

Young Men's Christian Association of Greater Oklahoma City

Financial Report
October 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2020 and 2019, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2020 and 2019, 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.

Arledge & Associates

February 12, 2021

Young Men's Christian Association of Greater Oklahoma City

Statements of Financial Position
October 31, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 3,289,596	\$ 2,632,984
Receivables	663,323	635,848
Inventories and supplies	105,016	103,675
Prepaid insurance and other assets	354,828	654,914
Investments	7,780,656	7,873,843
Facilities, net	34,348,643	35,069,650
Total assets	\$ 46,542,062	\$ 46,970,914
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,553,949	\$ 1,586,433
Deferred revenues	240,709	472,067
Notes payable	9,673,316	7,625,449
Swap Agreement	74,817	-
Total liabilities	11,542,791	9,683,949
Net assets:		
Without donor restrictions net assets:		
Undesignated	(1,849,952)	363,615
Designated for maintenance	719,623	446,108
Designated for investments	241,706	229,768
Designated for facilities	652,150	851,408
Invested in facilities	26,564,013	26,846,286
Total without donor restrictions net assets	26,327,540	28,737,185
With donor restrictions net assets:		
For periods after October 31, 2020 and 2019	1,080,257	808,974
For investment	7,483,785	7,572,409
For facility acquisition	107,689	168,397
Total with donor restrictions net assets	8,671,731	8,549,780
Total net assets	34,999,271	37,286,965
Total liabilities and net assets	\$ 46,542,062	\$ 46,970,914

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, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions	\$ 1,994,006	\$ 483,988	\$ 2,477,994
Government grants and contracts	126,729	-	126,729
United Way allocations	221,085	5,713	226,798
	<u>2,341,820</u>	<u>489,701</u>	<u>2,831,521</u>
Membership dues	13,794,281	-	13,794,281
Program and facility fees	5,883,368	-	5,883,368
Sales to the public (net of direct related costs of \$149,732)	48,064	-	48,064
Rental income	219,307	-	219,307
	<u>19,945,020</u>	<u>-</u>	<u>19,945,020</u>
Investment income	4,338	208,464	212,802
Gain on disposal of fixed assets	176	-	176
	<u>4,514</u>	<u>208,464</u>	<u>212,978</u>
	<u>22,291,354</u>	<u>698,165</u>	<u>22,989,519</u>
Net assets released from restrictions	588,225	(588,225)	-
Total revenues, gains and other support	<u>22,879,579</u>	<u>109,940</u>	<u>22,989,519</u>
Expenses:			
Youth development	9,515,629	-	9,515,629
Healthy living	10,852,429	-	10,852,429
Social responsibility	1,227,117	-	1,227,117
General and administrative	2,991,282	-	2,991,282
Fundraising	560,962	-	560,962
Rental activities	142,753	-	142,753
Total expenses	<u>25,290,172</u>	<u>-</u>	<u>25,290,172</u>
Excess (deficiency) of revenues over expenses	<u>(2,410,593)</u>	<u>109,940</u>	<u>(2,300,653)</u>
Other gains:			
Net unrealized and realized gains on investments	948	12,011	12,959
	<u>948</u>	<u>12,011</u>	<u>12,959</u>
Increase (decrease) in net assets	<u>(2,409,645)</u>	<u>121,951</u>	<u>(2,287,694)</u>
Net assets, beginning of year	<u>28,737,185</u>	<u>8,549,780</u>	<u>37,286,965</u>
Net assets, end of year	<u>\$ 26,327,540</u>	<u>\$ 8,671,731</u>	<u>\$ 34,999,271</u>

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, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions	\$ 1,523,185	\$ 324,638	\$ 1,847,823
Government grants and contracts	28,463	-	28,463
United Way allocations	159,142	9,758	168,900
	<u>1,710,790</u>	<u>334,396</u>	<u>2,045,186</u>
Membership dues	16,846,719	-	16,846,719
Program and facility fees	8,538,431	-	8,538,431
Sales to the public (net of direct related costs of \$264,687)	106,333	-	106,333
Rental income	213,037	-	213,037
	<u>25,704,520</u>	<u>-</u>	<u>25,704,520</u>
Investment income	4,063	204,945	209,008
Loss on disposal of fixed assets	(9,876)	-	(9,876)
	<u>(5,813)</u>	<u>204,945</u>	<u>199,132</u>
	<u>27,409,497</u>	<u>539,341</u>	<u>27,948,838</u>
Net assets released from restrictions	726,501	(726,501)	-
Total revenues, gains and other support	<u>28,135,998</u>	<u>(187,160)</u>	<u>27,948,838</u>
Expenses:			
Youth development	10,958,214	-	10,958,214
Healthy living	12,207,349	-	12,207,349
Social responsibility	1,244,770	-	1,244,770
General and administrative	3,148,058	-	3,148,058
Fundraising	549,144	-	549,144
Rental activities	152,398	-	152,398
Total expenses	<u>28,259,933</u>	<u>-</u>	<u>28,259,933</u>
Excess (deficiency) of revenues over expenses	<u>(123,935)</u>	<u>(187,160)</u>	<u>(311,095)</u>
Other gains:			
Net unrealized and realized gains on investments	15,540	504,576	520,116
	<u>15,540</u>	<u>504,576</u>	<u>520,116</u>
Increase (decrease) in net assets	<u>(108,395)</u>	<u>317,416</u>	<u>209,021</u>
Net assets, beginning of year	<u>28,845,580</u>	<u>8,232,364</u>	<u>37,077,944</u>
Net assets, end of year	<u>\$ 28,737,185</u>	<u>\$ 8,549,780</u>	<u>\$ 37,286,965</u>

Young Men's Christian Association of Greater Oklahoma City

**Statements of Cash Flows
Years Ended October 31, 2020 and 2019**

	2020	2019
Cash flows from operating activities:		
Increase (Decrease) in net assets	\$ (2,287,694)	\$ 209,021
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,680,060	1,701,102
Loss (gain) on disposal of facilities, net	-	9,876
Unrealized and realized loss (gain) on investments, net	(12,959)	(520,116)
Investment income restricted or designated for investment	455,069	375,005
Contributions received which are restricted for investment in endowment or facility acquisition	(196,667)	(324,638)
Changes in operating assets and liabilities:		
Receivables	(27,475)	139,360
Inventories and supplies	(1,341)	(19,057)
Prepaid insurance and other assets	300,086	46,872
Accounts payable and accrued expenses	(32,484)	(108,372)
Deferred revenue	(231,358)	(31,232)
Net cash provided by (used in) operating activities	(354,763)	1,477,821
Cash flows from investing activities:		
Purchase of investments	(2,447,494)	(856,659)
Proceeds from maturities and sales of investments	2,553,640	968,057
Purchase of facilities	(959,053)	(639,102)
Proceeds from sale of facilities	-	125
Net cash used by investing activities	(852,907)	(527,579)
Cash flows from financing activities:		
Principal payments on notes payable	(601,568)	(547,720)
Proceeds from notes payable	2,724,252	-
Contributions restricted for investment in endowment	14,599	142,188
Contributions restricted for facilities acquisition	182,069	182,450
Investment income restricted for reinvestment	(455,069)	(375,005)
Net cash provided by (used in) financing activities	1,864,283	(598,087)
Net change in cash and cash equivalents	656,613	352,155
Cash and cash equivalents, beginning of year	2,632,984	2,280,829
Cash and cash equivalents, end of year	\$ 3,289,596	\$ 2,632,984
Supplemental disclosure of cash flow information—interest paid	\$ 285,616	\$ 366,442

See notes to financial statements.

Young Men's Christian Association of Greater Oklahoma City

**Statement of Functional Expenses
Year Ended October 31, 2020**

	Programs					Rental Activity	Total
	Youth Development	Healthy Living	Social Responsibility	General & Administrative	Fundraising		
Expenses:							
Salary and wages	\$ 4,563,789	\$ 4,465,209	\$ 514,357	\$ 1,207,859	\$ 265,416	\$ -	\$ 11,016,630
Employee benefits	440,418	382,978	63,975	138,694	47,030	-	1,073,095
Payroll taxes	398,891	384,155	46,177	89,643	22,101	-	940,967
Contracted services	65,470	17,037	29,131	125,067	-	-	236,705
Supplies	544,475	311,557	90,608	42,862	52,777	-	1,042,279
Telephone	96,468	122,107	11,736	37,304	13,680	-	281,295
Postage and shipping	4,962	6,540	295	5,988	3,497	-	21,282
Occupancy	2,018,307	3,002,765	261,337	143,591	50,276	79,515	5,555,791
Equipment rental and maintenance	206,503	952,206	46,121	679,179	18,627	-	1,902,636
Printing and promotion	96,858	104,004	9,073	60,299	33,962	-	304,196
Travel and employee expenses	244,855	46,714	28,239	67,829	15,547	-	403,184
Conferences and training	16,931	9,471	548	6,515	(219)	-	33,246
National support	-	-	-	243,065	-	-	243,065
Organizational dues	11,415	7,985	811	8,232	5,927	-	34,370
Interest	96,288	202,078	2,082	-	1,483	-	301,931
Miscellaneous	53,574	62,752	24,198	72,762	6,154	-	219,440
Depreciation and amortization	656,425	774,871	98,429	62,393	24,704	63,238	1,680,060
Total expenses	\$ 9,515,629	\$ 10,852,429	\$ 1,227,117	\$ 2,991,282	\$ 560,962	\$ 142,753	\$ 25,290,172

See notes to financial statements.

Young Men's Christian Association of Greater Oklahoma City

**Statement of Functional Expenses
Year Ended October 31, 2019**

	Programs			General & Administrative	Fundraising	Rental Activity	Total
	Youth Development	Healthy Living	Social Responsibility				
Expenses:							
Salary and wages	\$ 4,873,208	\$ 4,658,807	\$ 470,243	\$ 1,094,979	\$ 225,892	\$ -	\$ 11,323,129
Employee benefits	558,052	495,256	70,307	209,071	49,029	-	1,381,715
Payroll taxes	425,420	400,661	44,253	80,064	18,747	-	969,145
Contracted services	103,906	31,354	40,480	99,808	-	-	275,548
Supplies	563,907	481,623	130,532	17,495	63,552	-	1,257,109
Telephone	121,653	138,302	14,058	41,486	9,885	-	325,384
Postage and shipping	10,818	11,412	1,142	5,392	5,166	-	33,930
Occupancy	2,613,989	3,442,808	279,455	163,250	55,919	90,421	6,645,842
Equipment rental and maintenance	265,389	1,249,301	24,797	784,387	14,008	-	2,337,882
Printing and promotion	92,323	92,984	8,407	62,468	38,728	-	294,910
Travel and employee expenses	405,846	83,554	43,994	75,496	21,638	-	630,528
Conferences and training	50,238	40,977	2,555	42,141	10,756	-	146,667
National support	-	-	-	329,583	-	-	329,583
Organizational dues	13,704	8,133	1,046	10,068	4,339	-	37,290
Interest	152,020	227,155	3,339	-	1,888	-	384,402
Miscellaneous	43,731	39,042	26,397	71,221	5,376	-	185,767
Depreciation and amortization	664,010	805,980	83,765	61,149	24,221	61,977	1,701,102
Total expenses	\$ 10,958,214	\$ 12,207,349	\$ 1,244,770	\$ 3,148,058	\$ 549,144	\$ 152,398	\$ 28,259,933

See notes to financial statements.

Young Men's Christian Association of Greater Oklahoma City

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.

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

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.

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

Young Men’s Christian Association of Greater Oklahoma City

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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:

	<u>Years</u>
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 2016.

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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).

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.

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Recently issued accounting pronouncements: 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 new standard is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Association is currently evaluating the impact of our pending adoption of the new standard on our financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In May 2020, the FASB approved a one-year optional deferral of this standard, with a revised effective date for fiscal years beginning after December 15, 2019. The Association elected to defer the adoption until year ending October 31, 2021. The Association has not yet selected a transition method and is currently evaluating the effect that the standard will have on the consolidated financial statements.

Subsequent events: The Association has evaluated subsequent events through February 12, 2021, the date the financial statements were available to be issued. There were no subsequent events requiring disclosure.

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.

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

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

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.

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 Everybody in the Pool program that teaches underserved kids how to swim.

Young Men’s Christian Association of Greater Oklahoma City

Notes to Financial Statements

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

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:

	2020	2019
United Way allocation	\$ 149,940	\$ 143,328
Program receivables	400,431	491,620
Inasmuch receivables	112,500	-
Other	452	900
	<u>\$ 663,323</u>	<u>\$ 635,848</u>

During 2020, the Association received a pledge of \$262,500, from Inasmuch Foundation to support the Oklahoma City Public Schools elementary sports league. The amount received in 2020 was \$150,000, thus leaving a receivable of \$112,500 which will be recognized 2021 and 2022.

Note 4. Investments

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

	2020		2019	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Endowment money market	\$ 121,818	\$ 121,818	\$ 135,307	\$ 135,307
Certificates of deposit	100,000	100,000	101,207	101,207
Mutual funds	6,461,044	7,051,486	6,259,194	7,067,159
Municipal bonds	100,000	100,352	150,000	152,170
Beneficial interests in assets held by others (Note 6)	269,036	407,000	269,036	418,000
	<u>\$ 7,051,898</u>	<u>\$ 7,780,656</u>	<u>\$ 6,914,744</u>	<u>\$ 7,873,843</u>

Realized gains in 2020 and 2019 were \$243,300 and \$98,411, respectively, none of which were recognized for financial reporting purposes in a year prior to the year of realization.

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

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:

	2020			
	Level 1	Level 2	Level 3	Total
Endowment money market	\$ 121,818	\$ -	\$ -	\$ 121,818
Certificates of deposit	-	100,000	-	100,000
Mutual funds	7,051,486	-	-	7,051,486
Municipal bonds	-	100,352	-	100,352
Beneficial interests in assets held by others (Note 6)	-	-	407,000	407,000
Swap Agreement	-	-	(74,817)	(74,817)
	<u>\$ 7,173,304</u>	<u>\$ 200,352</u>	<u>\$ 332,183</u>	<u>\$ 7,705,839</u>

	2019			
	Level 1	Level 2	Level 3	Total
Endowment money market	\$ 135,307	\$ -	\$ -	\$ 135,307
Certificates of deposit	-	101,207	-	101,207
Mutual funds	7,067,159	-	-	7,067,159
Municipal bonds	-	152,170	-	152,170
Beneficial interests in assets held by others (Note 6)	-	-	418,000	418,000
Swap Agreement	-	-	-	-
	<u>\$ 7,202,466</u>	<u>\$ 253,377</u>	<u>\$ 418,000</u>	<u>\$ 7,873,843</u>

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	
	2020	2019
Balance at November 1	\$ 418,000	\$ 393,000
Net investment performance	9,679	44,837
Distributions to the Association	(20,679)	(19,837)
Balance at October 31	<u>\$ 407,000</u>	<u>\$ 418,000</u>

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

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	
	2020	2019
Balance at November 1	\$ -	\$ -
Change in value of Swap	74,817	-
Balance at October 31	<u>\$ 74,817</u>	<u>\$ -</u>

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:

	2020	2019
Land	\$ 2,031,849	\$ 2,031,849
Donated leases	870,000	870,000
Buildings and improvements	45,851,638	38,540,597
Leasehold improvements	11,247,861	17,826,447
Furniture and equipment	2,790,202	2,661,568
Vehicles	457,635	457,635
Construction in Progress	48,403	21,443
	<u>63,297,588</u>	<u>62,409,539</u>
Less accumulated depreciation and amortization	<u>(28,948,945)</u>	<u>(27,339,889)</u>
Facilities, net	<u>\$ 34,348,643</u>	<u>\$ 35,069,650</u>

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. The lease period is for 20 years 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

Young Men’s Christian Association of Greater Oklahoma City

Notes to Financial Statements

restrictions each year. During 2020 and 2019, \$21,750 and \$21,780, respectively, 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 June 30, 2020 and 2019, the most recent date for which such information is available, is as follows:

	2020	2019
Total funds held at OCCF for the benefit of the Association	\$ 1,523,000	\$ 1,563,000
Value of such funds contributed by others, for which OCCF retains variance power	1,116,000	1,145,000
Funds contributed by the Association, held in trust by OCCF, and reflected on the Association's statements of financial position	<u>\$ 407,000</u>	<u>\$ 418,000</u>

The Association received total distributions from OCCF of \$77,076 and \$75,029 in the years ended October 31, 2020 and 2019, respectively, which are reflected in the accompanying statements of activities.

Note 8. Notes Payable

At October 31, notes payable consist of the following:

	2020	2019
2.75% refinancing loan with monthly sinking fund installments of \$24,442 with maturity of July 2026, secured by real estate for Earlywine Park YMCA	\$ 1,935,000	\$ 2,235,000
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	4,864,594	5,201,192
4.00% lease to own with maturity of May 2028, secured by real estate for Guthrie YMCA with monthly installments of \$3,543.58	277,754	308,497
2.10% automobile loan with monthly installment payments of \$793	8,635	17,864
1% SBA paycheck protection program	2,559,700	-
2.75% EIDL loan with monthly installments of \$641 beginning September 2021	150,000	-
	<u>\$ 9,795,683</u>	<u>\$ 7,762,553</u>

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 new 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.

Young Men’s Christian Association of Greater Oklahoma City

Notes to Financial Statements

Note 8. Notes Payable (Continued)

At October 31, 2020, the aggregate future principal payments on notes payable are as follows:

Years ending October 31:	
2021	\$ 1,205,247
2022	2,708,133
2023	707,644
2024	723,357
2025	746,412
Thereafter	3,779,707
	<u>\$ 9,870,500</u>

At October 31, notes payable are as follows:

	2020	2019
Principal	\$ 9,795,683	\$ 7,762,553
Issuance costs	(36,530)	(41,616)
Sinking fund	(100,391)	(95,488)
Accrued Interest	14,554	-
	<u>\$ 9,673,316</u>	<u>\$ 7,625,449</u>

The Association has a \$600,000 revolving line of credit at 3.25 percent maturing in March 2021. As of October 31, 2020 and 2019, 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 has \$4,939,411 of notional amount of interest rate swap agreements as of October 31, 2020, 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, 2020, the weighted average rate was 2.80%.

Young Men’s Christian Association of Greater Oklahoma City

Notes to Financial Statements

Note 8. Notes Payable (Continued)

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. The Loans and accrued interest are forgivable as long as the loan proceeds are used for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if employees are terminated or salaries are reduced during the evaluation period, which is defined as May 10, 2020 through September 25, 2020.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The YMCA used the proceeds for purposes consistent with the PPP loan requirements. As the proceeds had not been forgiven at fiscal year-end, these proceeds are reflected as a loan with accrued interest. Any forgiven portion of the PPP loan will be converted into contribution income. As of February 12, 2021, the PPP loan is still under review with the SBA.

Note 9. Operating Leases

The Association has noncancelable long-term operating leases for certain fitness equipment and facilities with various expiration dates. At October 31, 2020, future minimum annual lease payments for these long-term leases for the next five years and thereafter are:

Years ending October 31:	
2021	\$ 883,472
2022	529,286
2023	321,263
2024	201,465
2025	133,712
Thereafter	422,949
	<u>\$ 2,492,147</u>

Total lease expense under operating leases was \$1,027,233 and \$1,378,914 for the years ended October 31, 2020 and 2019, respectively.

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.

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

Note 10. Retirement Plan (Continued)

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 2020 and 2019 were \$393,101 and \$647,733, 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.

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

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	\$ -	\$ 6,996,629	\$ 6,996,629
Board-designated	247,888	-	247,888
Total October 31, 2018	<u>247,888</u>	<u>6,996,629</u>	<u>7,244,517</u>
Investment return:			
Investment income	4,063	204,945	209,008
Net appreciation	15,540	504,576	520,116
Total investment return	<u>19,603</u>	<u>709,521</u>	<u>729,124</u>
Contributions	13,656	142,187	155,843
Appropriations	<u>(7,248)</u>	<u>(320,059)</u>	<u>(327,307)</u>
Donor-restricted	-	7,528,278	7,528,278
Board-designated	273,899	-	273,899
Total October 31, 2019	<u>273,899</u>	<u>7,528,278</u>	<u>7,802,177</u>
Investment return:			
Investment income	4,311	208,464	212,775
Net appreciation	866	11,967	12,833
Total investment return	<u>5,177</u>	<u>220,431</u>	<u>225,608</u>
Contributions	15,341	14,701	30,042
Appropriations	<u>(8,580)</u>	<u>(323,752)</u>	<u>(332,332)</u>
Donor-restricted	-	7,439,658	7,439,658
Board-designated	285,837	-	285,837
Total October 31, 2020	<u>\$ 285,837</u>	<u>\$ 7,439,658</u>	<u>\$ 7,725,495</u>

Note 13. Rentals Income

The YMCA leased office space to tenants under operating leases with term expiration dates ranging from 2021 to 2022. As of October 31, 2020, 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:	
2021	\$ 130,000
2022	87,000
	<u>\$ 217,000</u>

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

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, 2020 and 2019 are comprised of the following:

October 31,	2020	2019
Cash and cash equivalents	\$ 3,289,596	\$ 2,632,984
Investments	7,780,656	7,873,843
United Way receivable	149,940	143,328
Inasmuch receivable	112,500	
Program receivable, net	400,431	491,620
Pledge receivable, net	-	-
Accounts receivable, net	452	900
Total financial assets available within one year	11,733,575	11,142,675
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	(2,964,863)	(3,123,336)
Restricted by donors in perpetuity	(4,626,606)	(4,617,470)
Total amounts available for general expenditures within one year	4,142,106	3,401,869
Amounts unavailable to management without Board's approval:		
Designated for Maintenance	(719,623)	(446,108)
Designated for Investment	(241,706)	(229,768)
Designated for Facilities	(652,150)	(851,408)
Total amounts unavailable to management without Board's approval	(1,613,479)	(1,527,284)
Total financial assets available to management for general expenditure within one year	\$ 2,528,627	\$ 1,874,585

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 \$600,000 that matures on March 31, 2021, 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.

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

Note 15. Net Assets

Net assets are available for the following purposes as of October 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Undesignated	\$ 24,714,061	\$ -	\$ 24,714,061
Board designated for			
Maintenance	719,623	-	719,623
Investments	241,706	-	241,706
Facilities	652,150	-	652,150
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity	-	4,626,606	4,626,606
Accumulated investment gains	-	2,857,181	2,857,181
Donor restricted for specific purpose	-	1,187,944	1,187,944
Total	<u>\$ 26,327,540</u>	<u>\$ 8,671,731</u>	<u>\$ 34,999,271</u>

Net assets are available for the following purposes as of October 31, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Undesignated	\$ 27,209,901	\$ -	\$ 27,209,901
Board designated for			
Maintenance	446,108	-	446,108
Investments	229,768	-	229,768
Facilities	851,408	-	851,408
Donor restricted endowment funds			
Original donor restricted gift amount and amounts required to be maintained in perpetuity	-	4,617,470	4,617,470
Accumulated investment gains	-	2,954,939	2,954,939
Donor restricted for specific purpose	-	977,371	977,371
Total	<u>\$ 28,737,185</u>	<u>\$ 8,549,780</u>	<u>\$ 37,286,965</u>

Net assets with donor restrictions released from restrictions for the year ended October 31, 2020 and 2019 are as follows:

	2020	2019
Construction or acquisition of property or equipment	\$ 80,716	\$ 242,717
Program Services	183,757	163,725
Appropriation of endowment assets	323,752	320,059
	<u>\$ 588,225</u>	<u>\$ 726,501</u>

Young Men's Christian Association of Greater Oklahoma City

Notes to Financial Statements

Note 16. Impact of COVID-19

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on members, donors, employees, and vendors all of which are uncertain and cannot be predicted. The Association closed its facilities' operations except for emergency childcare from mid-March to May 2020. Beginning May 2020, the Association resumed gym operations and in June 2020 resumed all other operations following capacity restrictions mandated by state or local authorities. COVID-19 has had a negative impact on membership and programming in 2020, the extent of the financial impact of the pandemic on the Association cannot be reasonably estimated at this time.