



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Finance Committee MINUTES

July 16, 2019

FINANCE COMMITTEE

Minutes July 16, 2019

Attendees: Sean Peasley, Ryan Fessler, Juliette Meunier, Minh Hoang, Alicia Chacon-bidwell, Dolores Daly, Jeff McBride, Joyce Kirchhofer, Brian Constable (via Phone)

Guest: John Rochford, Chair for PDF Committee (via Phone 3:45pm-4:28pm)

Absent: Crystal Immerman

Sean called meeting to order at 3:42pm

Review/Approve Meeting Minutes - Sean Peasley

- May 22, 2019
 - Sean asked if everyone has had the opportunity to review the minutes and asked if there were any questions
 - Small typo on page 2, 1st bullet....high performance at *all of our* YMCA....
 - This has been corrected and uploaded to the BOD portal
 - Juliette Meunier motioned to approve the minutes
 - Ryan Fessler seconded the motion to approve
 - All in favor; no nays or abstentions

Huntington Beach Update – Joyce Kirchhofer

- Joyce stated current lease expires March 2020. It doesn't have all the amenities the other gyms have, branch losing about \$480k annually but it's our second largest number of members. We reached out to the landlord. They want to keep us and offered an 18 month extension, starting after the current lease expires. Between taking back some space and a large rent rate reduction (\$1.60 to \$0.95 for a year then \$1.25 for 6 months to cover the 18 month extension), rent will be reduced 40%. This will allow us to try new things to make a go of it. It is not only a financial decision but a mission, impact and community image one as well. Need to let landlord know by 9/2020 if we will extend 2 years after that.

Cares/PDF intersection points

- Joyce opened comments to intersection points. Dolores mentioned that Y-OC wants to create sense of urgency with the funds available for Cares/PDF. We want the requests to start outpacing dollars, Jeff says. Dolores says the word regarding PDF is getting out and anticipates more requests coming afoot.
- Joyce reported on financials for Cares/PDF as to budget, usage and remaining funds. Revisions will be made on Cares/PDF funding tracking. Sarah reports out

balances remaining and what has been spent based on a scorecard to Cares/PDF committee.

- Juliette brought up risk and controls to make sure funds go to support the mission of YMCA, and that the funds approved for programs do not damage the brand.
- Sean noted that we are fulfilling our annual intersection points in this committee meeting.
 - Follow up items: Make scorecard available on portal. Joyce will have the intersection points document updated to reflect the process of determining the annual amount and will post a scorecard/report on the BOD portal.
 - John mentioned bylaws should govern the other documents. For all intersection points documents, an item will be added stating that if it is in conflict with our bylaws then our bylaws will govern.
 - CARES and Audit intersection points discussion will need to be added to an upcoming FC meeting.

YMCA OC Financial Highlights - Joyce Kirchhofer

- Dolores is working with child care operations on revenue and wages. Revenue is off 1.7%. Joyce mentioned closely monitoring ratios down to every 15 minutes, June was \$38k better than budget. Focus is on fall enrollment for child care; that impacts us through the school year.
- Joyce brought up sale of Coulter Pines and how we were able to use some of the funds to send homeless kids to camp this summer.
- Juliette brought up concerns with struggling branches and recurring deficits.
 - Leadership reiterated that all owned facilities and Huntington Beach will be reviewed by GRO. At that time it will be a much bigger and more comprehensive conversation. GRO report should be ready in 3-4 months.
- Laguna Niguel construction should see a huge uptick after March 2020 when construction ends.
- Cares/PDF – Joyce discussed the presentation change to see what was budgeted to be allocated out and what has been used.
- Leadership discussed that when GRO concludes in a few months, a lot of big decisions will be on the table.
- Ryan asked about cash needed on hand since we have \$5M. Brought up cash flow needs for the organization, Joyce will be working on a method that speaks to needs and availability to move to investments.

Meeting Adjourned – at 5:08pm



FOR YOUTH DEVELOPMENT
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FOR SOCIAL RESPONSIBILITY

Finance Committee Meeting

July 16, 2019

FINANCE COMMITTEE MEETING AGENDA
July 16 @ 3:30pm
YMCA – Tustin Office – Front Conference Room

Please call Brian Constable at: 714.603.8513

- | | |
|-------------------------------------------------------------------------------------------------------------------------|------------------|
| 1. Review/Approve Meeting Minutes <ul style="list-style-type: none">• May 22, 2019 | Sean Peasley |
| 2. Huntington Beach Branch Update | Joyce Kirchhofer |
| 3. Financials <ul style="list-style-type: none">• YMCA• Investment Summary• Tipper, LLC | Joyce Kirchhofer |
| 4. Intersection Points <ul style="list-style-type: none">• CARES/Finance• PDF/Finance | Joyce Kirchhofer |

Next Meeting: August 16, 2019



FOR YOUTH DEVELOPMENT
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FOR SOCIAL RESPONSIBILITY

Finance Committee MINUTES

May 22, 2019

FINANCE COMMITTEE

Minutes May 22, 2019

Attendees: Sean Peasley, Ryan Fessler, Juliette Meunier (via phone), Alicia Chacon-bidwell, Dolores Daly, Jeff McBride, Joyce Kirchhofer, Crystal Immerman

Absent: Minh Hoang, Brian Constable

Sean called meeting to order at 11:37am

1. Review/Approve Meeting Minutes - Sean Peasley
 - April 17, 2019
 - Sean asked if everyone has had the opportunity to review the minutes and asked if there were any questions
 - Ryan suggested going forward to include those members who are absent in addition to present attendees
 - Juliette Meunier motioned to approve the minutes as presented
 - Ryan Fessler seconds the motion
 - All in favor; no nays or abstentions
2. 2018 Originally Reported Net Outcome vs. Audited Net Outcome -Joyce Kirchhofer
 - Audit reports on both 1) With donor restrictions and 2) Without donor restrictions
 - Reports to Committee and Board is Without donor restrictions
 - The large items posted subsequent to the initial December financials were covered and explained why they came later.
3. Deep Dive Financial - Joyce Kirchhofer and Dolores Daly
 - Joyce and Dolores presented a Deep Dive Financial PowerPoint presentation (Presentation is available upon request)
 - Presentation covered Key Target Areas and narrative/explanations were given for relevant variances in regards to:
 - Revenue to Budget
 - Revenue to Prior Year
 - Operating Margin to Budget
 - Sean, why is the Actual Operating Margin for Fullerton and Laguna Niguel similar at 35% but one is on target and the other is off target?
 - Dolores explained that the margin changes based on programs that are offered, facilities, etc. See the last

page of the presentation "metrics by branch square footage"

- Dolores stated that we are currently working with GRO which is a company that will be looking at all of our assets across the board and will provide recommendations on the best options for utilizing those assets for sustainability and high performance at all or YMCA OC locations. Management is finalizing the plan with GRO this week and it will take approximately 4 months to get the information analyzed and returned with recommendations

- Operating Margin to prior year
- Branch Contributions
- Program Operating Margins to prior year
- Program Contributions

4. Expenses – Joyce Kirchhofer

- Joyce referred to the handout in the packet of the top expenses for twelve months ending 12/31/2018 and pointed out a few top items that the YMCA of OC's purchasing manager has been working on:
 - Amazon Business Prime Account savings of \$23,000
 - Cell Phone Costs; we reduced the monthly allotment
 - Utilities; lighting upgrades (LED)
 - While looking at reference check costs, Miguel asked about drug screening. We may save an additional \$37,000 if we can make this change, it is being run by our labor attorney.

5. Huntington Beach Branch Update - Joyce Kirchhofer

- Management is meeting with landlord (today). We will leave this item on the agenda for follow up at our next meeting

6. Other Business

- Finance Committee Meetings will be the 3rd Friday of each month beginning in June (next meeting is June 21st @ noon)

Meeting Adjourned – at 12:52pm

YMCA of Orange County
Financial Highlights – Year to Date
June 2019

| | |
|--------------------|-----------------|
| Assets | \$ 38.9M |
| Liabilities | \$ 10.2M |
| Net Assets | \$ 28.7M |

| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
|----------------------------------------|---------------------------|---------------------------|---------------------------|
| Operating Revenue | \$22,204,799 | \$22,578,985 | \$-374,186 |
| Operating Expenses | 19,198,085 | 19,679,592 | 481,507 |
| Operating Net | 3,006,714 | 2,899,393 | 107,321 |
| | | | |
| Scholarships Awarded | -498,533 | -514,316 | 15,783 |
| Investment Income - Net of Fees | 1,109,045 | 104,036 | 1,005,009 |
| Depreciation | -710,855 | -723,303 | 12,448 |
| Investment in Subsidiary-Tipper | -105,160 | -101,204 | -3,956 |
| Interest Expense | -30,779 | -39,445 | 8,666 |
| Gain/(Loss) Sale of Assets | -5,683 | 0 | -5,683 |
| CARES/PDF 2019 Pool Budgeted | 0 | -78,000 | 78,000 |
| Net Outcome | <u>\$2,764,749</u> | <u>\$1,547,161</u> | <u>\$1,217,588</u> |

Balance Sheet Summary - Statement of Financial Position report

Assets increased \$3M (+8%) over prior year, primarily from the \$1.6M cash asset transfer from the Orange YMCA and \$1.1M change in investment value over prior year. \$1.47M remains as restricted cash for use in the Orange service area and appears in the liability section of the Balance Sheet.

Profit & Loss Summary

Year to date has produced an Operating Net of \$3M (14% vs 13% budgeted) and a Net Outcome Surplus of \$2.8M (12% vs. 7% budgeted). \$1M of the \$1.2M favorable variance is due to the investments, primarily the unbudgeted investment valuation. Another \$200k was budgeted but may be spent later. After these items we are right on target.

Challenges in Operations: 1) Child care development summer fees under budget due to low headcounts, a focus on fall enrollment has begun; wages have been an issue but with the new monitoring \$38k was saved in June 2) The city's construction continues to impact Laguna Niguel's membership but the city pool has partially re-opened, in June we see a small improvement. 3) Sports program results are down across the association. Changes have been made but we are mid-season and we won't see increased headcounts until later.

Successes in Operations: 1) Santa Ana, Orange, Huntington Beach, Newport Mesa, New Horizons, Mission Viejo, and Pomona Valley, all exceeded their budgeted and Prior Year Operating Net outcome. 2) Addition at beginning of the year of Renew Active and AARP for 3rd party memberships for seniors is resulting in \$82k higher YTD revenue than budgeted. 3) Across the Association, salary and wages our largest expenses is being better managed showing a YTD favorable variance of \$32k. 4) Most branches have reached Annual Campaign goals.

YMCA of Orange County
Statement of Financial Position-Consolidated
6/30/2019

| | <u>6/30/2019</u> | <u>12/31/2018</u> |
|-------------------------------------------|-------------------|-------------------|
| | ASSETS | |
| <i>Current Assets</i> | | |
| Cash and cash equivalents | 5,380,677 | 3,346,003 |
| Investments | 11,583,512 | 10,483,166 |
| Accounts Receivable - Net Allowance | 1,061,809 | 787,924 |
| Annual Pledges Receivable - Net Allowance | 45,835 | 26,642 |
| Deposits and Prepaid Rent | 102,114 | 37,930 |
| Prepaid Insurance | 71,507 | 9,865 |
| Other Prepaid Expenses | 285,298 | 429,459 |
| Total Current Assets | 18,530,752 | 15,120,989 |
| <i>Other Assets</i> | | |
| Property, Plant and Equipment, Net | 20,419,764 | 20,831,332 |
| Total Other Assets | 20,419,764 | 20,831,332 |
| Total Assets | 38,950,516 | 35,952,321 |

LIABILITIES AND NET ASSETS

| | | |
|-----------------------------------------------------|-------------------|-------------------|
| <i>Current Liabilities</i> | | |
| Accounts Payable | 696,819 | 1,602,210 |
| Liability Under Trust Agmt | 4,805 | 5,255 |
| Accrued Payroll and Employee Benefits | 2,101,878 | 2,139,582 |
| Program Fees Received In Advance - Other | 2,987,481 | 1,228,300 |
| Total Current Liabilities | 5,790,983 | 4,975,347 |
| <i>Long-term Liabilities</i> | | |
| Self-Insurance Liability and Other Reserves | 29,187 | 175,000 |
| Notes Payable | 4,418,026 | 4,526,431 |
| Total Long-Term Liabilities | 4,447,213 | 4,701,431 |
| Total Liabilities | 10,238,196 | 9,676,778 |
| <i>Net Assets</i> | | |
| Current Operations - YMCA excl. Tipper, LLC | 2,869,909 | 2,953,850 |
| Current Operations - Tipper, LLC | (105,160) | (167,294) |
| Current Operations (Restricted,Capital & Endowment) | (327,972) | (622,027) |
| Unrestricted/Temporarily/Permanently Restricted | 26,275,543 | 24,111,014 |
| Total Net Assets | 28,712,320 | 26,275,543 |
| Total Liabilities And Net Assets | 38,950,516 | 35,952,321 |

YMCA of Orange County

Statement of Activities By Branch Operating Net
For the Six Months Ending
6/30/2019

| | Current Year YTD | | | | Prior Year YTD Comparison | | |
|------------------------------------|-------------------|-------------------|------------------|---------------|---------------------------|--------------------------|---------------|
| | Actual | Budget | Variance | % Variance | Prior YTD | Curr YTD vs Prior YTD | % Variance |
| Operating Revenue By Branch | | | | | | | |
| Fullerton Family | 1,366,693 | 1,400,447 | (33,754) | -2.4% | 1,296,950 | 69,743 | 5.4% |
| Santa Ana Family | 414,656 | 396,417 | 18,239 | 4.6% | 386,901 | 27,755 | 7.2% |
| Orange Family | 39,927 | 38,874 | 1,053 | 2.7% | 0 | 39,927 | #DIV/0! |
| Huntington Beach Family | 773,455 | 776,251 | (2,796) | -0.4% | 842,251 | (68,796) | -8.2% |
| Yorba Linda/Placentia Family | 153,481 | 186,702 | (33,221) | -17.8% | 239,074 | (85,593) | -35.8% |
| Newport Mesa Family | 1,380,527 | 1,512,591 | (132,064) | -8.7% | 1,258,455 | 122,072 | 9.7% |
| YCS New Horizons | 557,689 | 522,307 | 35,382 | 6.8% | 532,315 | 25,374 | 4.8% |
| Laguna Niguel Family | 1,456,048 | 1,565,089 | (109,041) | -7.0% | 1,552,436 | (96,388) | -6.2% |
| Mission Viejo Family | 1,591,226 | 1,523,088 | 68,138 | 4.5% | 1,574,768 | 16,458 | 1.0% |
| Rancho Mission Viejo | 20,517 | 35,340 | (14,823) | -41.9% | 4,973 | 15,544 | 312.6% |
| Childcare | 13,600,502 | 13,837,610 | (237,108) | -1.7% | 12,322,814 | 1,277,688 | 10.4% |
| Camp E.L.K. | 267,738 | 277,844 | (10,106) | -3.6% | 362,830 | (95,092) | -26.2% |
| San Gabriel Valley | 30,183 | 53,865 | (23,682) | -44.0% | 177 | 30,006 | 16952.5% |
| Murrieta Family | 208 | 0 | 208 | #DIV/0! | 359,193 | (358,985) | -99.9% |
| Pomona Valley | 230,004 | 189,052 | 40,952 | 21.7% | 199,795 | 30,209 | 15.1% |
| Maple Hill Family | 119,290 | 140,277 | (20,987) | -15.0% | 113,733 | 5,557 | 4.9% |
| Corporate Initiatives | 1,525 | 0 | 1,525 | #DIV/0! | 60,800 | (59,275) | -97.5% |
| Association Office | 63,471 | 34,800 | 28,671 | 82.4% | 4,029,350 | (3,965,879) | -98.4% |
| Board Fundraising | 137,659 | 88,431 | 49,228 | 55.7% | 847,808 | (710,149) | -83.8% |
| Total Operating Revenue | 22,204,799 | 22,578,985 | (374,186) | -1.7% | 25,984,623 | (3,779,824) | -14.5% |
| Operating Net by Branch | | | | | | | |
| Fullerton Family | 436,514 | 459,955 | (23,441) | -5.1% | 397,049 | 39,465 | 9.9% |
| Santa Ana Family | 73,581 | 73,406 | 175 | 0.2% | 62,156 | 11,425 | 18.4% |
| Orange Family | 13,205 | 6,081 | 7,124 | 117.2% | 0 | 13,205 | #DIV/0! |
| Huntington Beach Family | (56,604) | (74,866) | 18,262 | 24.4% | (125,911) | 69,307 | 55.0% |
| Yorba Linda/Placentia Family | 48,699 | 57,992 | (9,293) | -16.0% | 60,090 | (11,391) | -19.0% |
| Newport Mesa Family | 286,645 | 268,371 | 18,274 | 6.8% | 285,291 | 1,354 | 0.5% |
| YCS New Horizons | 249,408 | 200,462 | 48,946 | 24.4% | 218,941 | 30,467 | 13.9% |
| Laguna Niguel Family | 432,461 | 483,572 | (51,111) | -10.6% | 518,278 | (85,817) | -16.6% |
| Mission Viejo Family | 408,709 | 329,051 | 79,658 | 24.2% | 316,523 | 92,186 | 29.1% |
| Rancho Mission Viejo | (2,673) | (2,124) | (549) | -25.8% | 708 | (3,381) | -477.5% |
| Childcare | 4,506,753 | 4,707,516 | (200,763) | -4.3% | 4,238,507 | 268,246 | 6.3% |
| Camp E.L.K. | (6,737) | 15,499 | (22,236) | -143.5% | 76,058 | (82,795) | -108.9% |
| San Gabriel Valley | 10,141 | 10,148 | (7) | -0.1% | (33,384) | 43,525 | 130.4% |
| Murrieta Family | (33,063) | 0 | (33,063) | #DIV/0! | (175,425) | 142,362 | 81.2% |
| Pomona Valley | (1,010) | (34,596) | 33,586 | 97.1% | (58,226) | 57,216 | 98.3% |
| Maple Hill Family | (56,171) | (27,812) | (28,359) | -102.0% | (35,654) | (20,517) | -57.5% |
| Corporate Initiatives | (132,045) | (94,995) | (37,050) | -39.0% | 18,886 | (150,931) | -799.2% |
| Association Office | (3,281,993) | (3,527,075) | 245,082 | 6.9% | 92,337 | (3,374,330) | -3654.4% |
| Board Fundraising | 110,894 | 48,808 | 62,086 | 127.2% | 844,130 | (733,236) | -86.9% |
| Total Operating Net | 3,006,714 | 2,899,393 | 107,321 | 3.7% | 6,700,354 | (3,693,640) | -55.1% |

YMCA of Orange County

Statement of Activities By Branch Operating Net
For the Six Months Ending
6/30/2019

| | Current Year YTD | | | | Prior Year YTD Comparison | | |
|-----------------------------------------|------------------|------------------|------------------|---------------|---------------------------|--------------------------|---------------|
| | Actual | Budget | Variance | % Variance | Prior YTD | Curr YTD vs Prior YTD | % Variance |
| Scholarships Awarded | (498,533) | (514,316) | 15,783 | 3.1% | (547,114) | 48,581 | 8.9% |
| Cares/PDS Funding - Pool, Allocated Out | (48,974) | (92,002) | 43,028 | 46.8% | (48,991) | 17 | 0.0% |
| Cares/PDS Funding - Allocated In/Used | 48,974 | 14,002 | 34,972 | 249.8% | 48,991 | (17) | 0.0% |
| Gain/(Loss) Sale of Assets | (5,683) | 0 | (5,683) | #DIV/0! | (107,794) | 102,111 | 94.7% |
| Interest Expense | (30,779) | (39,445) | 8,666 | 22.0% | (41,434) | 10,655 | 25.7% |
| Depreciation Expense | (710,855) | (723,303) | 12,448 | 1.7% | (797,096) | 86,241 | 10.8% |
| Gain/(Loss) In Subsidiary | (105,160) | (101,204) | (3,956) | -3.9% | (93,719) | (11,441) | -12.2% |
| Investment Income/(Loss) - Net of Fees | (19,850) | 104,036 | (123,886) | -119.1% | 49,243 | (69,093) | -140.3% |
| Investment Valuation | 1,128,895 | 0 | 1,128,895 | #DIV/0! | (148,689) | 1,277,584 | 859.2% |
| Association Services | 0 | 0 | 0 | #DIV/0! | 4,800 | (4,800) | -100.0% |
| Total Net Outcome | 2,764,749 | 1,547,161 | 1,217,588 | 78.7% | 5,018,551 | (2,253,802) | -44.9% |

Orange YMCA asset transfer - Restricted Balance

(Unused portion not reflected in the amounts above) 1,474,297

Note: The following investment activity is not budgeted but is in the actual numbers above.

| | <u>Current YTD</u> | <u>Prior Year YTD</u> |
|--------------------------------------|--------------------|-----------------------|
| Investment Valuation - Gain / (Loss) | 1,128,895 | (148,689) |
| Short Term Gain (Loss) | (53,773) | (48,088) |
| Long Term Gain (Loss) | (135,090) | (24,669) |
| Total | 940,032 | (221,446) |

YMCA of Orange County

Investment Activity
For the Six Months Ending
June 30, 2019

| | |
|--------------------------------------|-----------------------------|
| | <i>YTD Actual</i> |
| Beginning Balance | \$ 10,483,166 |
| Payments To Beneficiary | (450) |
| Interest | 36,480 |
| Dividends | 145,060 |
| Investment Valuation Change | 1,128,895 |
| Short Term Gain (Loss) | (53,773) |
| Long Term Gain (Loss) | (135,090) |
| Less: Investment Fees | (20,776) |
| Net Investment Outcome/(Loss) | <u>1,100,795</u> |
| Ending Balance | <u>\$ 11,583,512</u> |
| YTD Growth/(Decline) % | 10.50% |

Tipper, LLC
Profit & Loss Statement
For the Six Months Ending
June 30, 2019

| | Current Year YTD | | | | Prior Year YTD Comparison | | |
|----------------------|------------------|------------------|----------------|---------------|---------------------------|--------------------------|---------------|
| | Actual | Budget | Variance | % Variance | Prior Year | Curr YTD vs Prior YTD | % Variance |
| Total Revenue | 204,562 | 201,973 | 2,589 | 1% | 190,242 | 14,320 | 8% |
| Operating Net | 63,567 | 73,314 | (9,747) | -13% | 73,098 | (9,531) | -13% |
| Depreciation | (109,591) | (111,330) | 1,739 | 2% | (98,961) | (10,630) | -11% |
| Investment Revenue | 53 | 0 | 53 | 0% | 0 | 53 | 0% |
| Interest Expense | (59,989) | (62,388) | 2,399 | 4% | (61,457) | 1,468 | 2% |
| Association Services | 0 | 0 | 0 | 0% | (4,800) | 4,800 | 100% |
| Net Outcome | (105,160) | (101,204) | (3,956) | -4% | (93,719) | (11,440) | 12% |



FINANCE COMMITTEE

GUIDELINES ON INTERSECTION POINTS WITH **CARES COMMITTEE**

The Finance Committee has a responsibility to monitor material financial impacts to the YMCA of Orange County ("The Association"). In this role, it reviews material accounts and operations within the Association's financial statements. Given that the CARES committee has responsibility for distributing funds, these two committees should work together and this document is intended to provide guidelines around such interaction and the role of the Finance Committee as it relates to intersection points with the CARES Committee.

- At the time when the CARES committee determines an amount of funds it would like to set aside for future allocation, the CARES committee will communicate such proposed amount to the Finance Committee for its review and approval.
- On a quarterly basis, the CARES committee will communicate to the full board regarding the organizations/individuals to whom the funds had been distributed that quarter.
- In order to reduce risk to the organization and to promote transparency, the CARES committee will develop a scorecard to measure funds distributed and performance. Such scorecard will be distributed on a quarterly basis to the full board.
- On an ongoing basis (at least annually), the chairperson of the CARES committee will have responsibility to discuss with their committees any areas where controls can be strengthened in order to reduce risk to the Association.
- In order to reduce risk to the Association, the CARES committee is responsible for adding language within its processes regarding conflicts of interest (i.e., requesting funds in a situation in which there is a family relation).
- In order to reduce risk to the Association, the CARES committee is responsible for adding language within its processes regarding the avoidance of funding to organizations which could be misaligned with the Association's mission and/or cause brand damage.
- Annually, the Finance and CARES committees will review these guidelines to ensure such guidelines continue to be relevant, and if there are areas to strengthen such guidelines.



FINANCE COMMITTEE

GUIDELINES ON INTERSECTION POINTS WITH PROGRAM DEVELOPMENT FUND (PDF) COMMITTEE

The Finance Committee has a responsibility to monitor material financial impacts to the YMCA of Orange County ("The Association"). In this role, it reviews material accounts and operations within the Association's financial statements. Given that the PDF committee has responsibility for distributing funds, these two committees should work together and this document is intended to provide guidelines around such interaction and the role of the Finance Committee as it relates to intersection points with the PDF Committee.

- At the time when the Board of Directors (BOD) determines an amount of funds it would like to set aside for future allocation, the PDF committee will communicate such proposed amount to the Finance Committee for its review and approval.
- On a quarterly basis, the PDF committee will communicate to the full board by scorecard; the dollar amount of funds distributed and the status or outcome of each program by organization or individual to whom the funds had been distributed.
- On an ongoing basis (at least annually), the chairperson of the PDF committee will have responsibility to discuss with their committee members any areas where controls can be strengthened in order to reduce risk to the Association.
- In order to reduce risk to the Association, the PDF committee will verify that funds will not be distributed to organizations/individuals with conflicts of interest (i.e., requesting funds in a situation in which there is a family relation) and/or organizations/individuals which could be misaligned with the Association's mission and/or cause brand damage.
- Annually, the Finance and PDF committees will review these guidelines to ensure such guidelines continue to be relevant, and if there are areas to strengthen such guidelines.