Young Men's Christian Association of Greater Oklahoma City

Financial Report
October 31, 2023 and 2022

Contents

Arledge
certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Young Men's Christian Association of Greater Oklahoma City

Opinion

We have audited the accompanying financial statements of the Young Men's Christian Association of Greater Oklahoma City, (a nonprofit organization) (the "Association"), which comprise the statements of financial position as of October 31, 2023, and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of October 31, 2023, and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2023 the Association adopted new accounting guidance, FASB Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 2, 2024, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Association's internal control over financial reporting and compliance.

Arledge & Associates PC

Edmond, Oklahoma
February 2, 2024

Young Men's Christian Association of Greater Oklahoma City

Statements of Financial Position
October 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	**$ 5,194,826**	$ 2,385,540
Receivables, net	**5,336,015**	3,540,091
Inventories and supplies	**204,975**	139,299
Prepaid insurance and other assets	**410,628**	252,984
Investments	**8,455,434**	10,295,617
Facilities, net	**31,497,148**	31,972,210
Right-of-use asset - finance lease, net	**600,472**	-
Right-of-use asset - operating lease, net	**1,139,274**	-
Swap Agreement	**542,286**	578,286
Total assets	**$ 53,381,058**	$ 49,164,027
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 2,199,190**	$ 2,071,351
Deferred revenues	**316,565**	351,896
Notes payable	**7,546,889**	8,297,470
Finance lease liabilities	**503,455**	140,435
Operating lease liabilities	**1,172,693**	-
Total liabilities	**11,738,792**	10,861,152
Net assets:		
Without donor restrictions net assets:		
Undesignated	**(535,649)**	1,625,303
Designated for maintenance	**519,348**	444,499
Designated for investments	**293,852**	272,044
Designated for facilities	**382,564**	639,638
Invested in facilities	**25,820,168**	25,453,794
Total without donor restrictions net assets	**26,480,283**	28,435,278
With donor restrictions net assets:		
For periods after October 31, 2023 and 2022	**1,296,140**	1,744,036
For investment	**7,784,688**	7,595,248
For facility acquisition	**6,081,155**	528,313
Total with donor restrictions net assets	**15,161,983**	9,867,597
Total net assets	**41,642,266**	38,302,875
Total liabilities and net assets	**$ 53,381,058**	$ 49,164,027

See notes to financial statements.

Young Men's Christian Association of Greater Oklahoma City

Statement of Activities and Changes in Net Assets
Year Ended October 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions	$ 2,062,812	$ 5,818,570	$ 7,881,382
Government grants and contracts	2,085,500	-	2,085,500
United Way allocations	105,941	148,609	254,550
	4,254,253	5,967,179	10,221,432
Membership dues	13,877,361	-	13,877,361
Program and facility fees	10,110,139	22,971	10,133,110
Sales to the public (net of direct related costs of $213,274)	133,351	-	133,351
Rental income	199,700	-	199,700
	24,320,551	22,971	24,343,522
Investment income	6,969	266,060	273,029
Loss on disposal of fixed assets	(7,005)	-	(7,005)
	(36)	266,060	266,024
	28,574,768	6,256,210	34,830,978
Net assets released from restrictions	1,261,174	(1,261,174)	-
Total revenues, gains and other support	29,835,942	4,995,036	34,830,978
Expenses:			
Youth development	13,038,989	-	13,038,989
Healthy living	10,582,431	-	10,582,431
Social responsibility	2,390,618	-	2,390,618
General and administrative	4,895,988	-	4,895,988
Fundraising	698,496	-	698,496
Rental activities	194,306	-	194,306
Total expenses	31,800,828	-	31,800,828
Excess (deficiency) of revenues over expenses	(1,964,886)	4,995,036	3,030,150
Other gains:			
Net unrealized and realized gains on investments	9,891	299,350	309,241
Increase (decrease) in net assets	(1,954,995)	5,294,386	3,339,391
Net assets, beginning of year	28,435,278	9,867,597	38,302,875
Net assets, end of year	$ 26,480,283	$ 15,161,983	$ 41,642,266

See notes to financial statements.

Young Men's Christian Association of Greater Oklahoma City

Statement of Activities and Changes in Net Assets
Year Ended October 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions	$ 2,271,942	$ 530,889	$ 2,802,831
Government grants and contracts	741,157	-	741,157
United Way allocations	80,019	147,382	227,401
	3,093,118	678,271	3,771,389
Membership dues	12,804,860	-	12,804,860
Program and facility fees	9,131,156	-	9,131,156
Sales to the public (net of direct related costs of $286,818)	71,265	-	71,265
Rental income	216,128	-	216,128
	22,223,409	-	22,223,409
Investment income	4,322	204,122	208,444
Gain on disposal of fixed assets	251,627	-	251,627
	255,949	204,122	460,071
	25,572,476	882,393	26,454,869
Net assets released from restrictions	937,610	(937,610)	-
Total revenues, gains and other support	26,510,086	(55,217)	26,454,869
Expenses:			
Youth development	11,224,230	-	11,224,230
Healthy living	10,545,659	-	10,545,659
Social responsibility	2,021,966	-	2,021,966
General and administrative	4,186,116	-	4,186,116
Fundraising	518,395	-	518,395
Rental activities	161,422	-	161,422
Total expenses	28,657,788	-	28,657,788
Deficiency of revenues over expenses	(2,147,702)	(55,217)	(2,202,919)
Other gains (losses):			
Net unrealized and realized losses on investments	(47,401)	(1,401,923)	(1,449,324)
Gain on extinguishment of debt	2,611,960	-	2,611,960
Total other gains (losses)	2,564,559	(1,401,923)	1,162,636
Increase (decrease) in net assets	416,857	(1,457,140)	(1,040,283)
Net assets, beginning of year	28,018,421	11,324,737	39,343,158
Net assets, end of year	$ 28,435,278	$ 9,867,597	$ 38,302,875

See notes to financial statements.

Young Men's Christian Association of Greater Oklahoma City

Statements of Cash Flows
Years Ended October 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Increase (Decrease) in net assets	**$ 3,339,391**	$ (1,040,283)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	**1,721,156**	1,654,354
Payment initial direct cost right-of-use asset	**(1,350)**	-
Debt forgiveness income	**-**	(2,559,700)
Gain/loss on disposal of facilities, net	**7,005**	(251,627)
Unrealized and realized loss (gain) on investments, net	**(309,241)**	1,449,324
Investment income restricted or designated for investment	**(189,411)**	1,603,019
Contributions received which are restricted for investment in endowment or facility acquisition	**(5,530,757)**	(10,100)
Changes in operating assets and liabilities:		
Receivables	**(1,795,924)**	(37,018)
Inventories and supplies	**(65,676)**	(48,975)
Prepaid insurance and other assets	**(157,644)**	67,438
Accounts payable and accrued expenses	**127,839**	201,871
Operating lease liabilities	**33,419**	-
Deferred revenue	**(35,331)**	75,530
Net cash provided by (used in) operating activities	**(2,856,524)**	1,103,833
Cash flows from investing activities:		
Purchase of investments	**(2,084,489)**	(6,837,251)
Proceeds from maturities and sales of investments	**4,247,167**	4,606,105
Purchase of facilities	**(1,341,683)**	(636,629)
Proceeds from sale of facilities	**-**	352,050
Net cash provided by (used in) investing activities	**820,995**	(2,515,725)
Cash flows from financing activities:		
Principal payments on notes payable	**(714,582)**	(682,754)
Proceeds from notes payable	**-**	1,850,000
Principle payments on financing leases	**(160,771)**	(26,673)
Contributions restricted for investment in endowment	**600**	100
Contributions restricted for facilities acquisition	**5,530,157**	10,000
Investment income restricted for reinvestment	**189,411**	(1,603,019)
Net cash provided by (used in) financing activities	**4,844,815**	(452,346)
Net change in cash and cash equivalents	**2,809,286**	(1,864,238)
Cash and cash equivalents, beginning of year	**2,385,540**	4,249,778
Cash and cash equivalents, end of year	**$ 5,194,826**	$ 2,385,540
Supplemental disclosure of cash flow information:		
Interest Paid	**$ 246,571**	$ 236,804
Noncash investing and financing transactions		
Finance lease obligation for equipment	**523,791**	167,107
Operating lease obligation for facilities and equipment	**1,579,098**	-

Young Men's Christian Association of Greater Oklahoma City

Statement of Functional Expenses
Year Ended October 31, 2023

	Programs						
	Youth Development	Healthy Living	Social Responsibility	General & Administrative	Fundraising	Rental Activity	Total
Expenses:							
Salary and wages	$ 6,095,935	$ 4,944,859	$ 1,031,509	$ 2,300,950	$ 304,196	$ -	$ 14,677,449
Employee benefits	716,117	466,837	126,262	366,378	47,514	-	1,723,108
Payroll taxes	550,127	432,512	95,051	148,790	26,122	-	1,252,602
Contracted services	205,217	28,177	97,665	218,844	110,213	-	660,116
Supplies	1,051,688	364,351	273,449	84,737	54,311	-	1,828,536
Telephone	143,681	121,655	22,809	50,290	13,491	-	351,926
Postage and shipping	2,441	1,972	310	3,962	2,851	-	11,536
Occupancy	2,344,017	2,198,318	410,276	247,667	15,072	134,112	5,349,462
Equipment rental and maintenance	234,598	710,720	52,520	699,912	18,102	-	1,715,852
Printing and promotion	139,201	106,657	19,511	81,240	34,432	-	381,041
Travel and employee expenses	454,535	71,239	59,050	121,103	17,839	-	723,766
Conferences and training	32,882	36,628	26,067	39,417	10,901	-	145,895
National support	-	-	-	365,306	-	-	365,306
Organizational dues	13,430	8,296	42,106	6,816	5,128	-	75,776
Interest	97,379	137,216	7,693	-	4,284	-	246,572
Miscellaneous	201,838	242,276	11,406	94,312	7,647	-	557,479
Depreciation and amortization	755,903	710,718	114,934	66,264	26,393	60,194	1,734,406
Total expenses	$ 13,038,989	$ 10,582,431	$ 2,390,618	$ 4,895,988	$ 698,496	$ 194,306	$ 31,800,828

See notes to financial statements.

Young Men's Christian Association of Greater Oklahoma City

Statement of Functional Expenses
Year Ended October 31, 2022

	Programs						
	Youth Development	Healthy Living	Social Responsibility	General & Administrative	Fundraising	Rental Activity	Total
Expenses:							
Salary and wages	$ 5,321,836	$ 4,585,963	$ 881,026	$ 1,987,763	$ 276,171	$ -	$ 13,052,759
Employee benefits	607,325	398,109	79,973	244,541	60,235	-	1,390,184
Payroll taxes	485,980	404,879	83,220	99,893	20,664	-	1,094,636
Contracted services	178,966	52,704	92,712	246,941	8,951	-	580,273
Supplies	925,062	396,538	276,847	39,960	32,083	-	1,670,491
Telephone	118,373	128,981	15,319	41,786	11,614	-	316,074
Postage and shipping	2,546	2,895	70	3,773	1,148	-	10,431
Occupancy	2,038,051	2,514,143	340,402	217,334	6,982	108,814	5,225,725
Equipment rental and maintenance	216,365	855,430	32,183	625,992	23,706	-	1,753,675
Printing and promotion	75,628	84,438	16,910	35,522	26,441	-	238,938
Travel and employee expenses	370,254	57,264	49,483	107,815	10,874	-	595,690
Conferences and training	12,983	5,899	12,943	24,056	5,310	-	61,190
National support	-	-	-	352,467	-	-	352,467
Organizational dues	12,568	8,199	18,957	7,167	2,965	-	49,855
Interest	85,041	143,484	4,494	-	3,795	-	236,814
Miscellaneous	90,356	168,269	26,148	80,960	1,295	-	367,029
Depreciation and amortization	682,896	738,464	91,280	70,147	26,162	52,608	1,661,557
Total expenses	$ 11,224,230	$ 10,545,659	$ 2,021,966	$ 4,186,116	$ 518,395	$ 161,422	$ 28,657,788

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

The Young Men's Christian Association of Greater Oklahoma City (the Association) is incorporated under the laws of the State of Oklahoma as a not-for-profit organization and conducts activities in Oklahoma City and its surrounding communities.

Basis of financial statements: The financial statements of the Association have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association are classified and reported as follows:

Net Assets with donor Restrictions: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association, or stipulations that can be met either by actions of the Association and/or the passage of time; however, those donations with donor restrictions whose restrictions are met in the same fiscal year are classified as without donor restrictions. The donors of these assets may permit the Association to use all or part of the income earned on related investments for general or specific purposes. Currently, substantially all income from donations with donor restrictions net assets is available for any activities of the Association.

Net Assets without donor Restrictions: Net assets for which the donor has not imposed a restriction that the assets be used for a specific purpose or held for a certain period of time. Net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. The Board of Directors of the Association has designated portions of the net assets without donor restrictions for maintenance, investment, and facility development. In addition, the Association has invested net assets without donor restrictions in the existing facilities of the Association.

Contributions are reported as increases in the appropriate category of net assets. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of donations with donor restrictions recognized in net assets (i.e., the donor-stipulated purpose has been fulfilled, and/or the stipulated time period has elapsed) are reported as net assets released from restriction in the statement of activities. Donations with donor imposed restrictions to acquire long-lived assets are considered met in the period in which the assets are acquired or placed in service.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any. An allowance for uncollectible receivables is established based on management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

The Association reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Note 1. Summary of Significant Accounting Policies (Continued)

Rental income is recognized when earned in accordance with the terms of the respective leases. Accordingly, rental income is recognized over the terms of the respective leases.

Endowment investment and spending policies: The Association's endowment consists of approximately 20 individual funds established for a variety of purposes. The endowment consists of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Association has interpreted the Oklahoma Prudent Management of Institutional Funds Act (OKPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment fund gift, absent explicit donor instructions to the contrary. As a result of this interpretation, the Association classifies as net assets with donor restrictions to be held in perpetuity (a) the original fair value of gifts to the permanent endowment, (b) the original fair value of any subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the explicit donor instructions at the time of the gift. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions to be held in perpetuity is classified as net assets with donor restrictions available for restricted purposes until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by OKPMIFA.

In accordance with OKPMIFA, the Association considered the following factors in making its determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Association and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation and depreciation of investments;
- Other resources of the Association; and
- The investment policy of the Association.

Cash and cash equivalents: Cash and cash equivalents include cash and certificates of deposit with original maturities less than 90 days. Cash and certificates of deposit that are restricted for long-term purposes are presented as investments. The Association maintains its cash and cash equivalents in bank deposit accounts and money market funds, some of which may not be federally insured. The Association has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash and cash equivalents.

Inventories and supplies: Inventories and supplies are stated at the lower of cost or net realizable value. Cost is determined using the first in, first out method.

Fair value of financial instruments: The Association's financial instruments consist of cash and cash equivalents, receivables, pledges receivable, investments, accounts payable and accrued expenses, notes payable, and bonds payable. The carrying value of cash and cash equivalents, receivables, accounts payable and accrued expenses, notes payable and bonds payable approximates fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue recognition: The Association has multiple revenue streams that are accounted for as reciprocal exchange transactions including membership and programs fees.

Because the Association's performance obligations relate to contracts with a duration of one year or less, the Association has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a), *Revenue from Contracts with Customers*, and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no incremental costs of obtaining a contract and no significant financing components.

Membership dues are recognized ratably over the period of the membership, which varies based on when members join or leave the Association. Unearned membership revenue is reflected as deferred revenue on the consolidated financial statements of financial position. Members are provided with monthly access to the YMCA locations and variety of services, and revenue is recognized monthly as the services are provided.

Program service fees are reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing services to their program participants. Program fees include fitness classes, child care, day camps, overnight camps, swim lessons, and various other programs. Performance obligations are generally providing a service at a point in time. Revenue is recognized at the time the program is held. Unearned program fees are reflected as deferred revenue on the consolidated statements of financial position.

Accounts receivable and credit policy: Accounts receivable principally consists of billings to other not-for-profit organizations. The Association considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary. The Association's management considers various factors in determining when to charge off a receivable, including the length of time from the initial billing, the payment history, the organization's financial status, and the overall collection history. The delinquency of any receivables is considered on an individual basis. A receivable is charged off when management has determined that all reasonable methods for collection of the receivable have been exhausted.

Investments: Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the statements of financial position, with gains and losses included in the statements of activities and changes in net assets. The fair values of investments are generally determined based on quoted market prices or estimates of fair value provided by external investment managers. The amounts the Association will ultimately realize could differ materially from the reported amounts, and significant fluctuations in fair values could occur from year to year.

Income and gains or losses on investments are reported as follows:

- Increases/decreases in net assets with donor restrictions if the terms of the gift that gave rise to the investment or applicable law require a portion of income or gains and losses to be added to the principal of a permanent endowment.
- Increases/decreases in net assets without donor restrictions in all other cases.

Note 1. Summary of Significant Accounting Policies (Continued)

Generally, losses on the investments included in net assets with donor restrictions will reduce this category of net assets to the extent donor-imposed restrictions on net appreciation of investments have not been met before the loss occurs. Any remaining losses reduce net assets without donor restrictions but can be restored through subsequent investment gains. Losses on beneficial interests in assets held by others are included in net assets with donor restrictions.

The Association has an investment policy specific to its Endowment Fund, which is monitored by the Investment Committee of its Board of Directors. Endowment Fund assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. In addition to the spending policy, the investment policy describes the objective for the fund and sets ranges for asset allocation.

The overall rate of return objective of the portfolio is a reasonable "real" rate, consistent with the risk levels established by the Committee. The expected rate of return over a full market cycle should equal or exceed a reasonable "real" return, plus the rate of inflation.

The following is a summary of the asset allocation guidelines, with allowable ranges for each asset class:

	Minimum Percent	Maximum Percent	Target Percent
Large cap stocks	20%	40%	30%
Small and mid cap stocks	5%	20%	10%
International equities	5%	25%	15%
Emerging market equities	0%	15%	5%
Investment grade fixed income	10%	35%	20%
High yield fixed income	0%	10%	5%
International fixed income	0%	20%	10%
Alternative investments	0%	10%	5%
Cash	0%	5%	0%

The Association has an endowment spending formula for spending the earnings from the Endowment Fund. Unless specified otherwise by the donor, the Association allocates 4.0 percent of the related investment's average market value for the prior 12 quarters as determined as of June 30 of each year for the subsequent year's operating activities.

Donated services: Services are recognized at fair value as contributions when services received (a) are received with an unconditional commitment from the donor and (b) create or enhance nonfinancial assets, or require specialized skills, provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated time to the Association for other projects such as fundraising, coaching, the running of certain programs and events, and administration of the Association. No amounts have been reflected in the financial statements for such services.

Long-lived assets: Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Note 1. Summary of Significant Accounting Policies (Continued)

Facilities: Depreciation of facilities is based on the straight-line method with the half-year convention in the year of acquisition utilizing the following estimated useful lives:

	Years
Buildings	25-45
Improvements	5-25
Furniture and equipment	5-10
Vehicles	5

Income taxes: The Association is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for income taxes in the accompanying financial statements. Management evaluated the Association's tax positions and concluded that they had taken no uncertain tax positions that require adjustment to the financial statements. With few exceptions, the Association is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years before 2021.

Beneficial interests in assets held by others: Beneficial interests in assets held by others represent amounts held by the Oklahoma City Community Foundation (OCCF), which were contributed to OCCF by the Association together with the undistributed gains and losses on such funds. The Association does not have any rights to the principal of these funds as OCCF retains variance power. The Association's interest in the assets is recorded at the fair value of the net assets held in trust by OCCF. The amount the Association will ultimately realize could differ materially from these recorded amounts, and significant fluctuations in fair values could occur from year to year.

Deferred revenues: Deferred revenues consist of deferred memberships and program revenues, which are recognized as revenue over the life of the related membership or program.

Functional allocation of expenses: The costs of providing the Association's various programs, management and general expenses, fundraising expenses, and expenses related to the Association's rental of excess space in its main office building have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated among these cost centers using various systematic bases of allocation.

Estimates: In preparing the Association's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Fair value measurements: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy has been established that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs that are derived principally from or corroborated by observable market data; and

Level 3: Inputs that are unobservable and significant to the overall fair value measurement.

Financial assets and liabilities carried at fair value on a recurring basis include investments and beneficial interest in assets held by others (see Note 4).

Note 1. Summary of Significant Accounting Policies (Continued)

Concentration of credit risk: The Association maintains its cash in bank accounts and money market funds that, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. The Association believes it is not exposed to any significant credit risk on cash and cash equivalents.

Financial instruments which potentially subject the Association to credit risk consist of grants and accounts receivable, grants and accounts receivable with restrictions, campaign pledges receivable, and investments. Credit risk for all the Association's receivables is concentrated because the majority of the balances are receivable from individuals located within the greater Oklahoma City area.

The Association's investments consist of various stocks, bonds, equity, and fixed income securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the investment account balances and the amounts reported in the statements of financial position and the statements of activities and changes in net position.

Leases: The association has entered into various noncancelable operating leases for facilities. In addition, the Association has entered into operating and finance leases for equipment. The Association determines if an arrangement is a lease at inception.

Operating leases (with the exception of leases with a term of twelve months or less) are recorded in operating lease right of use assets and obligations under operating leases liabilities in the statements of financial position. Finance leases are recorded in finance lease right of use assets, net and obligations under finance leases in the statements of financial position. Leases with a term of twelve months or less are considered short term leases and are accounted for as equipment expense in the statement of activities as rental payments are incurred. The Association does not separate lease components from non-lease components.

Operating and finance lease assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating and finance lease assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When the lease does not provide an implicit rate, the Association uses a secured borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Association uses the implicit rate when readily determinable. The Association's lease terms may include options to extend. Operating lease expense for lease payments are recognized on a straight-line basis over the lease term. Finance lease expense includes two components: straight line amortization expense over the life of the underlying equipment and interest expense on the outstanding liability.

Prior to November 1, 2022 and the implementation of ASU 2016-02, Leases (Topic 842), equipment operating leases were accounted for as equipment expense and program facility operating leases were accounted for as occupancy expense in the statement of activities when the rental payment expense was incurred. No asset or liability was recorded for operating leases.

Accounting pronouncement adopted: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The Association adopted this standard using the modified retrospective approach. The results for reporting periods after October 31, 2022 are presented under Topic 842, while prior periods have not been adjusted. The Association elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Association to carry forward the historical lease classification. The Association has also elected the practical expedient to not separate lease components from nonlease components. As a result of the adoption of Topic 842, the Association recognized $1,579,098 in obligations under operating leases in the Statement of Financial Position. There was no impact on net assets.

Subsequent events: The Association has evaluated subsequent events through February 2, 2024, the date the financial statements were available to be issued. There were no subsequent events requiring disclosure besides the items described in Note 16.

Note 2. Basic Programs Offered by the Association

All programs and activities offered by the Association are designed around its mission: To put Christian principles into practice through programs that build healthy spirit, mind and body for all. The major program areas of the Association are as follows:

Youth development: The Association believes the values and skills learned early on are vital building blocks for life. Because of the Association, more young people in neighborhoods around our community are taking a greater interest in learning and making smarter life choices. At the Association, children and teens learn values and positive behaviors and can explore their unique talents and interests, helping them realize their potential. That makes for confident kids today and contributing and engaged adults tomorrow.

The Association makes sure that every child has an opportunity to envision and pursue a positive future and to take an active role in strengthening his or her community, through programs like our Child Development Center or before-and-after school programs and others like YMCA Youth in Government and Y Achievers, which offer career exploration and college preparation.

For others, the Association is the starting point for kids to learn about becoming and staying active and developing healthy habits they'll carry with them throughout their lives. Whether it's gaining the confidence that comes from learning to swim or building the positive relationships that lead to good sportsmanship and teamwork, participating in youth sports programs at the Association is about building the whole child, from the inside out.

Very few environments are as special as camp, where kids become a community as they learn both how to be more independent and how to contribute to a group as they engage in physical, social, and educational activities. Our summer day camps, specialty camps, and resident camp teach self-reliance, a love for nature and the outdoors, and the development of attitudes and practices that build character and leadership.

Note 2. Basic Programs Offered by the Association (Continued)

Healthy living: Being healthy means more than simply being physically active. It's about maintaining a balanced spirit, mind, and body through a wide array of group exercise classes from water aerobics to cycling. The Association is a place where you can work toward that balance by challenging yourself to

learn a new skill or hobby, fostering connections with friends through our lifelong learning programs, or bringing your loved ones closer together through our many family-centered activities. At the Association, it's not about the activity you choose as much as it is about the benefits of living healthier on the inside as well as the outside.

Serving families has always been at the heart of the Association. The Association is a place where they can find respite from social, economic, and educational challenges and learn how to overcome them. We have a fundamental desire to provide opportunities for every family to build stronger bonds through unique programs like Adventure Guides and Family Nights.

The Association provides educational programs to promote healthier decisions and offers a variety of programs that support physical, intellectual, and spiritual strength like Silver Sneakers and Active Older Adults programming.

The Association believes sports, fun, and exploring new interests aren't just for the young. Along with improving health, whenever teamwork is involved, there's the added benefit of being connected to others. That's why you'll find a range of recreational activities at the Association, from group classes to adult sports leagues.

Social responsibility: As a leading not-for-profit committed to strengthening community through youth development, healthy living, and social responsibility, the Association was created in response to social challenges and remains to this day a lifeline in communities around the world. The Association understands the challenges that keep individuals from reaching their full potential and responds with services and support which help people to be self-reliant, productive, and connected to the community. Each location responds to the unique issues influencing the community and provides support through services focused on critical areas, such as child welfare, community health, quality of life, or family services.

To bring about meaningful change, individuals need ongoing encouragement and tools. The Association is here day-in and day-out to provide the resources our communities need. The Association addresses social issues through our YMCA Lincoln Park Senior Center, the YMCA Military Welcome Center, environmental education camp at YMCA Camp Classen, and the Safety Around Water program that teaches underserved kids how to swim.

One of the most important aspects of building a global community is giving young people opportunities to understand and celebrate diversity. The Association helps people to develop cultural competencies and the key skills to collaborate with their peers around the world through our International Camp Counselor Program and Brazilian Exchange program.

Finally, the generosity of others is at the core of our existence. It is only through the support of our thousands of volunteers and public and private donors that we are able to give back to the communities we serve.

Note 3. Receivables

At October 31, receivables consisted of the following:

	2023	2022
United Way allocation	$ 147,887	$ 141,607
Program receivables	861,408	660,731
Employee Retention Tax Credit	-	2,253,854
Foundation grant receivables	20,000	483,899
Pledge Receivables	4,661,304	-
Total receivables	5,690,599	3,540,091
Discount to net present value	(354,584)	-
Receivables, net	$ 5,336,015	$ 3,540,091

Receivables at October 31, 2023 are expected to be collected as follows:

2024	2,244,693
2025	1,124,100
2026	1,128,100
2027	1,133,100
2028	60,606
	$ 5,690,599

Note 4. Investments

At October 31, investments at amortized cost and fair value are as follows:

	2023		2022	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Endowment money market	$ 78,013	$ 78,013	$ 82,106	$ 82,106
Certificates of deposit	-	-	100,025	100,025
Mutual funds	7,658,944	7,559,510	7,746,495	7,340,162
U.S. treasury securities	398,411	398,411	2,380,324	2,380,324
Beneficial interests in assets held by others (Note 7)	269,036	419,500	269,036	393,000
Total Investments	$ 8,404,404	$ 8,455,434	$ 10,577,986	$ 10,295,617

Realized loss was $24,158 in 2023 and realized gain was $784,324 in 2022, neither of which were recognized for financial reporting purposes in a year prior to the year of realization.

Note 5. Fair Value Measurements

The Association measures investments on a fund-by-fund basis and reports them at fair value in one of three categories based on inputs. The Association's Swap Agreement is reported at fair value as a level three category based on input (see further discussion of the Swap Agreement in Note 8). The following tables summarize the levels in the fair value hierarchy of the Association's assets (liabilities) at October 31:

	2023			
	Level 1	Level 2	Level 3	Total
Endowment money market	$ 78,013	$ -	$ -	$ 78,013
Certificates of deposit	-	-	-	-
Mutual funds	7,559,510	-	-	7,559,510
U.S. treasury securities 0-12 months	398,411	-	-	398,411
Beneficial interests in assets held by others (Note 7)	-	-	419,500	419,500
Swap Agreement	-	-	542,286	542,286
	$ 8,035,934	$ -	$ 961,786	$ 8,997,720

	2022			
	Level 1	Level 2	Level 3	Total
Endowment money market	$ 82,106	$ -	$ -	$ 82,106
Certificates of deposit	-	100,025	-	100,025
Mutual funds	7,340,162	-	-	7,340,162
U.S. treasury securities 0-12 months	2,380,324	-	-	2,380,324
Beneficial interests in assets held by others (Note 7)	-	-	393,000	393,000
Swap Agreement	-	-	578,286	578,286
	$ 9,802,592	$ 100,025	$ 971,286	$ 10,873,903

The following table summarizes the changes in the fair value of the Association's Level 3 financial assets held by others for the period ending October 31:

	Beneficial Interests in Assets Held by Others	
	2023	2022
Balance at November 1	$ 393,000	$ 498,000
Net investment performance	49,265	(82,242)
Distributions to the Association	(22,765)	(22,758)
Balance at October 31	$ 419,500	$ 393,000

Note 5. Fair Value Measurements (Continued)

The summary of changes in fair value of Level 3 assets has been prepared to reflect the activity in the same categories as those provided to the Association by OCCF. Net investment performance includes realized and unrealized gains (losses) on investments, investment income and administrative fees. Distributions from OCCF decrease the Association's beneficial interest and increase cash at the time of distribution. The change in value is included in net unrealized and realized gain on investments in the statement of activities.

The following table summarizes the changes in the fair value of the Association's Level 3 Swap Agreement for the period ending October 31:

	Swap Agreement	
	2023	2022
Balance at November 1	$ (578,286)	$ 66,935
Change in value of Swap	36,000	(645,221)
Balance at October 31	$ (542,286)	$ (578,286)

The Swap Agreement is formally designated and qualifies as a fair value hedge and is recorded at fair value in the Statement of Financial Position in other assets and/or other liabilities. Gains and losses due to changes in fair value of the interest rate swap agreement completely offset changes in the fair value of the hedged portion of the underlying debt. Therefore, no gain or loss has been recognized due to hedge ineffectiveness. The YMCA does not hold or issue any derivative instrument for trading or speculative purposes.

Note 6. Facilities

At October 31, facilities of the Association consist of the following:

	2023	2022
Land	$ 1,935,599	$ 1,935,599
Donated leases	870,000	870,000
Buildings and improvements	46,584,525	46,372,276
Leasehold improvements	11,454,811	10,895,695
Furniture and equipment	2,862,592	2,986,840
Vehicles	481,234	454,635
Construction in Progress	354,070	178,858
	64,542,831	63,693,903
Less accumulated depreciation and amortization	(33,045,683)	(31,721,693)
Facilities, net	$ 31,497,148	$ 31,972,210

Note 6. Facilities (Continued)

The Association entered into a lease agreement with the City of Oklahoma City for eight acres of land in a park in Cleveland County, Oklahoma, with an appraised value of $870,000. The lease calls for the Association to develop and maintain a recreational facility for its sole use and its sole cost on the property in lieu of cash rentals. On October 26, 2021 an amendment was made to the original lease period of 20 years. The new lease period is for 40 years beginning on the original date the facility was placed in service, with two 10-year renewal options. The facility was placed in service in January 2006. Accordingly, the Association recognized $870,000 of donated land lease in net assets with donor restrictions. The lease is being amortized over the original term and renewal periods with the amount of the amortization being released to net assets without donor restrictions each year. During 2023 and 2022, $21,750 each year was released from net assets with donor restrictions.

Note 7. Beneficial Interest in Assets Held by Others

Beneficial interest in assets held by others represents funds contributed by the Association to OCCF to be held in trust for the benefit of the Association. OCCF also holds additional funds contributed by others for the benefit of the programs and activities of the Association. Funds and related undistributed gains and losses held by OCCF for the benefit of the Association, which were donated by others, are not reflected in the accompanying statements of financial position because OCCF maintains variance power over these funds.

A summary of funds held at OCCF for the benefit of the Association at September 30, 2023 and 2022, the most recent date for which such information is available, is as follows:

	2023	2022
Total funds held at OCCF for the benefit of the Association	$ 1,579,000	$ 1,475,000
Value of such funds contributed by others, for which OCCF retains variance power	1,159,500	1,082,000
Funds contributed by the Association, held in trust by OCCF, and reflected on the Association's statements of financial position	$ 419,500	$ 393,000

The Association received total distributions from OCCF of $85,329 and $85,635 in the years ended October 31, 2023 and 2022, respectively, which are reflected in the accompanying statements of activities.

Note 8. Notes Payable

At October 31, notes payable consist of the following:

	2023	2022
2.75% refinancing loan with monthly sinking fund installments of $29,095 with maturity of July 2026, secured by real estate for Earlywine Park YMCA	$ 1,005,000	$ 1,325,000
Swap + 1.6% construction loan with monthly installments of $38,840 with a balloon payment in April 2030, secured by real estate for Mitch Park YMCA	4,462,607	4,847,982
4.00% lease to own with maturity of May 2028, secured by real estate for Guthrie YMCA with monthly installments of $3,544	177,805	212,460
2.75% EIDL loan with monthly installments of $8,683, maturity of August 2050	2,000,000	2,000,000
	$ 7,645,412	$ 8,385,442

During 2015, the Association refinanced the September 2006 serial revenue bonds (Series 2006 Young Men's Christian Association of Greater Oklahoma City Earlywine Project). The debt (Series 2015 Authority Note) of $3,325,000 was issued by a bank and has an interest rate of 2.75 percent with a maturity date of July 2026. The terms of the loan require semi-annual payments of interest and principal through a trustee. Related issuance costs totaled $59,567 and are being amortized over the life of the loan.

At October 31, 2023, the aggregate future principal payments on notes payable are as follows:

Years ending October 31:	
2024	744,437
2025	793,106
2026	816,622
2027	485,346
2028	457,252
Thereafter	3,806,364
	$ 7,103,127

At October 31, notes payable are as follows:

	2023	2022
Principal	$ 7,645,412	$ 8,385,442
Issuance costs	(13,347)	(19,652)
Sinking fund	(109,720)	(107,328)
Accrued Interest	24,544	39,008
	$ 7,546,889	$ 8,297,470

Note 8. Notes Payable (Continued)

The Association has a $750,000 revolving line of credit at 7.25 percent maturing in March 2024. As of October 31, 2023 and 2022, no amounts were outstanding on this line of credit.

During 2010, the Association entered into an operating agreement with the City of Edmond whereby each party contributed up to $6,000,000 for the design and construction of a recreation facility in the City of Edmond located at Mitch Park. Subsequently, the Association agreed to increase the funding for the project by approximately $235,000. The City of Edmond owns the facility, and the Association has a 20-year exclusive agreement for the operation of the facility with two 10-year renewal options. The City of Edmond maintains the exterior of the facility and the related landscaping. The Association is responsible for all other costs related to operating the facility. The facility opened in February 2014 and the Association recorded total costs of $6,588,386 as leasehold improvements which are being amortized over the life of the agreement.

As of May 5, 2020 the YMCA entered into an interest rate swap agreement as part of refinancing the Mitch Park mortgage note. The interest rate swap allows the YMCA to convert a portion of interest rate exposure from fixed rate to floating rate in order to more closely align interest expense with interest income received on its cash equivalent and variable rate balance. The YMCA had $3,920,321 and $4,269,696 of notional amount of interest rate swap agreements as of October 31, 2023 and 2022, respectively, expiring on May 6, 2030. Under the Swap Agreement, the YMCA receives a fixed rate of interest and pays an average variable rate of 1.2% with a 50 bps minimum adjusted monthly. At October 31, 2023, the weighted average rate was 2.80%.

On April 17, 2020, the YMCA of Greater Oklahoma City received loan proceeds in the amount of approximately $2,559,700 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. In May 2022, the PPP loan was forgiven in full by the Small Business Administration. A gain on forgiveness was recorded in May 2022 for $2,611,960.

During 2021, the Association received the COVID-19 Economic Injury Disaster Loan ("EIDL") in the amount of $150,000 and in 2022 received an additional $1,850,000, for a total loan amount of $2,000,000. The EIDL, established as part of the CARES Act, provides loans to qualifying businesses to be used for working capital and other normal operating expenses. The loan is payable over 30-years at an interest rate of 2.75%. The loan payments were deferred for thirty months, during which interest accrued, and payments of principal and interest are made over the remaining loan term. The Association began making payments in March 2023 towards accrued interest.

Note 9. Leases

The Association leases certain program facilities and fitness equipment from third parties under the terms of non-cancellable operating and finance lease agreements that expire at various dates though October 2031. As of October 31, 2023, the leases have remaining terms that vary from six months to approximately eight years.

The components of lease costs were as follows for the year ended October 31, 2023:

	2023
Operating lease cost:	
Fixed rent expense	$ 427,055
Finance lease cost:	
Amortization of right-of-use assets	79,837
Interest expense	29,382
Total lease costs	$ 536,274

Future payments due under operating and finance leases as of October 31, 2023 are as follows:

	Operating	Finance
2024	$ 440,283	$ 192,513
2025	357,480	163,166
2026	178,134	89,089
2027	141,108	50,505
2028	80,906	50,505
Thereafter	193,336	34,705
Total minimum lease payments	1,391,247	580,483
Less: imputed interest	(218,554)	(77,028)
Total lease liabilities	$ 1,172,693	$ 503,455

As previously disclosed in the Association's financial statements for the year ended October 31, 2022, maturities of the Association's lease liabilities under the previous lease accounting standard, were as follows for at October 31, 2022:

Years ending October 31:	
2023	$ 545,733
2024	398,285
2025	334,046
2026	174,988
2027	123,425
Thereafter	262,498
	$ 1,838,976

Note 9. Leases (Continued)

Total lease expense was $1,176,303 and $1,371,664 in the years ended October 31, 2023 and 2022, respectively.

The weighted average remaining lease term and weighted average discount rate were as follows as of October 31, 2023:

	Operating	Finance
Weighted Average Remaining Lease Term	4.51 years	3.64 years
Weighted Average Discount Rate	7.75%	7.09%

Supplemental cash flow information related to lease were as follows for the year ended October 31, 2023:

	2023
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	406,405
Operating cash flows from finance leases	29,382
Financing cash flows from finance leases	160,771

Note 10. Retirement Plan

The Association participates in the YMCA Retirement Fund Retirement Plan, which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, and The YMCA Retirement Fund Tax-Deferred Savings Plan, which is a retirement income account plan as defined in section 403(b)(9) of the code. Both plans are sponsored by The Young Men's Christian Association Retirement Fund (the Fund). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York in 1922, organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As a defined contribution plan, the Retirement Plan and the Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with the agreement, contributions for the YMCA Retirement Fund Plan are a percentage of the participating employee's salary. Total contributions charged to retirement expense in 2023 and 2022 were $831,492 and $582,788, respectively.

Contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to the YMCA Retirement Fund. There is no employer matching contribution in this plan.

Note 11. Commitments and Contingencies

From time to time, the Association is the defendant in certain legal claims. The Association's management is of the opinion, based on advice of legal counsel, that the ultimate outcome of any such litigation will not have a material effect on the future operations and financial position of the Association.

In the normal course of operations, the Association receives grants and other forms of reimbursement from various federal, state and local agencies. The activities are subject to audit by agents of the funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds.

Management believes that the liability, if any, for a reimbursement which may arise as the result of audits would not be material.

Note 12. Accounting for Endowments

A summary of the endowment net asset composition by type of fund and change in net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted	$ -	$ 9,101,332	$ 9,101,332
Board-designated	353,534	-	353,534
Total October 31, 2021	353,534	9,101,332	9,454,866
Investment return:			
Investment income	4,322	204,122	208,444
Net appreciation	(47,401)	(1,401,730)	(1,449,131)
Total investment return	(43,079)	(1,197,608)	(1,240,687)
Contributions	15,139	113	15,252
Appropriations	(9,420)	(352,717)	(362,137)
Donor-restricted	-	7,551,120	7,551,120
Board-designated	316,174	-	316,174
Total October 31, 2022	316,174	7,551,120	7,867,294
Investment return:			
Investment income	6,969	266,049	273,018
Net appreciation	9,891	299,350	309,241
Total investment return	16,860	565,399	582,259
Contributions	15,669	600	16,269
Appropriations	(10,719)	(376,559)	(387,278)
Donor-restricted	-	7,740,560	7,740,560
Board-designated	337,984	-	337,984
Total October 31, 2023	$ 337,984	$ 7,740,560	$ 8,078,544

Note 13. Rentals Income

The YMCA leased office space to tenants under operating leases with term expiration dates ranging from 2024 to 2028. As of October 31, 2023, the minimum future cash from rentals receivable (excluding tenant reimbursements for operating expenses) under noncancelable operating leases for office space in each of the next five years are as follows:

Years ending October 31:	
2024	$ 130,281
2025	116,889
2026	120,382
2027	89,038
2028	53,708
	$ 510,298

Note 14. Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of October 31, 2023 and 2022 are comprised of the following:

October 31,	2023	2022
Cash and cash equivalents	$ 5,194,826	$ 2,385,540
Investments	8,455,434	10,295,617
United Way receivable	147,887	141,607
Foundation grant receivable	20,000	257,043
Program receivable, net	861,408	660,731
Employee retention tax credit, net	-	2,253,854
Pledge receivable, net	1,215,398	-
Accounts receivable, net	-	-
Total financial assets available within one year	15,894,953	15,994,392
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	(6,041,675)	(3,454,778)
Restricted by donors in perpetuity	(4,732,846)	(4,668,783)
Total amounts available for general expenditures within one year	5,120,432	7,870,831
Amounts unavailable to management without Board's approval:		
Designated for Maintenance	(519,348)	(444,499)
Designated for Investment	(293,852)	(272,044)
Designated for Facilities	(382,564)	(639,638)
Total amounts unavailable to management without Board's approval	(1,195,764)	(1,356,181)
Total financial assets available to management for general expenditure within one year	$ 3,924,668	$ 6,514,650

The Association is substantially supported by program revenues and regularly monitors liquidity required to meet its operating needs while striving to maximize the investment of available funds. As part of the organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs the Association has a committed line of credit of $750,000 that matures on March 31, 2024, which it could draw upon. Additionally, the Association's Board of Directors has designated a portion of its resources without donor restrictions as board-designated. These funds are invested for long-term appreciation and current income but remain available to be spent at the board's discretion.

Note 15. Net Assets

Net assets are available for the following purposes as of October 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Undesignated	$ 25,284,519	$ -	$ 25,284,519
Board designated for			
Maintenance	519,348	-	519,348
Investments	293,852	-	293,852
Facilities	382,564	-	382,564
Donor restricted endowment funds			
Original donor restricted gift amount and and amounts required to be maintained in perpetuity	-	4,732,846	4,732,846
Accumulated investment gains	-	3,051,841	3,051,841
Donor restricted for specific purpose	-	7,377,296	7,377,296
Total	$ 26,480,283	$ 15,161,983	$ 41,642,266

Net assets are available for the following purposes as of October 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Undesignated	$ 27,079,097	$ -	$ 27,079,097
Board designated for			
Maintenance	444,499	-	444,499
Investments	272,044	-	272,044
Facilities	639,638	-	639,638
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity	-	4,668,783	4,668,783
Accumulated investment gains	-	2,926,465	2,926,465
Donor restricted for specific purpose	-	2,272,349	2,272,349
Total	$ 28,435,278	$ 9,867,597	$ 38,302,875

Net assets with donor restrictions released from restrictions for the year ended October 31, 2023 and 2022 are as follows:

	2023	2022
Construction or acquisition of property or equipment	$ 22,047	$ 37,846
Program Services	862,568	547,240
Appropriation of endowment assets	376,559	352,524
	$ 1,261,174	$ 937,610

Note 16. Subsequent Events

Effective January 31, 2024, the Association took over responsibility for the facilities and operation of both the Cleveland County YMCA and Great Plains YMCA. The Association is in the process of determining the fair value of the assets and the liabilities being acquired into the Association.