • Number of Directors • Employee Count • Loss History
Volunteers Accident Policy	<ul style="list-style-type: none"> • Number of Volunteers
Cyber Liability <i>Annual Aggregate Limit</i>	<ul style="list-style-type: none"> • Number of Records • Annual Revenue • Loss History

Workers Compensation	<ul style="list-style-type: none"> • Class Code <i>Change in 8868 Class Code with the State</i> • Payroll • Employee Count • Loss History
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This summary provides general guidelines of factors which influence rate changes and/or premium calculations. Carriers may take other factors into consideration and estimates are based on current knowledge of claims and current general rate tendencies in the marketplace.