

**YOUNG MEN'S CHRISTIAN  
ASSOCIATION OF GREATER  
OKLAHOMA CITY**

**October 31, 2009**

YOUNG MEN'S CHRISTIAN ASSOCIATION OF  
GREATER OKLAHOMA CITY

October 31, 2009

Audited Financial Statements

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Independent Auditors' Report

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

We have audited the accompanying statements of financial position of the Young Men's Christian Association of Greater Oklahoma City (the "Association") as of October 31, 2009 and 2008, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Association's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Notes A, M and N to the financial statements, the Association implemented ASC 958-205-55. Based on management and the Board of Directors interpretation of the Oklahoma Uniform Prudent Management of Institutional Funds Act, the Association reclassified net assets of \$2,235,422 from unrestricted net assets to temporarily restricted net assets as of November 1, 2007.



In our opinion, the financial statements referred to above of the Young Men's Christian Association of Greater Oklahoma City present fairly, in all material respects, the financial position of the Association at October 31, 2009 and 2008, and the changes in its net assets, cash flows and its functional expenses for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Cole & Reed P.C.

Oklahoma City, Oklahoma  
January 12, 2010

STATEMENTS OF FINANCIAL POSITION

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

	October 31	
	2009	2008
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,451,575	\$ 1,211,566
Receivables	536,577	637,537
Pledges receivable, net	-	16,970
Inventories and supplies	83,892	69,395
Prepaid insurance and other assets	870,987	916,981
Investments	5,963,000	5,209,000
Facilities, net	<u>27,940,575</u>	<u>29,146,965</u>
TOTAL ASSETS	<u>\$ 36,846,606</u>	<u>\$ 37,208,414</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 1,001,715	\$ 1,208,220
Deferred revenues	442,441	529,500
Notes payable	581,375	746,004
Bonds payable	<u>4,724,824</u>	<u>4,886,997</u>
TOTAL LIABILITIES	<u>6,750,355</u>	<u>7,370,721</u>
<b>Net Assets</b>		
<b>Unrestricted</b>		
Undesignated	166,440	(16,680)
Designated for maintenance	318,428	105,952
Designated for investments	452,187	276,121
Designated for facilities	549,981	522,339
Invested in facilities	<u>22,329,066</u>	<u>22,977,463</u>
TOTAL UNRESTRICTED	<u>23,816,102</u>	<u>23,865,195</u>
<b>Temporarily restricted</b>		
For periods after October 31, 2009 and 2008	987,207	1,030,293
For investment	1,327,303	928,801
For facility acquisition	<u>175,637</u>	<u>403,814</u>
TOTAL TEMPORARILY RESTRICTED	<u>2,490,147</u>	<u>2,362,908</u>
<b>Permanently restricted</b>		
	<u>3,790,002</u>	<u>3,609,590</u>
TOTAL NET ASSETS	<u>30,096,251</u>	<u>29,837,693</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 36,846,606</u>	<u>\$ 37,208,414</u>

See notes to financial statements.

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

Year Ended October 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support:				
Contributions	\$ 1,187,236	\$ 73,662	\$ 184,144	\$ 1,445,042
Government grants and contracts	13,833	-	-	13,833
United Way allocations	96,668	193,332	-	290,000
	<u>1,297,737</u>	<u>266,994</u>	<u>184,144</u>	<u>1,748,875</u>
Membership dues	10,518,983	-	-	10,518,983
Program and facility fees	5,107,334	-	-	5,107,334
Sales to the public (net of directly related costs of \$114,335)	64,608	-	-	64,608
Rental income	149,285	-	-	149,285
	<u>15,840,210</u>	<u>-</u>	<u>-</u>	<u>15,840,210</u>
Investment income	310,490	(63,255)	1,640	248,875
Loss on disposal of fixed assets	(45,877)	-	-	(45,877)
	<u>264,613</u>	<u>(63,255)</u>	<u>1,640</u>	<u>202,998</u>
	17,402,560	203,739	185,784	17,792,083
Net assets released from restrictions	537,924	(537,924)	-	-
Total revenues, gains and other support	<u>17,940,484</u>	<u>(334,185)</u>	<u>185,784</u>	<u>17,792,083</u>
Expenses:				
Health and wellness	6,588,256	-	-	6,588,256
Child care	3,238,564	-	-	3,238,564
Youth and community development	5,488,894	-	-	5,488,894
Management and general	2,116,253	-	-	2,116,253
Fundraising	500,953	-	-	500,953
Rental activities	186,712	-	-	186,712
Total expenses	<u>18,119,632</u>	<u>-</u>	<u>-</u>	<u>18,119,632</u>
Excess (deficiency) of revenues over expenses	(179,148)	(334,185)	185,784	(327,549)
Other gains (losses):				
Net unrealized and realized gains (losses) on investments	130,055	461,424	(5,372)	586,107
Increase (decrease) in net assets	(49,093)	127,239	180,412	258,558
Net assets, beginning of year	23,865,195	2,362,908	3,609,590	29,837,693
Net assets, end of year	<u>\$ 23,816,102</u>	<u>\$ 2,490,147</u>	<u>\$ 3,790,002</u>	<u>\$ 30,096,251</u>

See notes to financial statements.

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

Year Ended October 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support:				
Contributions	\$ 1,114,518	\$ 84,358	\$ 15,560	\$ 1,214,436
Government grants and contracts	20,382	-	-	20,382
United Way allocations	107,332	214,668	-	322,000
	<u>1,242,232</u>	<u>299,026</u>	<u>15,560</u>	<u>1,556,818</u>
Membership dues	10,216,980	-	-	10,216,980
Program and facility fees	5,247,388	-	-	5,247,388
Sales to the public (net of directly related costs of \$139,404)	44,106	-	-	44,106
Rental income	168,322	-	-	168,322
	<u>15,676,796</u>	<u>-</u>	<u>-</u>	<u>15,676,796</u>
Investment income	354,621	(33,062)	2,378	323,937
Loss on disposal of fixed assets	(21,909)	-	-	(21,909)
	<u>332,712</u>	<u>(33,062)</u>	<u>2,378</u>	<u>302,028</u>
	17,251,740	265,964	17,938	17,535,642
Net assets released from restrictions	<u>2,104,549</u>	<u>(2,104,549)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>19,356,289</u>	<u>(1,838,585)</u>	<u>17,938</u>	<u>17,535,642</u>
Expenses:				
Health and wellness	6,524,041	-	-	6,524,041
Child care	3,510,480	-	-	3,510,480
Youth and community development	5,408,884	-	-	5,408,884
Management and general	2,033,027	-	-	2,033,027
Fundraising	438,648	-	-	438,648
Rental activities	198,830	-	-	198,830
Total expenses	<u>18,113,910</u>	<u>-</u>	<u>-</u>	<u>18,113,910</u>
Excess (deficiency) of revenues over expenses	1,242,379	(1,838,585)	17,938	(578,268)
Other gains (losses):				
Net unrealized and realized gains (losses) on investments	(174,316)	(1,511,313)	(226,004)	(1,911,633)
Loss on impairment of land	<u>(501,500)</u>	<u>-</u>	<u>-</u>	<u>(501,500)</u>
Increase (decrease) in net assets	566,563	(3,349,898)	(208,066)	(2,991,401)
Net assets, beginning of year	25,534,054	3,477,384	3,817,656	32,829,094
Reclassifications	<u>(2,235,422)</u>	<u>2,235,422</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year - reclassified	<u>23,298,632</u>	<u>5,712,806</u>	<u>3,817,656</u>	<u>32,829,094</u>
Net assets, end of year	<u>\$ 26,100,617</u>	<u>\$ 127,486</u>	<u>\$ 3,609,590</u>	<u>\$ 29,837,693</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

	Year Ended October 31	
	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ 258,558	\$ (2,991,401)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,322,042	1,251,506
Loss on disposal of facilities, net	45,877	21,909
Loss on impairment of land	-	501,500
Unrealized and realized (gain) loss on investments, net	(586,107)	1,911,633
Investment loss (gain) restricted or designated for investment	(394,437)	1,768,001
Contributions received which are restricted for investment in endowment or facility acquisition	(257,806)	(99,918)
Changes in operating assets and liabilities:		
Receivables	100,960	279,554
Pledges receivable	16,970	210,210
Inventories and supplies	(14,497)	23,522
Prepaid insurance and other assets	45,994	(371)
Accounts payable and accrued expenses	(206,505)	(179,653)
Deferred revenue	(87,059)	55,338
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>243,990</u>	<u>2,751,830</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(1,876,515)	(3,768,723)
Proceeds from maturities and sales of investments	1,708,622	3,026,090
Purchase of facilities	(190,109)	(1,068,266)
Proceeds from sale of facilities	28,580	8,307
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(329,422)</u>	<u>(1,802,592)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on notes payable	(164,629)	(318,455)
Proceeds from notes borrowing	-	452,652
Principal payments on bonds payable	(162,173)	(163,277)
Contributions restricted for investment in endowment	184,478	15,560
Contributions restricted for facilities acquisition	73,328	84,358
Investment income (loss) restricted for reinvestment	394,437	(1,768,001)
<b>NET CASH PROVIDED BY (USED IN) FINANCING</b>	<u>325,441</u>	<u>(1,697,163)</u>
Net increase (decrease) in cash and cash equivalents	240,009	(747,925)
Cash and cash equivalents, beginning of year	<u>1,211,566</u>	<u>1,959,491</u>
Cash and cash equivalents, end of year	<u>\$ 1,451,575</u>	<u>\$ 1,211,566</u>
Supplemental disclosure of cash flow information-interest paid	<u>\$ 280,929</u>	<u>\$ 296,047</u>

See notes to financial statements.



STATEMENT OF FUNCTIONAL EXPENSES

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

Year Ended October 31, 2009

	Programs						Total
	Health Wellness	Child Care	Youth and Community Development	Management and General	Fundraising	Rental Activity	
Expenses:							
Salary and wages	\$ 2,131,519	\$ 1,763,311	\$ 2,681,726	\$ 820,668	\$ 187,102	\$ -	\$ 7,584,326
Employee benefits	234,908	275,585	282,257	155,926	30,185	-	978,861
Payroll taxes	205,820	168,288	280,820	70,255	19,913	-	745,096
Contracted Services	-	1,036	291,875	107,431	2,216	-	402,558
Supplies	144,015	187,157	534,376	22,584	43,803	4,930	936,865
Telephone	30,978	9,672	40,101	94,054	3,314	-	178,119
Postage and shipping	10,147	1,822	4,275	6,047	2,441	-	24,732
Occupancy	1,871,603	456,119	581,602	79,317	104,726	105,868	3,199,235
Equipment rental and maintenance	828,143	51,082	111,836	355,667	12,742	-	1,359,470
Printing and promotion	128,176	24,970	78,358	23,665	36,847	-	292,016
Travel and employee expenses	46,154	69,767	201,899	67,169	10,571	-	395,560
Conferences and training	27,840	10,582	26,922	22,679	7,190	-	95,213
National support	-	-	-	169,288	-	-	169,288
Organizational dues	4,513	4,251	14,502	28,090	3,760	-	55,116
Interest	215,587	24,806	33,479	-	7,057	-	280,929
Miscellaneous	23,024	3,852	44,520	28,810	-	-	100,206
Provision for uncollectable pledges	-	-	-	-	-	-	-
Depreciation and amortization	685,829	186,264	280,346	64,603	29,086	75,914	1,322,042
Total Expenses	<u>\$ 6,588,256</u>	<u>\$ 3,238,564</u>	<u>\$ 5,488,894</u>	<u>\$ 2,116,253</u>	<u>\$ 500,953</u>	<u>\$ 186,712</u>	<u>\$ 18,119,632</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

Year Ended October 31, 2008

	Programs						Total
	Health and Wellness	Child Care	Youth and Community Development	Management and General	Fundraising	Rental Activity	
Expenses:							
Salary and wages	\$ 1,998,739	\$ 1,922,271	\$ 2,475,572	\$ 749,625	\$ 169,803	\$ -	\$ 7,316,010
Employee benefits	211,183	274,309	239,422	131,121	27,037	-	883,072
Payroll taxes	196,488	187,040	264,282	59,135	18,407	-	725,352
Contracted services	84	5,217	305,410	119,619	-	-	430,330
Supplies	127,601	223,668	554,526	21,962	49,651	3,540	980,948
Telephone	30,040	11,974	36,502	98,406	4,689	-	181,611
Postage and shipping	33,019	6,810	14,449	6,608	15,171	-	76,057
Occupancy	1,942,973	474,576	731,484	111,704	14,943	119,376	3,395,056
Equipment rental and maintenance	838,887	46,433	116,666	313,809	44,623	-	1,360,418
Printing and promotion	150,519	27,947	61,058	29,826	51,920	-	321,270
Travel and employee expenses	52,123	90,002	230,351	80,658	13,314	-	466,448
Conferences and training	33,041	17,714	37,264	23,382	6,270	-	117,671
National support	-	-	-	167,862	-	-	167,862
Organizational dues	3,982	4,426	9,806	14,268	2,880	-	35,362
Interest	226,897	24,032	28,883	6,767	9,468	-	296,047
Miscellaneous	10,840	10,426	39,902	44,451	921	-	106,540
Provision for uncollectable pledges	-	-	-	-	2,350	-	2,350
Depreciation and amortization	667,625	183,635	263,307	53,824	7,201	75,914	1,251,506
Total Expenses	<u>\$ 6,524,041</u>	<u>\$ 3,510,480</u>	<u>\$ 5,408,884</u>	<u>\$ 2,033,027</u>	<u>\$ 438,648</u>	<u>\$ 198,830</u>	<u>\$ 18,113,910</u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

### YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

#### NOTE A--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:

- *Permanently restricted:* Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. 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 permanently restricted net assets is available for any activities of the Association.
- *Temporarily restricted:* Net assets subject to donor-imposed stipulations that can be met either by actions of the Association and/or the passage of time. However, donor restricted contributions whose restrictions are met in the same fiscal year are classified as unrestricted.
- *Unrestricted:* 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. Unrestricted 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 unrestricted net assets for maintenance, investment and facility development. In addition, the Association has invested unrestricted net assets 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 unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions recognized on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as transfers to unrestricted net assets. Temporary restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are acquired or placed in service.

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Basis of Financial Statements--Continued:

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, based on management's judgment and analysis of the credit worthiness of the donors, past collection experience and other relevant factors.

The Association reports gifts of land, buildings and equipment as unrestricted support 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 restricted support. 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.

Measure of Operations: The excess (deficiency) of revenues over expenses reflected in the accompanying statements of activities and changes in net assets includes substantially all of the activities related to unrestricted net assets. Amounts not included in the measure of operations consist of net unrealized and realized gains and losses on investments and impairment of long-lived assets.

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 market. Cost is determined using the first in, first out method.

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE A--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 methods for collection of the receivable have been exhausted.

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 approximate fair value.

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 in permanently restricted net assets if the terms of the gift that gave rise to the investment or applicable law require a portion of income or gains to be added to the principal of a permanent endowment.
- Increases in temporarily restricted net assets if the terms of the gift or applicable law impose restrictions on the use of the income.
- Increases in unrestricted net assets in all other cases.

Generally, losses on the investments included in restricted net assets reduce temporarily restricted net assets to the extent donor-imposed temporary restrictions on net appreciation of investments have not been met before the loss occurs. Any remaining losses reduce unrestricted net assets, but can be restored through subsequent investment gains. Losses on funds held in trust by others and certain other losses on permanently restricted funds are included in permanently restricted net assets.

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

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 the 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:

	<u>Minimum Percent</u>	<u>Maximum Percent</u>	<u>Target Percent</u>
Large Cap Stocks	20	40	29
Small Cap Stocks	5	20	9
International Equities	5	25	14
Emerging Market Equities	-	10	5
Fixed Income (Investment Grade)	15	35	24
High Yield Fixed Income	-	10	5
International Fixed Income	-	15	7
Cash	1	5	2
Alternative Investments	-	10	5

The Association has an endowment spending formula for spending the earnings from the Endowment Fund. Unless specified otherwise by the donor, the Association allocates four 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: In instances where services would have been purchased had volunteers not donated their services, and the value of these services can be reasonably established, the Association reflects the value of the donation in its financial statements. A substantial number of volunteers have donated time to the Association for 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.

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE A--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:

Buildings	25 to 45 years
Improvements	5 to 25 years
Furniture and equipment	5 to 10 years
Vehicles	5 years

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. The Association recognized an impairment loss of \$501,500 in 2008.

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.

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 costs have been allocated among these cost centers using various systematic bases of allocation.

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

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 dates of the financial statements and revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

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 assets.

Reclassifications: Certain reclassifications have been made to prior year financial statements to conform to the current year presentation.

NOTE B--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:



NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE B--BASIC PROGRAMS OFFERED BY THE ASSOCIATION--Continued

Heath and Wellness: The Association is a leading advocate for healthier lifestyles and a provider of programs that positively impact the health of this and future generations. The Association has a commitment to uniting communities around healthy spirit, mind and body, and acting as a unifying force in the effort to improve the health and wellness of all Oklahomans. Health and wellness is an integral part of its charitable mission. As it has in the past, the Association is helping to meet the current health crisis of obesity and preventable chronic disease by providing facilities, equipment, staffing and programs that promote physical activity and healthy choices while maintaining evidence based programming specific to the health disparities facing the diverse communities served. In 2009 the Association elevated its work to not only provide health and wellness programming that supports all health seekers, but enables it to lead efforts to affect policy and environmental change to sustain community efforts to positively impact health behaviors through collaboration with all sectors of the community: government, business, not-for-profits, schools and the media, to identify ways communities can lead healthier lifestyles.

Child Care: Childcare programs are offered for children of all ages. Before and after school and vacation care programs during the school year are provided for school-aged children at several sites, and year round full-day programs for preschool aged children are provided at a child development center. The Association serves many low income and single parent families along with many two-parent families that rely on dual incomes to support their household. YMCA childcare programs are centered on helping participants experience activities that build self-esteem, clarify values, strengthen character, appreciate diversity, develop healthy lifestyles and learn new skills while also supporting and strengthening the family.

Youth and Community Development: The Association is actively engaged in a variety of activities focused on helping people of all ages, races, religions, socio-economic backgrounds and abilities reach their fullest potential and improve the quality of life in all the communities we serve. Among these activities are two types of camping experiences, Day Camp and Resident Camp. Day Camp provides children age six to twelve a summer camp experience during the day with activities that are structured around different weekly themes and include sports, games, outdoor skills, arts & crafts, character development, and specialty enrichment activities. Resident Camp consists of one and two-week sessions that provide an "away from home" experience for youth age eight to seventeen through activities that teach group living skills, respect for the environment, leadership development, and building friendships for life while learning and enjoying a wide range of activities including, fishing, canoeing, horseback riding, archery, riflery, sports and games. During the school year, the Association also provides a comprehensive environmental education program for schools from several public school districts.

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE B--BASIC PROGRAMS OFFERED BY THE ASSOCIATION--Continued

The Association also offers Parent/Child programs that foster the development of strong family relationships as well as youth sports programs such as basketball, baseball and soccer that are designed to teach basic sports skills in a fun, non-competitive, values-based environment and provide a strong foundation for a lifetime of fitness and good health.

Through the Association's Youth and Government program, students learn about the State's legislative and judicial process in a youth-led, "hands-on" environment that empowers them to write and debate bills on issues that are important to them or participate in a mock trial and assume a role that helps them understand the court system as well as develop leadership, critical thinking skills and self esteem.

The Y Achievers program is a college readiness and career exploration program designed to help minority and underserved teens set and pursue high educational and career goals. Through academic support, career exploration and mentoring the program helps students raise academic standards, develop a positive sense of self, build character, explore diverse college and career options and meet and interact with professionals who serve as role models to inspire them to greater heights.

The Association operates a Military Welcome Center at the Will Rogers World Airport to meet the needs of military personnel and make their extended layover at the airport more comfortable. Services include: free snacks and beverages, free Internet and cell phone use, television and games, and a nap area. The Center is operated by community volunteers to support the military members, whether they are new enlistees, active duty, reserves or retirees and their families.

The Senior Center at Lincoln Park provides a variety of social, educational and wellness activities for low-income seniors. Seniors are provided a hot nutritious meal and transportation is also provided for those who need help getting to the center or running errands.

NOTE C--RECEIVABLES

At October 31, receivables consisted of the following:

	<u>2009</u>	<u>2008</u>
United Way allocation	\$ 193,333	\$ 214,667
Program receivables	179,354	288,905
Other	163,890	133,965
	<u>\$ 536,577</u>	<u>\$ 637,537</u>

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE D--INVESTMENTS

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

	2009		2008	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Endowment money market	\$ 79,000	\$ 79,000	\$ 65,000	\$ 65,000
Certificats of deposit	604,000	604,000	604,000	604,000
Corporate stocks	1,514,819	1,448,000	1,438,827	1,180,000
Pooled equity funds	1,848,770	1,763,000	1,862,947	1,118,000
Corporate bonds	248,267	262,000	153,173	152,000
Agency bonds	314,087	320,000	766,276	764,000
Mortgage back securities	206,616	172,000	251,631	205,000
Bond funds	571,934	596,000	459,331	378,000
Preferred stock	78,928	70,000	80,372	65,000
Alternative investments	418,406	369,000	423,780	328,000
Beneficial interests in assets held by others (NOTE F)	251,761	280,000	251,761	350,000
	<u>\$ 6,136,588</u>	<u>\$ 5,963,000</u>	<u>\$ 6,357,098</u>	<u>\$ 5,209,000</u>

Realized gains (losses) in 2009 and 2008 were \$(392,134) and \$(19,255), respectively, of which \$(367,939) and \$195,887, respectively, were recognized for financial reporting purposes in a year prior to the year of realization.

As discussed in NOTE L, the Association adopted ASC 820-10-35 as of November 1, 2008 that requires that investments be measured on a fund-by-fund basis and reported at fair value in one of three categories based on inputs. The following table summarizes the levels in the fair value hierarchy of the Association's investment funds at October 31, 2009:

	Total	Level 1 Market Value	Level 2 Market Value	Level 3 Market Value
Endowment money market	\$ 79,000	\$ 79,000	\$ -	\$ -
Certificates of deposit	604,000	-	604,000	-
Corporate stocks	1,448,000	1,448,000	-	-
Pooled equity funds	1,763,000	1,763,000	-	-
Corporate bonds	262,000	-	262,000	-
Agency bonds	320,000	320,000	-	-
Mortgage back securities	172,000	-	172,000	-
Bond funds	596,000	596,000	-	-
Preferred stock	70,000	70,000	-	-
Alternative investments	369,000	369,000	-	-
Beneficial interests in assets held by others (NOTE F)	280,000	-	-	280,000
	<u>\$ 5,963,000</u>	<u>\$ 4,645,000</u>	<u>\$ 1,038,000</u>	<u>\$ 280,000</u>

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE D--INVESTMENTS--Continued

The following table summarizes the changes in the fair value of the Association's Level 3 financial assets for the period ending October 31, 2009:

	Beneficial Interests in Assets Held by Others
	<u>                    </u>
Balance at November 1, 2008	\$ 350,000
Net investment performance	(52,852)
Distributions to the Association	<u>(17,148)</u>
Balance at October 31, 2009	<u><u>\$ 280,000</u></u>

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.

NOTE E--FACILITIES

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

	<u>2009</u>	<u>2008</u>
Land	\$ 1,479,849	\$ 1,479,849
Donated leases	870,000	870,000
Buildings and improvements	37,221,559	37,001,118
Construction in progress	-	220,441
Furniture and equipment	2,144,153	2,145,212
Vehicles	<u>386,058</u>	<u>391,558</u>
	42,101,619	42,108,178
Less accumulated depreciation and amortization	<u>(14,161,044)</u>	<u>(12,961,213)</u>
Facilities, net	<u><u>\$ 27,940,575</u></u>	<u><u>\$ 29,146,965</u></u>

## NOTES TO FINANCIAL STATEMENTS--Continued

### YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

#### NOTE E--FACILITIES--Continued

The Association entered into a lease 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 temporarily restricted net assets. The lease is being amortized over the original term and renewal periods with the amount of the amortization being released to unrestricted net assets each year. During 2009 and 2008, \$21,750 each year was released from temporary restriction.

During 2008, the Association recognized an impairment of land in the amount of \$501,500 related to Camp Greenbriar, located in Cleveland County. The land was originally appraised at \$601,500. The Association consulted with an independent real estate and consulting firm, who valued the land during July of 2008 and concluded that 49 acres out of the total 54 acres was deemed unusable, with the remaining 5 acres valued at no more than \$25,000 each. The Association's remaining basis of land related to Camp Greenbriar is \$100,000 as of October 31, 2009. The Association has included the \$501,500 impairment loss in the statement of activities and changes in net assets as other losses for 2008.

#### NOTE F--BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial interest in assets held by others in the accompanying financial statements represent 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.

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE F--BENEFICIAL INTERST IN ASSETS HELD BY OTHERS--Continued

A summary of funds held at OCCF for the benefit of the Association at June 30, 2009 and 2008, the most recent date for which such information is available, is as follows:

	<u>2009</u>	<u>2008</u>
Total funds held at OCCF for the benefit of the Association	\$ 1,042,000	\$ 1,287,000
Amount of such funds contributed by others, for which OCCF retains variance power	<u>762,000</u>	<u>937,000</u>
Funds contributed by the Association, held in trust by OCCF, and reflected on the Association's statements of financial position	<u>\$ 280,000</u>	<u>\$ 350,000</u>

The Association received total distributions from OCCF of \$63,652 and \$69,014 in the years ended October 31, 2009 and 2008, respectively, which are reflected in the accompanying statements of activities. The Association made no contributions to OCCF between June 30, 2009 and October 31, 2009.

NOTE G--NOTES PAYABLE

At October 31, notes payable consist of the following:

	<u>2009</u>	<u>2008</u>
Note payable at 5.25% fixed interest rate until August 2007 then floating Prime (4.00% at October 31, 2008), due in monthly installments of \$2,354 including principal and interest, matured August 2009, collateralized by fitness equipment.	\$ -	\$ 19,595
Note payable at 5.09% fixed interest rate, due in monthly installments of \$14,867, matures May 2013, unsecured.	<u>581,375</u>	<u>726,409</u>
	<u>\$ 581,375</u>	<u>\$ 746,004</u>

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE G--NOTES PAYABLE--Continued

At October 31, 2009, the aggregate future principal payments on notes payable are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 151,838
2011	159,900
2012	168,390
2013	<u>101,247</u>
	<u>\$ 581,375</u>

The Association has available a \$400,000 revolving line of credit at 4.50% maturing in March 2010. As of October 31, 2009 no amount was outstanding on this line of credit.

NOTE H--BONDS PAYABLE

In September 2006 serial revenue bonds (Series 2006 Young Men's Christian Association of Greater Oklahoma City Earlywine Project) were issued by the Oklahoma Industries Authority (OIA) as a conduit for financing for the Association. The bond proceeds of \$5,340,288 plus \$4,144 of Association funds were used to retire a construction line of credit of \$4,812,178, establish a debt service reserve of \$410,891, and to pay issuance costs of \$121,363.

The bonds have stated interest rates ranging from 3.75% to 5.00% and mature between July 1, 2007 and July 1, 2027. The agreement with the OIA calls for monthly payments to a trustee of amounts sufficient to pay semi-annual interest and the annual maturity of the serial bonds. As of October 31, 2009 the monthly payment was set at \$33,785.

The original issue discount of \$54,712 is treated as a reduction of the bond payable liability and is being amortized over the life of the related bonds. The debt service reserve is to be invested by the trustee with earnings on the funds available to offset future monthly debt service. The issuance costs have been capitalized and are being amortized over the life of the bond issue. The debt service reserve and bond issuance costs are listed as other assets in the accompanying statement of financial position and have balances as follows as of October 31, 2009:

Debt Service Reserve	\$ 410,891
Bond Issuance Costs	<u>77,673</u>
Total	<u>\$ 488,564</u>

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE H--BONDS PAYABLE--Continued

At October 31, 2009 aggregate future minimum principal payments on the bonds are as follows:

2010	\$	180,000
2011		190,000
2012		195,000
2013		205,000
2014		215,000
Thereafter		<u>3,845,000</u>
Total	\$	<u>4,830,000</u>

Bonds payable at October 31, 2009 are as follows:

Principal	\$	4,830,000
Original issue discount		(43,834)
Principal payments		<u>(61,342)</u>
Balance	\$	<u>4,724,824</u>

NOTE I--OPERATING LEASES

The Association has non-cancelable long-term operating leases for certain fitness equipment and facilities with various expiration dates. At October 31, 2009, future minimum annual lease payments for these long-term leases for the next five years and thereafter are:

2010	\$	791,203
2011		523,660
2012		200,297
2013		168,092
2014		168,092
Thereafter		<u>5,102</u>
Total future minimum rental payments	\$	<u>1,856,446</u>

Total rent expense under operating leases was \$956,833 and \$864,276 for the years ended October 31, 2009 and 2008, respectively.



NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE J--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 (Fund). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (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 fully 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 our agreement, contributions for the YMCA Retirement Fund Plan are a percentage of the participating employee's salary. The Association pays these amounts. Total contributions charged to retirement costs in 2009 and 2008 were \$411,211 and \$404,615, respectively, of which approximately \$0 and \$6,800 were unpaid at October 31, 2009 and 2008, 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 matching employer contribution in this plan.

NOTE K--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 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.

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE L--FAIR VALUE MEASUREMENTS

Effective November 1, 2008, the Association adopted ASC 820-10-35, which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

ASC 820-10-35 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1: Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.
- Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  1. Quoted prices for similar assets or liabilities in active markets;
  2. Quoted prices for identical or similar assets in markets that are not active;
  3. Observable inputs other than quoted prices for the asset or liability;
  4. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The Association's adoption of ASC 820-10-35 did not have a material impact on its financial statements. The Association has segregated all financial assets and liabilities that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date in NOTE D.

## NOTES TO FINANCIAL STATEMENTS--Continued

### YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

#### NOTE M--ACCOUNTING FOR ENDOWMENTS

In 2009 the Association adopted ASC 958-205-55 which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). UPMIFA was enacted by the State of Oklahoma November 1, 2007.

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. As required by US GAAP, 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.

Interpretation of Relevant Law: The Board of Directors of the Association has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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 permanently restricted net assets (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 permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, 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 organization 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

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE M--ACCOUNTING FOR ENDOWMENTS--Continued

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$ -	\$ 2,682,923	\$ 3,817,656	\$ 6,500,579
Board designated	87,960	-	-	87,960
Total October 31, 2007	<u>\$ 87,960</u>	<u>\$ 2,682,923</u>	<u>\$ 3,817,656</u>	<u>\$ 6,588,539</u>
Investment Return:				
Investment Income	7,476	205,368	16,088	228,932
Net appreciation/ (depreciation)	<u>(87,227)</u>	<u>(1,598,403)</u>	<u>(226,003)</u>	<u>(1,911,633)</u>
Total Investment Return	(79,751)	(1,393,035)	(209,915)	(1,682,701)
Contributions	153,786		15,560	169,346
Distributions	(98,621)	(148,340)	(13,711)	(260,672)
Restriction Release	<u>212,747</u>	<u>(212,747)</u>	-	-
Donor restricted	-	928,801	3,609,590	4,538,391
Board designated	<u>276,121</u>	-	-	<u>276,121</u>
Total October 31, 2008	<u>\$ 276,121</u>	<u>\$ 928,801</u>	<u>\$ 3,609,590</u>	<u>\$ 4,814,512</u>
Investment Return:				
Investment Income	11,792	180,264	13,758	205,814
Net appreciation/ (depreciation)	<u>55,917</u>	<u>535,562</u>	<u>(5,372)</u>	<u>586,107</u>
Total Investment Return	67,709	715,826	8,386	791,921
Contributions	39,667	334	184,144	224,145
Distributions	<u>68,690</u>	<u>(317,658)</u>	<u>(12,118)</u>	<u>(261,086)</u>
Donor restricted	-	1,327,303	3,790,002	5,117,305
Board designated	<u>452,187</u>	-	-	<u>452,187</u>
Total October 31, 2009	<u>\$ 452,187</u>	<u>\$ 1,327,303</u>	<u>\$ 3,790,002</u>	<u>\$ 5,569,492</u>

NOTES TO FINANCIAL STATEMENTS--Continued

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER OKLAHOMA CITY

October 31, 2009

NOTE N-- CLASSIFICATION OF NET ASSETS

In 2009, the Association's management performed an evaluation of the Association's net asset classifications and reviewed substantially all funds held by the Association. The Association reviewed donor restrictions, fund agreements, and other relevant information to determine the proper net asset classification of each fund. Performance of this evaluation and review resulted in a decrease in unrestricted net assets and an increase in temporarily restricted net assets of \$2,235,423. Total net assets did not change.

The effect of this restatement is to reclassify the accumulated earnings on permanently restricted endowment funds that have not been distributed based on the Association's spending policy from Unrestricted to Temporarily Restricted until such time as the funds have been distributed.

NOTE O--SUBSEQUENT EVENTS

The Association has evaluated subsequent events through January 12, 2010, which is the date the financial statements were available to be issued. No subsequent events have occurred through January 12, 2010 which requires recognition or disclosure in the October 31, 2009 financial statements.