

YMCA of Orange County

Cash Flow and Net Outcome Scenarios Summary

The COVID situation is still fluid and unpredictable as to the timing of when all of our programs will be allowed to be up and running again. To help us gain insight as to what range of possibilities might happen, four scenarios were ran covering what we are running today to getting back to 90% for most programs. It is obvious, we need businesses to re-open and kids to go back to school, the longer we are held back, the more likely we will need to tap into our investments because in the worst case scenario, we utilize the full \$5M from the Line of Credit. If we can get back to 90% of prior operations then we won't need to utilize the Line of Credit at all. The cash flow scenarios presented do not include the over \$10 million in investments that we have.

Scenarios Ran:

1. **90% Scenario** – 90% of budget for Childcare (CYD) & Fundraising, 90% of budget for Membership & Adventure Guides, 70% of budget for Other Programs
2. **75% Scenario** – 75% of budget for CYD & Fundraising, 75% of budget for Membership & Adventure Guides, 50% Other Programs
3. **60% Scenario** – 60% of budget for CYD & Fundraising, 60% of budget for Membership & Adventure Guides, 40% Other Programs
4. **Current State** – CYD is running with 30% & 40% increases built in over a few months, based on what we are experiencing. Y Inclusion and New Horizons are operating at a reduced amount, no gyms are open or other programs are running.

General Assumptions:

1. Conservative approach to revenue and expenses.
2. May and June are the same for all 4 scenarios, it is assumed nothing else will be allowed to be re-opened until July 1st.
3. CYD headcount is increasing now with more reflected in the scenarios.
4. Assuming gyms will open the 1st of July.
5. Assuming some aquatics & camp open in July; reduced sports in September.
6. Revenue was adjusted in 3 separate categories:
 - a. Childcare & Fundraising Revenue
 - b. Membership & Adventure Guides Revenue
 - c. Other Revenue

Forecast Scenario Assumptions:

1. Applied a broad brush stroke at the association level for expenses.
2. Revenue has been close enough to budget so that was utilized as the starting point for May-December
3. CYD Summer Activity fee was included. The related admissions/venue costs and transportation were reduced for changes in the activities that will take place this year.

4. Removed the July special event; the September and October special events utilized the “Other” % in each different scenario.
5. Due to being self-insured for unemployment insurance benefits, increased estimates have been added.
6. The retirement reduction (11% to 1%) is included in all scenarios.

Cash Flow Assumptions:

1. Close to \$1.5M of credits/refunds impact cash as the credits are applied or refunds are processed. Maple Hill will be processed in May, the rest are spread June through August.
2. There is \$1M with Farmers & Merchants bank earning over 1.7%; rather than use this cash, we will draw from the line of credit since the interest rate for the LOC is Fed Funds rate + 75 basis points.

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Cash Burn Rate May - December 2020 By Scenario

	Beginning Cash	May	June	July	August	September	October	November	December	LOC Draws	Ending Cash
90% Scenario - Cash Burn Rate	4,767,925	(790,898)	(1,124,778)	(841,321)	(680,221)	259,861	258,006	(379,349)	(67,200)	0	1,402,024
75% Scenario - Cash Burn Rate	4,767,925	(790,898)	(1,124,778)	(1,051,211)	(855,352)	56,581	57,702	(567,360)	(233,093)	1,200,000	1,459,515
60% Scenario - Cash Burn Rate	4,767,925	(790,898)	(1,124,778)	(1,217,908)	(1,008,371)	(95,366)	(109,608)	(728,308)	(366,334)	2,150,000	1,476,353
Current State, by July 70% CYD, no other program	4,767,925	(790,898)	(1,124,778)	(1,754,577)	(1,482,099)	(694,415)	(656,571)	(1,121,057)	(634,137)	5,000,000	1,509,393

Notes:

1. LOC Draws are 1) 75% Scenario: August, November & December 2) 60% Scenario: August, October, November & December 3) Current state: each month July through December.
2. While all cash is reflected above, in the detailed analysis, \$1M is unavailable so it can remain with F&M earning 1.71%. The LOC rate is Fed Funds Rate + 0.75.
3. It is important to note that the above amounts do not include the over \$10 million in investments.

Net Outcome 2020 By Scenario

	Jan-Apr	May	June	July	August	September	October	November	December	Annual	May - Dec
90% Scenario Net Outcome	(2,744,017)	(969,783)	(1,069,647)	(228,847)	(87,228)	8,936	12,507	(78,988)	(242,615)	(5,399,681)	(2,655,664)
75% Scenario Net Outcome	(2,744,017)	(969,783)	(1,069,647)	(430,367)	(254,649)	(192,708)	(184,492)	(264,198)	(405,483)	(6,515,342)	(3,771,325)
60% Scenario Net Outcome	(2,744,017)	(969,783)	(1,069,647)	(588,693)	(399,958)	(343,020)	(348,497)	(422,344)	(535,698)	(7,421,655)	(4,677,638)
Current State, by July 70% CYD, no other program	(2,744,017)	(969,783)	(1,069,647)	(1,083,903)	(851,598)	(903,784)	(870,167)	(835,811)	(827,225)	(10,155,935)	(7,411,918)