



FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Finance Committee Meeting

February 21, 2020

FINANCE COMMITTEE MEETING AGENDA
February 21, 2020 @ 12:00pm
Lunch will be provided

- | | |
|-----------------------------------|------------------|
| 1. Review/Approve Meeting Minutes | Sean Peasley |
| • January 17, 2020 | |
| 2. Investment Summary | Greg Custer |
| 3. CARES Funding Request | Dolores Daly |
| 4. Financials | Joyce Kirchhofer |
| • YMCA | |

Next Meeting: March 20, 2020 @ 12pm



FOR YOUTH DEVELOPMENT
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Finance Committee Meeting

January 17, 2020

FINANCE COMMITTEE MEETING
MINUTES
January 17 @ 12:00pm

Call to order at 12:03pm

Present: Sean Peasley, Jeff McBride, Dolores Daly, Joyce Kirchhofer, Ara Bonyadian

Phone: Ryan Fessler, Brian Constable

1. Review/Approve Meeting Minutes

Sean Peasley

- November 15, 2019
 - Brian motioned to approved
 - Ryan seconded
 - Approved, no nays or abstentions

2. Financials

Joyce Kirchhofer

- YMCA
 - Joyce gave an overview of highlights. See Financial Summary in the FC packet
 - We had a record breaking year with a \$3.3M surplus. \$1.6M was from investments but the rest from operations. We overcame many challenges, had many changes and continued working on the culture. Kudos to Dolores and the operations team for doing such a good job helping to achieve this result.
 - 2019 Financial Review update – See PowerPoint in the FC packet
 - Target Areas Reviewed
 - Revenue to Budget
 - Revenue to Prior Year
 - Operating Net as % of Revenue
 - Pomona Valley had a 157k asset transfer (2018); didn't reoccur not part of normal ops
 - Operating Margin to Prior Year
 - Branch & Program Contributions
 - Program Contributions – change format to combine Membership, Kid zone and Fitness

3. GRO Update

Joyce Kirchhofer

- Very High-level presentation at the BOD meeting by the task team on 1/30 and then a larger presentation to the BOD by GRO in March

4. Other

- Sean asked about the pay off option for the B of A loan
 - We are looking at a bigger comprehensive package
 - Hold off paying loan until we see where GRO goes
 - Brian – suggested at looking at longer term fixed rates, also ensure the financial institution is in line with our mission and vision.
- Joyce – renewed insurance
 - Changes

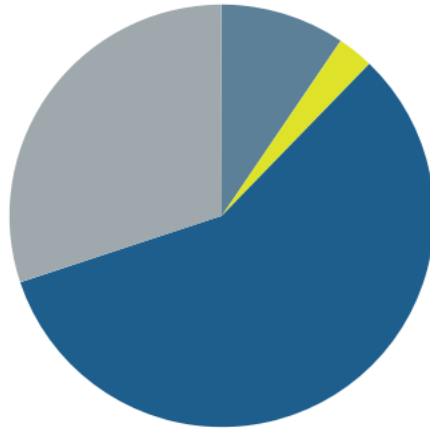
- Mgmt. liability \$100k retention for epli; not offered anymore so we had to jump to a 250k retention
 - This does not lower the premium
 - Crime policy was \$500k and is now at \$1M
 - only a \$900 increase
- Overall premium went down \$150k
- Health and Insurance benefits renewal
 - The HR dept came up with a program that will save us \$100k each year
 - We get better benefits for less cost
 - We are also offering ALL staff teledoc
 - YMCA will cover copay and deductible
 - The Difference Card/Benefits
- Minimum Wage and compression
 - For 2020 there was \$1M added costs, included in the budget
 - We have been closely monitoring wages since they are our biggest cost, progress in this area has been made, especially in Childcare
 - Minimum wage increases will take place through 2022.

Meeting adjourned 1pm



PORTFOLIO SUMMARY

Asset Allocation



Current Allocation

Asset Class	Current Value	Current Percent
Alternatives	\$1,160,774	9.46%
Cash & Equivalents	\$338,556	2.76%
Equities	\$7,078,711	57.69%
Fixed Income	\$3,691,942	30.09%
Total	\$12,269,983	100.00%

Account Ledger

Account Name (Number)	Current Value	Full Year 2019 Net Return
YMCA/BONDS (xxxxx3014)	\$3,660,683	7.09%
YMCA/STOCKS & ALTS (xxxxx3694)	\$8,609,300	22.56%
Total	\$12,269,983	17.48%

Returns are cumulative.

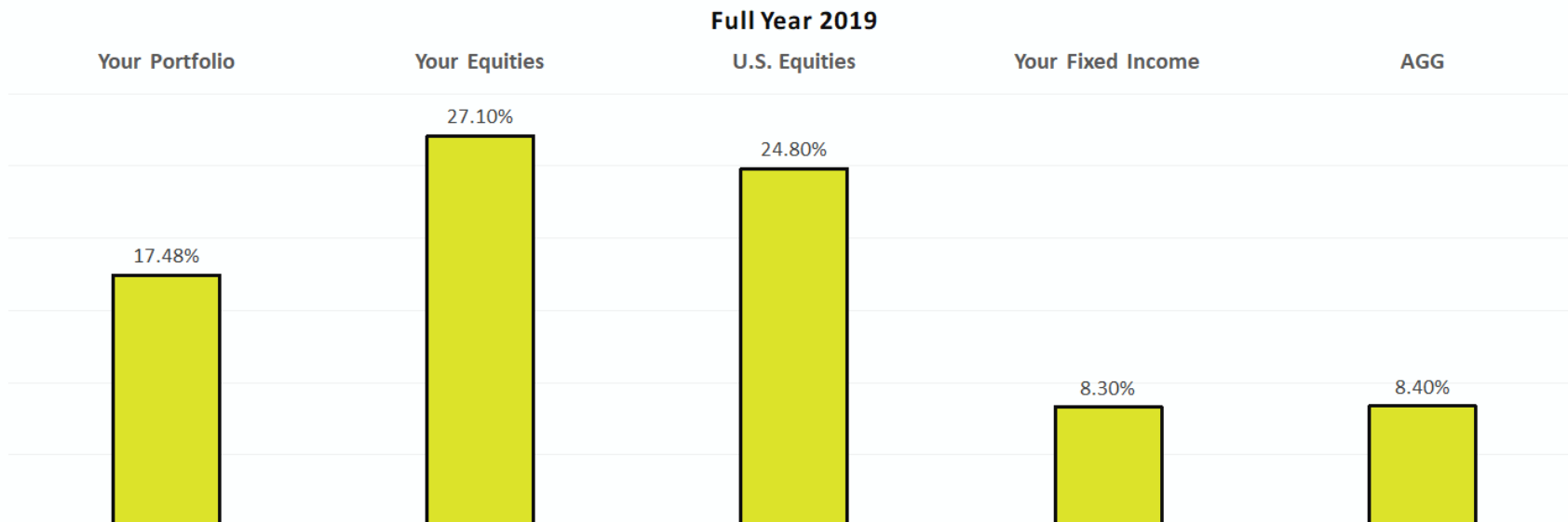
Projected & Realized 2020 Income

Description	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Total
Alternatives	\$9,087	\$9,087	\$9,087	\$9,087	\$36,348
Cash & Equivalents	\$1,446	\$1,446	\$1,446	\$1,446	\$5,785
Equities	\$55,863	\$61,856	\$55,863	\$61,944	\$235,526
Fixed Income	\$35,647	\$35,714	\$35,628	\$34,370	\$141,357
Total	\$102,043	\$108,103	\$102,024	\$106,847	\$419,017



ACCOUNT PERFORMANCE

Description	Value	Weight	Full Year 2019 Net Return	Full Year 2019 Investment Gain
Alternatives				
Alternatives Total	\$1,160,774	9.46%	7.57%	\$78,117
Cash & Equivalents				
Cash & Equivalents Total	\$338,556	2.76%	1.68%	\$7,495
Equities				
Equities Total	\$7,078,711	57.69%	27.10%	\$1,495,335
Fixed Income				
Fixed Income Total	\$3,691,942	30.09%	8.30%	\$283,247
Total	\$12,269,983	100.00%	17.48%	\$1,823,054





PERFORMANCE HISTORY

	Start Value	Net Contribution	Total Return	Net Investment Gain	End Value	Interest & Dividends
Monthly						
December 2019	\$11,928,372	\$19,556	2.70%	\$322,055	\$12,269,983	\$66,273
November 2019	\$11,789,035	\$0	1.18%	\$139,336	\$11,928,372	\$22,850
October 2019	\$11,677,594	\$0	0.95%	\$111,441	\$11,789,035	\$24,009
September 2019	\$11,431,068	\$0	2.16%	\$246,526	\$11,677,594	\$50,851
August 2019	\$11,587,783	\$0	(1.35%)	(\$156,715)	\$11,431,068	\$24,180
July 2019	\$11,525,639	\$0	0.54%	\$62,144	\$11,587,783	\$21,494
June 2019	\$11,028,580	\$0	4.51%	\$497,059	\$11,525,639	\$49,937
May 2019	\$11,415,745	\$0	(3.39%)	(\$387,165)	\$11,028,580	\$19,207
April 2019	\$11,205,403	\$0	1.88%	\$210,343	\$11,415,745	\$22,817
March 2019	\$11,063,270	\$0	1.28%	\$142,133	\$11,205,403	\$43,191
February 2019	\$10,887,597	\$0	1.61%	\$175,673	\$11,063,270	\$24,687
January 2019	\$10,427,373	\$0	4.41%	\$460,224	\$10,887,597	\$20,980
Monthly Total		\$19,556		\$1,823,054		\$390,474
Annual						
2019	\$10,427,373	\$19,556	17.48%	\$1,823,054	\$12,269,983	\$390,474
2018	\$5,236,509	\$5,689,611	(4.78%)	(\$498,747)	\$10,427,373	\$310,429
2017	\$0	\$5,203,376	* 0.64%	\$33,133	\$5,236,509	\$7,995
Annual Total		\$10,912,543		\$1,357,440		\$708,898

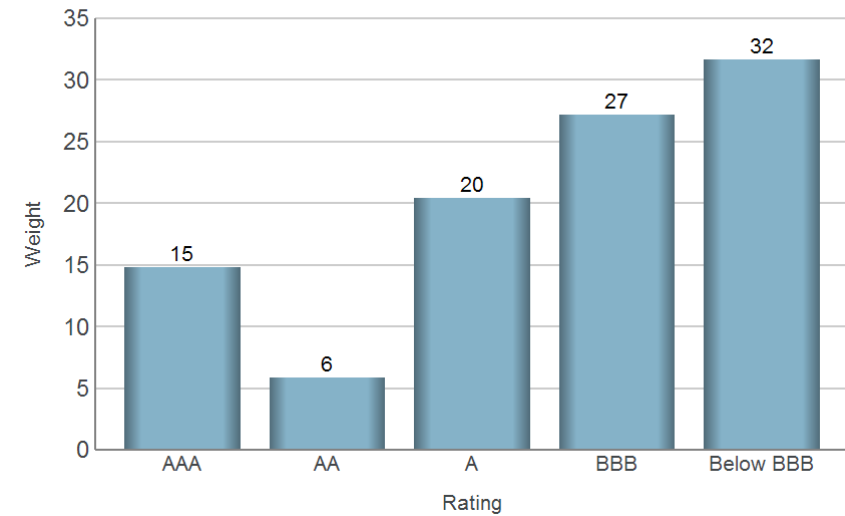
* Partial period return
Returns are cumulative.

Portfolio Overview: YMCACA

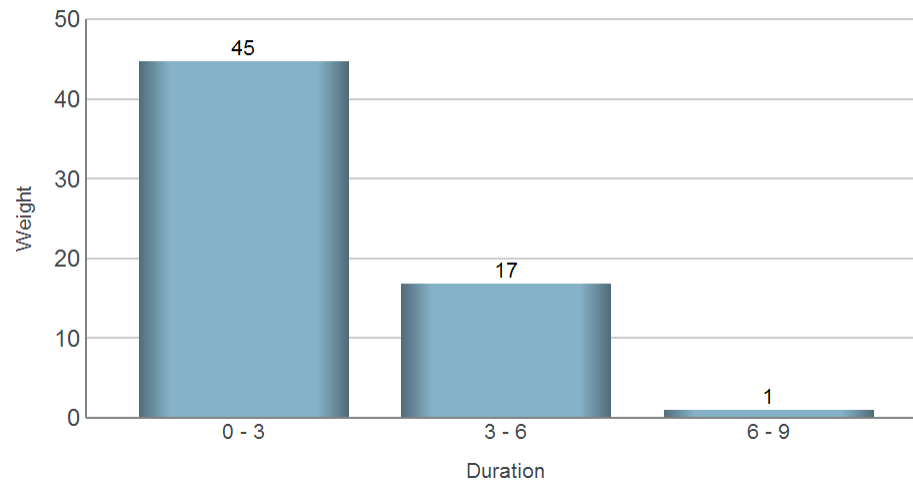
Portfolio Characteristics

	Individual Bonds	Total Portfolio
Yield to Maturity (%)	1.90	3.23
Yield to Worst	1.88	3.02
Current Yield	2.45	
Duration (Years)	2.21	2.29
Maturity (Years)	3.64	
Coupon (%)	2.50	
Credit Quality	AA-	A-
Market Value (USD)	2,278,165	3,642,215

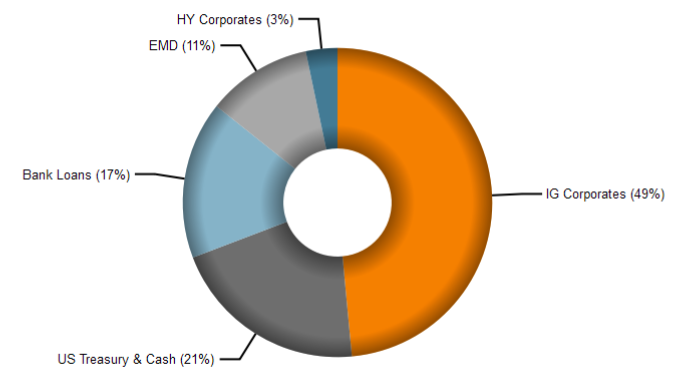
Rating Distribution †



Duration Distribution (Percent) - Individual Bonds Only



Sector Distribution



YMCA of Orange County

Financial Highlights

Month Ended January 31, 2020

Assets	\$ 38.6M
Liabilities	\$ 9.4M
Net Assets	\$ 29.2M

	Actual	Budget	Variance
Operating Revenue	\$ 3,683,847	\$ 3,683,514	\$ 333
Operating Expenses	3,114,884	3,383,577	268,693
Operating Net	568,963	299,937	269,026
Scholarships Awarded	(73,218)	(77,233)	4,015
FR Allocation - Scholarship	-	(2,384)	2,384
CARES/PDF - Pool, Allocated Out	(256)	(15,913)	15,657
CARES/PDF - Used, Allocated To	256	500	(244)
Gain/(Loss) Sale of Assets	5,675	-	5,675
Interest Expense	(155)	(6,490)	6,335
Depreciation	(117,782)	(123,270)	5,488
Investment in Subsidiary-Tipper	(31,756)	(29,177)	(2,579)
Investment Income - Net of Fees	(189,314)	15,999	(205,313)
Net Outcome	\$ 162,413	\$ 61,969	\$ 100,444

Balance Sheet Summary - Statement of Financial Position report

There are no significant, out of the ordinary changes on the balance sheet. There is just over \$1.4M cash restricted to the Orange service area, after accounting for that we have just under 1 month worth of expenses covered in cash & cash equivalents.

Profit & Loss Summary

Revenue was on target at \$3.7M and the Operating Net produced a surplus of \$569k (15.4% of revenue vs 8.1% budgeted). The Net Outcome had a surplus of \$162k (4.4% of revenue vs 1.7% budgeted), even after investment losses of (\$189k). Between some vacant positions and managing wages closely, payroll and related costs are under budget by \$89k (2.4% of revenue). The next largest variance is due to additional revenue of \$76k (2.1% revenue) related to a rollover from 2019 Adventure Guides events surpluses that will be used during 2020 by the respective Adventure Guides groups. After about \$50k of expenses that were budgeted in January that will be spent later, the remaining variances are all small and well under 1% of revenue.

Strong membership growth was budgeted. While there was a shortfall to budget, membership revenue improved .4% over the prior year. Marketing will continue to work on bringing in family memberships and branches will make the necessary adjustments to meet the Operating Net targets.

Child & Youth Development (CYD) missed their revenue target by 1.3% but they were able to flex their expenses and beat their budgeted Operating Net (34.5% actual vs. 31.2% budget). When comparing revenue to prior year, keep in mind that 1) Y Inclusion was moved out of CYD and into YMCA Community Services and 2) Annual Campaign revenue was moved to the branches.

YMCA of Orange County
Statement of Financial Position-Consolidated
1/31/2020

	<u>1/31/2020</u>	<u>12/31/2019</u>
	ASSETS	
<i>Current Assets</i>		
Cash and cash equivalents	4,941,808	4,838,459
Investments	12,059,748	12,250,809
Accounts Receivable - Net Allowance	1,172,179	950,535
Annual Pledges Receivable - Net Allowance	28,889	24,422
Deposits and Prepaid Rent	88,044	88,044
Prepaid Insurance	176,715	83,972
Other Prepaid Expenses	226,327	483,001
Total Current Assets	<u>18,693,710</u>	<u>18,719,242</u>
<i>Other Assets</i>		
Property, Plant and Equipment, Net	19,899,001	19,827,897
Total Other Assets	<u>19,899,001</u>	<u>19,827,897</u>
Total Assets	<u><u>38,592,711</u></u>	<u><u>38,547,139</u></u>

LIABILITIES AND NET ASSETS

<i>Current Liabilities</i>		
Accounts Payable	405,945	607,540
Accrued Payroll and Employee Benefits	1,977,513	1,838,286
Program Fees Received In Advance - Other	2,569,847	2,461,194
Total Current Liabilities	<u>4,953,305</u>	<u>4,907,020</u>
<i>Long-term Liabilities</i>		
Self-Insurance Liability and Other Reserves	110,977	100,000
Notes Payable	4,293,633	4,310,095
Total Long-Term Liabilities	<u>4,404,610</u>	<u>4,410,095</u>
Total Liabilities	<u>9,357,915</u>	<u>9,317,115</u>
<i>Net Assets</i>		
Current Operations - YMCA excl. Tipper, LLC	194,171	3,173,343
Current Operations - Tipper, LLC	(31,756)	(129,622)
Current Operations (Restricted,Capital & Endowment)	(157,643)	(89,240)
Unrestricted/Temporarily/Permanently Restricted	29,230,024	26,275,543
Total Net Assets	<u>29,234,796</u>	<u>29,230,024</u>
Total Liabilities And Net Assets	<u><u>38,592,711</u></u>	<u><u>38,547,139</u></u>

YMCA of Orange County

Statement of Activities By Branch Operating Net
For the One Month Ending
1/31/2020

	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	219,511	232,774	(13,263)	-5.7%	259,351	(39,840)	-15.4%
Santa Ana Family	56,363	59,127	(2,764)	-4.7%	57,105	(742)	-1.3%
Orange Family	214	0	214	#DIV/0!	7,183	(6,969)	-97.0%
Huntington Beach Family	137,503	128,607	8,896	6.9%	123,502	14,001	11.3%
Yorba Linda/Placentia Family	13,584	16,265	(2,681)	-16.5%	24,895	(11,311)	-45.4%
Newport Mesa Family	250,173	248,843	1,330	0.5%	238,981	11,192	4.7%
YMCA Community Services	173,083	188,352	(15,269)	-8.1%	101,096	71,987	71.2%
Laguna Niguel Family	271,424	305,687	(34,263)	-11.2%	306,539	(35,115)	-11.5%
Mission Viejo Family	288,250	248,274	39,976	16.1%	243,228	45,022	18.5%
Rancho Mission Viejo	7,695	2,419	5,276	218.1%	3,000	4,695	156.5%
Child & Youth Development	2,154,745	2,184,235	(29,490)	-1.4%	2,300,895	(146,150)	-6.4%
Resident Camp	1,440	15,533	(14,093)	-90.7%	10,712	(9,272)	-86.6%
San Gabriel Valley	4,594	9,500	(4,906)	-51.6%	1,481	3,113	210.2%
Murrieta Family	0	0	0	#DIV/0!	(270)	270	100.0%
Pomona Valley	18,545	0	18,545	#DIV/0!	100,279	(81,734)	-81.5%
Maple Hill Family	13,538	15,972	(2,434)	-15.2%	8,129	5,409	66.5%
Corporate Initiatives	28,700	0	28,700	#DIV/0!	8	28,692	358650.0%
Association Office	800	800	0	0.0%	12,974	(12,174)	-93.8%
Board Fundraising	43,685	27,126	16,559	61.0%	32,301	11,384	35.2%
Total Operating Revenue	3,683,847	3,683,514	333	0.0%	3,831,389	(147,542)	-3.9%
Operating Net by Branch							
Fullerton Family	53,837	67,643	(13,806)	-20.4%	108,380	(54,543)	-50.3%
Santa Ana Family	8,642	3,570	5,072	142.1%	11,625	(2,983)	-25.7%
Huntington Beach Family	(4,413)	(21,301)	16,888	79.3%	(13,144)	8,731	66.4%
Yorba Linda/Placentia Family	7,777	9,767	(1,990)	-20.4%	14,537	(6,760)	-46.5%
Newport Mesa Family	83,579	61,558	22,021	35.8%	66,432	17,147	25.8%
YMCA Community Services	72,043	69,641	2,402	3.4%	41,803	30,240	72.3%
Laguna Niguel Family	96,027	104,602	(8,575)	-8.2%	92,256	3,771	4.1%
Mission Viejo Family	102,271	41,333	60,938	147.4%	56,915	45,356	79.7%
Rancho Mission Viejo	5,581	(126)	5,707	4529.4%	(655)	6,236	952.1%
Child & Youth Development	743,425	680,857	62,568	9.2%	782,200	(38,775)	-5.0%
Resident Camp	(19,960)	(15,165)	(4,795)	-31.6%	(14,412)	(5,548)	-38.5%
San Gabriel Valley	2,692	4,515	(1,823)	-40.4%	138	2,554	1850.7%
Murrieta Family	0	0	0	#DIV/0!	(33,150)	33,150	100.0%
Pomona Valley	18,035	(40)	18,075	45187.5%	8,521	9,514	111.7%
Maple Hill Family	(5,592)	(4,867)	(725)	-14.9%	(13,860)	8,268	59.7%
Branch Executive	(15,217)	(15,433)	216	1.4%	0	(15,217)	0.0%
Corporate Initiatives	(4,015)	(31,935)	27,920	87.4%	(18,375)	14,360	78.1%
Association Office	(618,966)	(667,676)	48,710	7.3%	(596,360)	(22,606)	-3.8%
Board Fundraising	43,217	12,994	30,223	232.6%	14,731	28,486	193.4%
Total Operating Net	568,963	299,937	269,026	89.7%	507,582	61,381	12.1%

YMCA of Orange County

Statement of Activities By Branch Operating Net
For the One Month Ending
1/31/2020

	Current Year YTD				Prior Year YTD Comparison		
	Actual	Budget	Variance	% Variance	Prior YTD	Curr YTD vs Prior YTD	% Variance
Scholarships Awarded	(73,218)	(77,233)	4,015	5.2%	(76,633)	3,415	4.5%
FR Allocation - Scholarship	0	(2,384)	2,384	100.0%	0	0	0.0%
Cares/PDF Funding - Pool, Allocated Out	(256)	(15,913)	15,657	98.4%	(7,393)	7,137	96.5%
Cares/PDF Funding - Used, Allocated To	256	500	(244)	-48.8%	7,393	(7,137)	-96.5%
Gain/(Loss) Sale of Assets	5,675	0	5,675	#DIV/0!	(9,011)	14,686	163.0%
Interest Expense	(155)	(6,490)	6,335	97.6%	(6,780)	6,625	97.7%
Depreciation Expense	(117,782)	(123,270)	5,488	4.5%	(121,567)	3,785	3.1%
Investment In Subsidiary - Tipper	(31,756)	(29,177)	(2,579)	-8.8%	0	(31,756)	#DIV/0!
Investment Income/(Loss) - Net of Fees	139,180	15,999	123,181	769.9%	(81,057)	220,237	271.7%
Investment Valuation	(328,494)	0	(328,494)	#DIV/0!	539,142	(867,636)	-160.9%
Total Net Outcome	162,413	61,969	100,444	162.1%	751,676	(589,263)	-78.4%

Orange YMCA asset transfer - Restricted Balance

(Unused portion not reflected in the amounts above) 1,427,200

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

	Current YTD	Prior Year YTD
Investment Valuation - Gain / (Loss)	(328,494)	539,142
Short Term Gain (Loss)	3,054	(49,726)
Long Term Gain (Loss)	123,898	(45,674)
Total	(201,542)	443,742