

West Volusia – Daytona Beach Merger
Finance Sub-Committee Minutes
July 16, 2007
5:00 p.m.

Members present: John Brim, Jon Davidson, Bob Ludlow, and Dennis Stark.

Staff: Jerry Haralson and Ken Barnes

The meeting opened with prayer by Bob Ludlow, and he gave an overview of the proposed chart of work for the sub-committee.

Jerry Haralson reviewed his understanding of the process and asked the group their feelings on the following topics: Debt, reserves and who owns the reserves? Jerry suggested that we invite our CFO's to the next meeting to answer questions relating to specific financial areas within both associations. Jerry suggested to the group, what should be our format or process within our chart of work? He challenged the group to pay attention to the specifics around the topics that will be discussed in our sub-committee structure. In our group discussions, it was determined that the West Volusia YMCA association has been approved for a \$9 million dollar loan for capital improvements and new facilities at this time. They have identified 2 to 3 projects that will be completed in their first phase of capital improvements.

The sub-committee prioritized their need for information from staff as the following:

- a. What is the policy on reserves?
- b. What is the policy on endowment?
- c. Where are the written policies?

In addition to these questions they requested the staff to provide them with current audits, an assets valuation of facilities related to both associations, and what is the future capacity for borrowing within each or both associations?

It was agreed to have a third party review our financials to determine our future borrowing capacity, keep our future meetings to no more than 90 minutes, compile information on the balance sheet that is comparable to the West Volusia YMCA's format, and finally talking with our auditors on the branch/facility valuation process in collaboration with our CFO's.

The staff stated they will have the information to the sub-committee prior to our next meeting which is scheduled for Monday, July 30th, 5:00 pm at Bob Ludlow's office.

The sub-committee decided that at our next meeting they will determine the date to make their recommendations to the merger committee.

There being no further business, the meeting adjourned at 7:10 pm.