

YMCA of South Florida, Inc.

Financial Statements

For the Five Months Ended

May 31, 2017

YMCA of South Florida
Statement of Postion
As of May 31, 2017
with Comparative December 31, 2016

	May 31 2017	Dec 31 2016	Difference
Petty Cash Fund	4,397	4,397	-
Operating / Payroll - Cash	613,342	1,021,331	(407,989)
Cash Reserves / Investments	5,284,246	5,328,890	(44,644)
Pledge Receivable	925,819	1,091,976	(166,157)
Accounts/Grants Receivable	2,240,768	1,199,637	1,041,131
Prepaid Expenses	665,329	544,535	120,794
Deposits	74,754	50,391	24,363
Interfund Receivables	44,403	56,121	(11,718)
Fixed Assets-Land,Improvement	32,025,752	32,079,528	(53,776)
Trust/Endowment Investments	411,136	393,771	17,365
Total Assets	42,289,946	41,770,577	519,369
Accounts Payable / Liabilities	800,751	629,109	171,642
Accrued Expenses	1,550,183	1,079,422	470,761
Other Current Liabilities	836,582	815,503	21,079
Deferred Support & Revenue	7,330,537	7,141,035	189,502
Long Term Debt	14,116,047	14,452,908	(336,861)
Due to Reserves	528,910	0	528,910
Total Liabilities	25,163,010	24,117,977	1,045,033
Net Assets	17,126,936	17,652,600	(525,664)
Total Liabilities and Net Assets	42,289,946	41,770,577	

YMCA of South Florida
Statement of Operations
For the Five Months Ended May 31, 2017
With Comparative For the Five Months ended May 31, 2016

	As of May 31, 2017			May 2016	17 vs. 16
	Actual	Budget	\$ Variance	Last Year	\$ Variance
Revenue:					
Contributions	791,303	830,869	(39,566)	856,732	(65,429)
Special Events	369,492	248,608	120,884	227,097	142,395
Legacies and Bequest	17,000	-	17,000	28,450	(11,450)
United Way	273,577	205,164	68,413	234,464	39,113
Foundations Grants	46,320	22,867	23,453	91,536	(45,216)
Total Public Support	1,497,692	1,307,508	190,184	1,438,279	59,413
Government Grants	5,411,638	5,485,635	(73,997)	5,343,805	67,833
Member Service Fees	5,840,940	5,857,752	(16,812)	5,555,905	285,035
Program Service Fees	5,466,048	5,493,812	(27,764)	5,457,040	9,008
Total Earned Revenue	16,718,626	16,837,199	(118,573)	16,356,750	361,876
Other Retail Revenue	43,556	27,301	16,255	66,520	(22,964)
Investment Income	5,691	-	5,691	870	4,821
Other Revenue	37,107	(6,379)	43,486	9,629	27,478
Home Mission Funds	565,658	561,576	4,082	607,739	(42,081)
Shared Services Revenue	1,950,104	1,955,277	(5,173)	1,684,908	265,196
Total Other Revenue	2,602,116	2,537,775	64,341	2,369,666	232,450
Total Unrestricted Revenue	20,818,434	20,682,482	135,952	20,164,695	653,739
Expenses:					
Salaries & Wages	10,096,774	10,131,340	34,566	10,030,858	(65,916)
Employee Benefits	1,073,958	1,139,286	65,328	1,075,454	1,496
Payroll Tax Expenses	869,617	983,060	113,443	882,334	12,717
Total Personnel Expense	12,040,349	12,253,686	213,337	11,988,646	(51,703)
Contracts	605,665	463,454	(142,211)	559,738	(45,927)
Supplies	1,142,843	1,357,148	214,305	1,221,337	78,494
Telephone	91,762	85,111	(6,651)	99,195	7,433
Postage	11,775	18,442	6,667	74,503	62,728
Facility Expenses	1,457,414	1,507,564	50,150	1,434,499	(22,915)
Equipment Expenses	281,693	346,897	65,204	446,075	164,382
Promotion Expenses	325,482	429,275	103,793	604,183	278,701
Travel Expenses	241,021	178,534	(62,487)	171,481	(69,540)
Conference/Training Expense	63,306	81,631	18,325	79,897	16,591
Shared Services	1,950,103	1,945,436	(4,667)	1,457,691	(492,412)
Dues	266,503	253,413	(13,090)	217,066	(49,437)
Donations	3,906	3,550	(356)	3,656	(250)
Financing Costs	673,598	710,685	37,087	726,254	(52,656)
Other Insurance Premiums	315,080	318,457	3,377	329,601	14,521
Other Operating Expenses	273,699	269,632	(4,067)	274,051	352
Home Mission Allocation	565,658	559,825	(5,833)	607,741	42,083
IT Expenses	434,480	295,096	(139,384)	269,347	(165,133)
Maintenance Reserves	239,395	239,405	10	196,861	(42,534)
Land, Building, & Equip. Reserve	289,515	276,367	(13,148)	251,024	(38,491)
Total Unrestricted Expenses	21,273,247	21,593,608	320,361	21,012,846	(260,401)
Change in Net Assets	(454,813)	(911,126)	(456,313)	(848,151)	393,338
Add Back Non Cash Expenses:					
Maintenance Reserves	239,395	239,405	10	196,861	42,534
Land, Building & Equip Reserve	289,515	276,367	(13,148)	251,024	38,491
Home Mission Allocation	565,658	559,825	(5,833)	607,741	(42,083)
Shared Services	1,950,103	1,945,436	(4,667)	1,457,691	492,412
Principle on Debt	336,861	336,861	-	319,141	17,720
Subtract Non Cash Revenue:					
Home Mission Allocation	(565,658)	(561,576)	4,082	(607,739)	42,081
Shared Services	(1,950,104)	(1,955,277)	(5,173)	(1,684,908)	(265,196)
Subtotal	865,770	841,041	(24,729)	539,811	325,959
Net EBIDA	410,957	(70,085)	(481,042)	(308,340)	719,297

The Statement of Financial Position

As of May 31, 2017

Cash and Investments – The Decreased of (\$452,000)

Cash is down since 12-31-16 year end as the Association has invested over \$380,000 in facility over the past five months at Homestead, Hollywood, and Weston.

Future Capital Projects that will use cash are:

- | | | |
|--------------------------------|------------------|-------------------------------------|
| • Hollywood Capital Project - | \$200,000 | – Budget Approval by Board In 12/16 |
| • Homestead Drainage Project - | \$ 10,000 | – Budget Approval by Board 11/16 |
| • Weston Pool refurbishment - | \$ 75,000 | – Board Approved 10/16 |
| ▪ Total | <u>\$285,000</u> | |

The Hollywood Project is part of the \$1,200,000 capital project of which \$1,000,000 was raised by the Hollywood Advisory Board. Project will started on April 3, 2017. The Homestead Drainage Project is part of a project that is over \$90,000 of which there is an additional \$80,000 in grants from the City of Homestead.

The Weston Project includes a new sign on the pool deck. Cleveland Clinic has donated \$100,000 to sponsor the Sign. Payments will be \$20,000 over 5 years.

All projects were approved by the Property & Finance Committees & Board prior to the start of the project.

Receivables and Grants – The increase of \$1,041,000 is due to:

Accounts and Grants receivable - \$1,194,000

- Grants are over \$1,030,000, for the CSC and Children's Trust grants the end of the contract year in December are much lower than other months as December has two weeks of grant revenue, just prior to Christmas break, versus at the end of May there are a full four weeks of grants due. The amounts are received within 45 days after the end of the month, all are paid timely.
- Accounts receivable is \$782,000 and is program registrations, primarily for the summer of 2017, and is offset with the deferred revenue liability. All program revenue is recognized in the month the program begins. This total will decrease over the next 10 weeks of summer

Pledges Receivable - \$1,049,000

- The remaining pledges for the Hollywood Capital Campaign is \$657,700, this will be collected over the next 3-4 years.
- The 2017 Annual Campaign pledges is \$206,500

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Property and Equipment –

- Now significant additions to Property & Equipment in the first three months of 2017.
- A total of over \$300,000 was spent on property out of reserves over the past four months, Hollywood, Homestead and Weston.
- The Hollywood Project will start in April and be reflected as CIP is incurred.

Accounts Payable and Accrued Liabilities – increase of (\$642,000) due to:

- Accrued payroll and benefits of \$1,550,000 increased by (\$470,700) since 12-31-16. The YMCA accrues payroll based on 30 or 31 day months versus when paid. The method eliminates the highs and lows of 2 or 3 payroll months impacting the Statement of Operations. It does impact cash flow.
- Accounts payable is up (\$172,000) simply due to timing of invoices at 5-31-17. This will remain higher during the summer months with an increase of non-payroll expense.
- All other payables and accrued liabilities are very close to the totals at 12-31-16.
- All payables are paid on a timely basis (30 days net).

Long Term Debt and Leases – Decreased by \$(336,800) due to principle payments for four months:

- BB&T – (\$145,000)
- BB&T – Short term loan – (\$9,000)
- City National – (\$120,000)
- Leases (\$62,000)
- Principle and Interest payments have been made on a monthly basis.

The Statement of Operations

For the Five Months Ended May 31, 2017

Contributions

- The Annual Campaign is off to a solid but slower start than 2016.
- The kick-off event was held in early February and was attended by over 200 volunteers.
- The goal is \$1,676,000 and pledges to date are \$1,125,000 or % of the goal.

	<u>Dollars</u>	<u>#of Gifts</u>
o Staff	\$ 203,000	1,082
o Board	155,000	116
o Major Gifts	488,000	123
o Community	<u>140,000</u>	<u>2,501</u>
Total	<u>\$1,125,000</u>	<u>3,822</u>

- There has been no Capital Campaign in 2017 versus the \$602,000 raised for the Hollywood YMCA in 2016.
- Collections on the annual Campaign to date are over \$759,000 (cash) or 67% of the pledges have been paid. 51% was collected as of April 2017.
- The Victory Celebration was pushed back in order to have more Family Centers hit goal.

Special Events Revenue

- The MLK Breakfast and Events was attended by over 700 people and raised over \$150,000 of which \$140,000 has been collected as of the end of March.
- Swim for Jenny in April generated over \$35,000 of total revenue (cash) to date.
- The Gala will be recognized as revenue in the September.
- Total Events to date have \$396,000 has been raised and \$239,000 has been collected to date.
- The expenses for the events are included in expenses (primarily supplies, contract services and printing & promotion).

Government Grants Revenue – Total of \$5,411,600 and below budget by (\$73,900) the variance was decreased from April due to:

- Primarily (\$24,000) due to General Population Grant (GP) with CSC. The number of kids was below budget in the afterschool program from Jan – April. The contract has been amended to move the funding to the summer camp program in June – August.
- FORCE (\$43,000)
- LEAP (\$80,000) - Revenue was moved from to the summer of 2017.
- SN is over budget \$106,000
- STEP is over budget by \$38,000
- The After School Programs in Broward funding by CSC are funded at +90%.

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- The After School programs in Miami funded by Children's Trust are funded at 25%.
- These grants require a complex partnership with the YMCA, the School Districts (Miami / Dade and Broward) and the funders, (Children's Service Council and Children's Trust). Plus the programs must be in full compliance with the State of Florida DCF.
- The Grants received as of May are:
 - Children's Service Council \$ 3,841,000
 - Federal Dept. of Education 800,000
 - Children's Trust 325,000
 - Public Housing (H.I.) 146,000
 - VPK 57,000
 - Jim Moran (H.I.) 42,000
 - YMCA USA 13,000
 - Swim Central 55,000
 - United Way 274,000
 - Other Funders 133,000

Total Grants \$5,686,000

Note: The RFP for the Children's Services Council Grants for the Special Needs Programs and the after school Programs for 2017-2020, were submitted on 12-12-16 for a total of \$10M per year. The YMCA has been notified verbally that the grants were reduced for the next school year by over \$450,000 to date the YMCA has not received any written notification of the grant results. This grant will be reviewed and approved by the Finance Committee when it is formally submitted by the Funder.

Membership Revenue – At \$5,840,900 and is slightly down to budget by (\$16,800) and over prior year by \$285,000.

Total Membership as of May 2017: Membership Units - 17,913 down 309 units from May 2016.

- Households represent 10,946 or 61% of all membership units.
- Bank Draft - \$1,122,000 down \$5,000 from April 2016 (Bank Draft is 97% of Membership)
- Average Revenue per membership unit is \$64.06 in 2017 versus \$63.35 in 2016.
- The number of Usage in the YMCA Family Centers was 157,945 or a daily average of over 5,095 per day in May; down from April total of 163,795
 - South Dade 34,220
 - Weston 34,084
 - Pembroke Pines 30,494
 - Hollywood 32,309
 - Homestead 11,441
 - Allapattah 8,562
 - North Pointe 4,696
 - Total 155,806

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- Year to date:
 - Sales 5,727 Compared to 2016 6,646
 - Terms (4,898) Compared to 2016 (4,810)
 - Net 829 Compared to 2016 1,836

Membership - continued

<u>Type</u>	<u>Membership Revenue</u>	<u>% of Membership</u>
➤ Household (Family)	\$ 3,710,000	63.5 %
➤ Couple	390,200	6.7 %
➤ Adult	756,000	12.9 %
➤ Young Adult (19-28)	128,500	2.2 %
➤ Teens	174,900	3.0 %
➤ Community	385,300	6.6 %
➤ Seniors	155,400	2.7 %
➤ Senior Couples	103,800	1.8 %
➤ Daily & Other	15,800	0.2 %
➤ Joiner Fees	<u>20,000</u>	0.3 %
Total Membership	<u>\$ 5,840,900</u>	

The Summer Campaign that will run from May 15th to June 15th is rolling out with goals of:

To sell 4,375 memberships in 2017 as compared to sales of 3,420 in 2016 for the same period.

Of the total net of goal of 2,600 most will be Households as the increase in households happens in the summer campaign as the driver is summer camp, aquatics and youth activities.

The YMCA team continues to focus on retaining members by:

- Reducing the percent of membership given with scholarship the maximum is now 40% versus 50% (unless there are unusual circumstances).
- Engaging new members in programs and group exercise in February and March.
- Smiling, Saying Hello, Getting to know the members goals, Back to the Basics.
- All of which has improve member retention for the past six months by 10% - 12% per month. Thus the growth of revenue on flat sales.
- NOTE: Silver Sneakers is now part of Program Revenue versus membership revenue starting in 2017.

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Program Revenue is above budget by \$16,000 and above 2016 by \$104,000 and is made up of:

	<u>Total Revenue</u>
➤ After School (Parent fees)	\$ 2,099,300
➤ Preschool – 4 sites	706,200
➤ Youth Sports	680,700
➤ Gymnastics - Hollywood	234,700
➤ Camp	41,100
➤ Aquatics	386,100
➤ Wellness & P. T.	463,900
➤ Silver Sneakers	388,800
➤ Family Life	435,100
➤ Other	<u>33,000</u>
 Total Program Revenue	 <u>\$ 5,466,000</u>

Pre School – staff is working a very detailed plan to reverse the negative trends in both the attendance (revenue) and staffing (payroll ratios).

- Rates will be raised at the start of the new school year –August
- Attendance at each of the sites to be over 85%
- "Over Sell" attendance but still stay in ratio
- Reduce overhead in staffing levels

Summer Camp enrollment for the first week is 2,152, which is 12% (2432) behind 2016.

Strong at Hollywood -63, Pembroke Pines -22, South Dade -93, and Weston -3

Major drive for attendance in week two.

All other programs are at or near budget.

Staff Expenses – below 2017 budget by \$213,300 and over 2016 by \$51,703.

While below budget for 2017 and over the same five months of 2016 there has been the addition of:

- ✓ Executive Directors at Weston, Pre-school centers, After School Programs and South Dade.
- ✓ Vice President of Operations at Hollywood.
- ✓ Increase of in the Centers for Wellness (increase of Personal Training revenue) and membership engagement and sales. (increase of retention)

As part of the Budget of 2017 there was a reduction of staff. The full impact of the savings began in the fourth month of 2017. For the first three months the full effect was not felt as there were severance packages over a period of two to ten weeks.

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The last payroll had staff of 1,608 (5/26/17) for a total of \$979,351. During the summer period the total employees paid will be around 1,800.

Contracts are above budget due to unexpected expense in Legal and Consulting.

Promotion Expense - Below budget by \$103,700 and below 2016 by \$274,700 because we moved Ad/Marketing shared services out of this line item.

The prior year expenses are off by over \$100,000 as the January 2016 expenses were classified to Prepaid and not reversed until May 2016.

Supplies Expense - below budget by \$214,300, and below 2016 by \$78,500.

There has been a strong effort to control spending in supplies by holding back on POs until after revenue has increased. The effort has resulted in a reduction of spending in the small dollar cost, large volume items.

Equipment - Below budget by \$65,200 and below 2016 by \$164,300

A series of Copler leases in 2017 will be reclassified to equipment leases next month.

- This is also why IT expenses are over budget and over 2016 by (\$165,100).
- A full review of IT cost will be completed in June 2017 to focus on reducing expenses. The cost will be reduced by over \$100,00 over the next twelve months starting in July 2017.
- There were also a series of equipment lease in the family centers that terminated in mid-2016, thus the positive year to year variance.
- The only new equipment lease in 2017 was for 45 spin bikes at South Dade.
- A new lease of \$195,000 will be reflected starting in June 2017 for treadmills at South Dade and spin bikes at Pembroke Pines.

Facility Expense - positive budget variances of \$50,100, mostly at the larger centers, South Dade and Weston that will be spent on planned budgeted repairs in lights, floors, roofs and HVAC units.

Travel - above budget by (\$62,400)

Four staff and a volunteer went to NAYDO for a week in San Diego and the food expense is rolled up into the Travel Expense and cost has been greater than planned.

This will be made up in the last part of 2017.

Debt Payments - have been made timely and are below budget by \$37,000

New leases were planned and were delayed until after the first quarter. We cannot delay anymore as the equipment is tired and the members are not pleased.

All long term debt is on budget.

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EBIDA

Is strong at \$411,000 which is an increase from 2016 by \$719,000.

The decisions to reduce staff will be having a more significant positive effect starting in the second quarter of 2017. The decisions were made in February and severance payments, were continuing through March 2017. The impact will be in the last nine months of 2017.

All **Debt Covenants** are in Compliance:

1. Liquid Assets (Cash) over \$1,000,000 -Yes
2. Debt to Net Assets – Yes
3. Debt Coverage Ratio – Yes

All Debt Covenants were in Compliance as of 12-31-16.

The margin is less than \$350,000 on the Debt coverage ratio.