

*Audited Consolidated Financial Statements
and Other Financial Information*

**OKLAHOMA CITY COMMUNITY
FOUNDATION, INC.**

June 30, 2009

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and Other Financial Information

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Audited Consolidated Financial Statements

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Independent Auditors' Report

The Board of Trustees
Oklahoma City Community Foundation, Inc.
Oklahoma City, Oklahoma

We have audited the accompanying consolidated statements of financial position of Oklahoma City Community Foundation, Inc. and its affiliated organizations (the "Foundation") as of June 30, 2009 and 2008, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated 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 consolidated 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 Foundation'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 consolidated 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma City Community Foundation, Inc. and its affiliated organizations as of June 30, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Notes A and I to the consolidated financial statements, the Foundation implemented Financial Accounting Standards Board Staff Position No. 117-1: *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*. Based on the legal opinion and the Board of Trustees interpretation of the Oklahoma Uniform Prudent Management of Institutional Funds Act, the Foundation reclassified net assets of approximately \$393,000,000 from unrestricted net assets to temporarily restricted net assets as of July 1, 2007.



Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Oklahoma City Community Foundation and Affiliated Organizations--Schedule of Assets is presented for purposes of additional analysis of the consolidated financial statements and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Cole & Reed P.C.

Oklahoma City, Oklahoma
September 28, 2009

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

	June 30	
	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 1,189,395	\$ 719,176
Accrued income	805,253	1,240,320
Investments:		
Cash equivalent funds and securities	434,852,358	526,535,315
Real estate	9,220,992	9,882,327
Limited partnership interests	6,721,738	8,106,367
Other	2,762,750	2,850,361
Contributions receivable	1,132,299	4,162,485
Beneficial interest in lead trust	2,265,384	3,240,771
Property and equipment	5,576,085	5,606,914
Collections	-	-
Other assets	<u>1,266,272</u>	<u>1,183,916</u>
	<u>\$ 465,792,526</u>	<u>\$ 563,527,952</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and other liabilities	\$ 317,231	\$ 341,478
Grants and program services payable	4,452,577	9,004,981
Annuity contracts payable	2,630,704	2,549,479
Assets held for others	1,053,004	3,879,315
Notes payable	289,182	322,596
Agency transfers subject to SFAS 136	<u>64,137,424</u>	<u>74,922,572</u>
	72,880,122	91,020,421
NET ASSETS		
Unrestricted	51,995,116	51,841,928
Unrestricted, board-designated	<u>33,869,666</u>	<u>40,734,176</u>
Total Unrestricted Net Assets	85,864,782	92,576,104
Temporarily restricted	<u>307,047,622</u>	<u>379,931,427</u>
	<u>392,912,404</u>	<u>472,507,531</u>
	<u>\$ 465,792,526</u>	<u>\$ 563,527,952</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF ACTIVITIES

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

	Year Ended June 30, 2009			Year Ended June 30, 2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT						
Total contributions	\$ 7,227,371	\$ 7,886,162	\$ 15,113,533	\$ 6,774,409	\$ 19,021,606	\$ 25,796,015
Less: Agency transfers received	-	1,902,443	1,902,443	-	4,316,008	4,316,008
Contributions	7,227,371	5,983,719	13,211,090	6,774,409	14,705,598	21,480,007
Total investment income	2,098,263	14,751,818	16,850,081	2,503,470	15,715,036	18,218,506
Less: Income on agency transfers	-	3,503,085	3,503,085	-	2,355,897	2,355,897
Investment income	2,098,263	11,248,733	13,346,996	2,503,470	13,359,139	15,862,609
Total net investment gains (losses)	(10,924,071)	(87,914,963)	(98,839,034)	(4,133,157)	(31,904,407)	(36,037,564)
Less: Investment gains (losses) on agency transfers	-	(12,995,062)	(12,995,062)	-	(4,633,740)	(4,633,740)
Net investment gains (losses)	(10,924,071)	(74,919,901)	(85,843,972)	(4,133,157)	(27,270,667)	(31,403,824)
Change in value of split-interest agreements	(281,178)	(976,126)	(1,257,304)	(155,926)	(452,589)	(608,515)
Administrative fees	1,112,036	(937,754)	174,282	1,164,322	(982,793)	181,529
Other income	9,433	-	9,433	27,447	-	27,447
Net assets released from restrictions	13,282,476	(13,282,476)	-	17,114,867	(17,114,867)	-
TOTAL REVENUES AND SUPPORT	12,524,330	(72,883,805)	(60,359,475)	23,295,432	(17,756,179)	5,539,253
EXPENSES AND DISTRIBUTIONS						
Total grants and program services	16,931,157	-	16,931,157	21,997,396	-	21,997,396
Less: Grants on agency transfers	2,739,344	-	2,739,344	2,679,710	-	2,679,710
Grants and program services	14,191,813	-	14,191,813	19,317,686	-	19,317,686
Total investment expenses and management fees	2,224,531	-	2,224,531	2,480,170	-	2,480,170
Less: Fees on agency transfers	295,862	-	295,862	289,338	-	289,338
Investment expenses and management fees	1,928,669	-	1,928,669	2,190,832	-	2,190,832
General and administrative	2,409,938	-	2,409,938	2,166,779	-	2,166,779
Development	705,232	-	705,232	589,062	-	589,062
TOTAL EXPENSES AND DISTRIBUTIONS	19,235,652	-	19,235,652	24,264,359	-	24,264,359
CHANGE IN NET ASSETS	(6,711,322)	(72,883,805)	(79,595,127)	(968,927)	(17,756,179)	(18,725,106)
NET ASSETS AT BEGINNING OF YEAR	92,576,104	379,931,427	472,507,531	486,838,982	4,393,655	491,232,637
RECLASSIFICATION	-	-	-	(393,293,951)	393,293,951	-
NET ASSETS AT BEGINNING OF YEAR, RECLASSIFIED	92,576,104	379,931,427	472,507,531	93,545,031	397,687,606	491,232,637
NET ASSETS AT END OF YEAR	<u>\$ 85,864,782</u>	<u>\$ 307,047,622</u>	<u>\$ 392,912,404</u>	<u>\$ 92,576,104</u>	<u>\$ 379,931,427</u>	<u>\$ 472,507,531</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

	June 30	
	<u>2009</u>	<u>2008</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (79,595,127)	\$ (18,725,106)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation	693,927	682,841
Non-cash contributions	(3,895,172)	(7,219,627)
Non-cash receipts	(242,357)	(17,508,171)
Non-cash disbursement	2,850,000	-
Net investment losses	98,839,034	36,037,564
Investment income earned on index funds	(4,253,827)	(5,048,747)
Accretion of discount	(162,980)	(180,784)
Changes in operating assets and liabilities:		
Accrued income	435,067	223,268
Contributions receivable	2,438,635	9,048,349
Beneficial interest in lead trust	975,387	773,522
Accounts payable and other liabilities	(24,247)	(520,566)
Grants and program services payable	(4,552,404)	(3,269,768)
Annuity contracts payable	81,225	561,008
Assets held for others	(2,826,311)	2,352,633
Agency transfers subject to SFAS 136	<u>(10,785,148)</u>	<u>(1,094,467)</u>
NET CASH USED IN OPERATING ACTIVITIES	(24,298)	(3,888,051)
INVESTING ACTIVITIES		
Purchases of investments	(386,609,183)	(385,419,094)
Proceeds from sales and maturities of investments	386,606,977	389,031,203
Proceeds from sale of real estate	793,964	15,800
Purchase of real estate	(2,794)	(786,131)
Purchases of property and equipment	(262,933)	(666,776)
Proceeds from sale of other assets	<u>1,900</u>	<u>7,835</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	527,931	2,182,837
FINANCING ACTIVITIES		
Principal payments on note payable	<u>(33,414)</u>	<u>(23,404)</u>
INCREASE (DECREASE) IN CASH	470,219	(1,728,618)
CASH AT BEGINNING OF YEAR	<u>719,176</u>	<u>2,447,794</u>
CASH AT END OF YEAR	<u>\$ 1,189,395</u>	<u>\$ 719,176</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Oklahoma City Community Foundation, Inc. (the "Foundation") was incorporated December 30, 1968, under the laws of the State of Oklahoma, as a not-for-profit organization without capital stock to serve the charitable needs of the Oklahoma City area through the development and administration of endowment funds with the goal of preserving capital and enhancing its value for the benefit of the Oklahoma City area.

Basis of Accounting: The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other assets and liabilities.

Reporting Entity: The consolidated financial statements include the assets, liabilities, net assets, changes in net assets, and cash flows of the Foundation. The Foundation has approximately 1,300 component funds and twenty-nine affiliated organizations.

<u>Affiliated Organizations</u>	<u>Formed During Year Ended June 30</u>
The William E. and Margaret H. Davis Family Fund of The Oklahoma City Community Foundation, Inc.	1987
The Omniplex Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1988
The Kirkpatrick Center Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1989
The Kirkpatrick Family Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1989
Cowboy Hall of Fame Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1991
Oklahoma Air Space Museum Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1991
Oklahoma City Art Museum Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1992
Malzahn Family Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1992
Leadership Oklahoma City Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1994

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Reporting Entity--Continued:

<u>Affiliated Organizations</u>	<u>Formed During Year Ended June 30</u>
Deer Creek Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1995
Allied Arts Foundation Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1995
Oklahoma Philharmonic Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1995
Rural Oklahoma Community Foundation, Inc.	1995
Oklahoma City Disaster Relief Fund, Inc.	1995
Heritage Hall Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1996
John and Claudia Holliman Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1997
Raymond H. and Bonnie Hefner Family Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1998
Hospice Foundation of Oklahoma Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1998
Lawton Community Foundation, Inc.	1999
Oklahoma City Retailers Foundation Affiliated Fund of The Oklahoma City Community Foundation, Inc.	1999
Bob & Nancy Anthony Family Affiliated Fund of The Oklahoma City Community Foundation, Inc.	2000
Love Family Affiliated Fund of The Oklahoma City Community Foundation, Inc.	2000
Robert and Blanche Gordon Family Affiliated Fund of The Oklahoma City Community Foundation, Inc.	2001
Community Resources Oil and Gas, Inc.	2001
Community Resources Real Estate, Inc.	2001

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Reporting Entity--Continued:

<u>Affiliated Organizations</u>	<u>Formed During Year Ended June 30</u>
Janice and Joe L. Singer Family Affiliated Fund of The Oklahoma City Community Foundation, Inc.	2004
Everett Family Foundation Affiliated Fund of The Oklahoma City Community Foundation, Inc.	2006
Christian Keesee Charitable Fund an Affiliated Fund of The Oklahoma City Community Foundation, Inc.	2008
Albers Family Affiliated Fund of The Oklahoma City Community Foundation, Inc.	2009

The affiliated organizations are included with the Foundation in the accompanying consolidated financial statements because the Foundation has an economic interest in the organizations and controls the affiliated organizations' boards of trustees. Further, distributions made by the affiliated organizations exclusively benefit the charitable and educational purposes of the Foundation. All material inter-organization transactions have been eliminated.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*; No. 117, *Financial Statements of Not-for-Profit Organizations*; and No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*.

Net Asset Classifications: In August 2008, the Financial Accounting Standards Board issued Staff Position No. 117-1: *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* ("FAS 117-1"). FAS 117-1 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). FAS 117-1 also improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Net Asset Classifications--Continued: The State of Oklahoma adopted UPMIFA effective November 1, 2007 ("OK UPMIFA") and the Foundation has adopted FAS 117-1 as of July 1, 2007. The Board of Trustees (the "Trustees") of the Foundation has interpreted OK UPMIFA to require the Foundation to exercise prudence in determining whether to spend from or accumulate to donor-restricted endowment funds with a view toward the permanent nature and long-term continuing viability of such funds, rather than the maintenance of the historic dollar value thereof, absent explicit donor stipulations to the contrary.

As a community foundation, in accordance with United States Treasury Regulations, the Foundation possesses variance power. Variance power is the unilateral right to remove donor-imposed restrictions upon a gift in response to changed circumstances. The Foundation interprets its variance power to apply to time restrictions and endowment restrictions as well as purpose restrictions. This power is exercisable only in narrowly defined circumstances. Because this power is incorporated by reference in the gift instruments for all of the donor-restricted endowment fund gifts received by the Foundation, the Foundation views its variance power as an explicit expression of donor intent.

The legal opinion approved by the Trustees concluded that gifts to the Foundation may be subject to one or more of three types of donor-imposed restrictions: (1) contributions received with restrictions as to the purpose(s) for which the gift may be used ("purpose restriction"); (2) contributions received with a requirement that the principal of the gift be retained for a specified period of time ("time restriction"); and (3) contributions received with a requirement that the principal of the gift be retained permanently ("endowment restriction"). The Trustees have determined that the Foundation's variance power applies to all three types of restrictions, and that only those funds subject to time restrictions or endowment restrictions constitute endowment funds under OK UPMIFA. Therefore, the Foundation classifies all funds which are subject only to purpose restrictions as unrestricted net assets. Funds subject to time restrictions are classified as temporarily restricted net assets until the expiration of the time restriction, except for amounts appropriated for spending from such funds, which are classified as unrestricted net assets. Because the Trustees have interpreted the Foundation's variance power to apply to endowment restrictions, funds subject to endowment restrictions are classified as temporarily restricted net assets, except for amounts appropriated for spending which are classified as unrestricted net assets.

As a result of this interpretation, the Foundation classifies as temporarily restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Net Asset Classifications--Continued: Donor restricted endowment funds, or portions thereof, are classified as temporarily restricted net assets until amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by OK UPMIFA. Once amounts are appropriated for spending from a donor-restricted endowment fund, such amounts are classified as unrestricted net assets until spent.

In accordance with OK UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation 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 of investments
- Other resources of the Foundation
- The investment policies of the Foundation

In addition to contributions received with donor-imposed time restrictions or donor-imposed endowment restrictions, the Foundation also classifies its split-interest agreements, excluding charitable gift annuities, as temporarily restricted due to the implied time restriction on the use of such assets. The legal opinion concluded that split-interest funds, including charitable gift annuities, do not constitute institutional funds as defined by OK UPMIFA and therefore they do not constitute endowment funds. All contributions received by the Foundation without a donor-imposed time restriction, a donor-imposed endowment restriction, or an implied time restriction are classified as unrestricted.

The Foundation has reviewed all of its endowment funds and has reclassified to temporarily restricted net assets certain funds that are subject to OK UPMIFA that were previously classified as unrestricted (see Note I).

Endowment Investment and Spending Policies: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return expectation is an 8% return net of investment fees. Actual returns in any given year may vary from this amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Endowment Investment and Spending Policies--Continued: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually appropriated for spending from the Foundation's various endowment funds, for grantmaking and administration. The current spending policy is to appropriate an amount equal to 5% of a moving eight-quarter or twelve-quarter average, depending upon the type of fund. Accordingly, over the long term, the Foundation expects the current spending and investment policies to allow its endowment to grow at an average of 3% annually, thereby preserving the overall purchasing power of the endowment assets.

Funds Held as Not-for-Profit Endowments: Statement of Financial Accounting Standards No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others* requires the Foundation to account for assets that are contributed by a not-for-profit organization for the benefit of that not-for-profit organization or one of its affiliated organizations as a liability to the specified beneficiary concurrent with its recognition of the assets received. All asset transfers of this type, and the activity associated with those assets, are recognized as agency transactions in the consolidated financial statements. In order to present the full scope of the Foundation's operations, the Foundation includes the activity (i.e., contributions, investment income, net investment gains (losses), grants, management and other fees) related to such transactions in its consolidated statement of activities and then separately presents the respective agency activity as a reduction thereof. In the consolidated statement of financial position, the assets held on behalf of the agency are included in cash and cash equivalent funds and securities and the related liability to the agency is classified as agency transfers subject to SFAS 136. These assets are managed in accordance with the same investment and spending policies as the Foundation's other endowment funds.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments with a maturity of three months or less when purchased, excluding cash equivalent funds held in the Foundation's investment portfolio, to be cash equivalents.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Investments: Substantially all securities and other investments are managed by various investment managers.

Cash Equivalent Funds and Securities: Cash equivalent funds, U.S. government obligations, asset backed obligations, bonds, mutual funds, equity index funds, bond index funds, and common and preferred stocks are reported at fair value in the accompanying consolidated financial statements. Realized gains and losses on sales of most U.S. government obligations and asset backed obligations are computed on the average cost basis. Realized gains and losses on sales of all other securities are determined using the first in first out (FIFO) method.

Cash equivalent funds are comprised of short-term, highly liquid investments that are readily convertible into known amounts of cash.

Real Estate: Real estate is carried at cost or, if donated, the estimated fair value at the date of donation, net of accumulated depreciation of approximately \$2,121,000 and \$1,721,000 at June 30, 2009 and 2008, respectively. Substantially all real estate is leased to a related party under four non-cancelable lease agreements which expire between 2010 and 2016. There are no expense obligations for the Foundation under these lease agreements. Future minimum payments under non-cancelable leases are expected to range from approximately \$534,000 to \$848,000 per year through 2014 and total \$569,000 thereafter.

Limited Partnership Interests: Investments in limited partnership interests are reported at estimated fair value. Fair value is generally determined by independent appraisal at the time the gift is made and is revalued periodically using information relating to the value of the underlying assets and other factors deemed relevant to the valuation. During 2009, the general partner of one of the Foundation's limited partnership interests entered into a subscription participation agreement in which the general partner is also the lender. At June 30, 2009, the participation interest is estimated to have a fair value of approximately \$4,162,000.

Other: Other investments consist of investment assets which were donated to the Foundation. Other assets are carried at estimated fair value as determined by independent appraisal and/or Foundation management at the time the gift was made and are periodically revalued to fair value based on consideration of factors deemed relevant to the valuation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Property and Equipment: Property and equipment is carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are three to five years for furniture, fixtures, and equipment, and twenty to thirty years for buildings.

Contributions Receivable: Contributions receivable which arise primarily from trusts and estates, are carried at present value at the financial statement date. This valuation assumes collection within one year; however, due to the nature of the receivables, the final settlement dates are uncertain. All amounts are expected to be fully collected. Contributions receivable are due from two donors at June 30, 2009 and 2008. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. No amounts have been recognized in the consolidated financial statements for conditional promises to give, which generally arise from the Foundation being named as a beneficiary in a revocable will or trust. At June 30, 2009 and 2008, conditional promises to give of \$378,000 and \$1,240,000, respectively, have been estimated based on information provided to the Foundation; however, remaining conditional promises to give cannot be estimated due to the insufficiency of information available to the Foundation.

Collections: The Foundation does not include either the cost or the value of its collections in the consolidated statements of financial position, nor does it recognize gifts of collection items as revenues in the consolidated statements of activities.

Administrative Fees: Administrative fees are charged to the funds based upon market value. The income from these fees, along with income from an administrative endowment fund, provides the dollars for the general and administrative expenses of the Foundation.

Other Assets: Other assets consist primarily of life insurance policies in which the Foundation is the beneficiary. These assets are carried at their cash surrender values and all other assets are carried at cost, or, if donated, at the fair value at the date of donation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Assets Held for Others: Assets held for others represents the portion of assets related to charitable lead and remainder trusts in which the Foundation is the trustee that are held for the donor or other designated beneficiary and amounts due to recipients as agency transfers. The liability for assets held under trust agreements is equal to the present value of the expected future payments to be made to the donor or other designated beneficiary. The liability for assets held for others on agreements in which the Foundation is named as the charitable beneficiary but the designation is revocable is equal to the fair value of the assets. The liability for agency transfers totals \$10,000 at June 30, 2008. There is no liability for agency transfers at June 30, 2009.

Contributions Received: Contributions received are generally recorded as unrestricted net assets, unless they are subject to time restrictions or endowment restrictions, in which case they are classified as temporarily restricted net assets. It is the expressed intention of the Foundation to honor the designations of donors; however, the Foundation reserves the right to exercise final control over all funds.

Donated Assets: Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of the donation.

Donated Services: No amounts have been reflected in the consolidated financial statements for donated services. The Foundation pays for most services requiring specific expertise.

Grants and Program Services: Grants and program services represent amounts awarded to various not-for-profit organizations to assist with funding of general operations or special programs. Grants and program services payable consist of unconditional amounts awarded, but not paid, to not-for-profit organizations. Grants to be paid after one year are discounted to net present value. Grants dependent on the occurrence of a specified and uncertain event are not recognized until the conditions on which they depend are substantially met.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Costs are allocated between development, general and administrative, or grants and program services based on evaluations of the related activities. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Foundation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Income Tax Status: The Foundation and its affiliated organizations are exempt from federal income tax under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code"), and have been determined not to be a private foundation under Section 509(a) of the Code. As a result, income taxes are not included in the accompanying consolidated financial statements.

Accounting for Uncertain Tax Positions: In June 2006, the FASB issued Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes." FIN 48 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*. FIN 48 requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. On December 30, 2008, the FASB issued FASB Staff Position FIN 48-3 which deferred the effective implementation date of FIN 48 to the Foundation's annual financial statements ending on June 30, 2010, and the Foundation has elected to defer application of FIN 48. The Foundation does not expect that the adoption of FIN 48 will have a material effect on its financial position, results of operations or cash flows.

Concentration of Credit Risk: The Foundation maintains cash in bank deposit accounts that, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash or cash equivalents.

Use of Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosed contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE A--ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES--Continued

Significant Estimates: Estimates that are particularly susceptible to significant change include the valuation of investment in cash equivalent funds and securities, investment in limited partnership interests, investment in other assets, beneficial interest in charitable lead trust, and contributions receivable. The Foundation's various investment instruments including beneficial interests, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with these financial instruments, it is reasonably possible that changes in the values of the investments and beneficial interest will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position. Significant fluctuations in fair values could occur from year to year and the amounts the Foundation will ultimately realize could differ materially. Management's estimate of contributions receivable and evaluation for allowance is based on consideration of all relevant available information and an analysis of the collectability of individual contributions, which arise primarily from estates and bequests, at the financial statement date.

Fair Value Measurements: On July 1, 2008, the Foundation adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("FAS 157") with respect to financial assets and liabilities. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Fair value under SFAS 157 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. FAS 157 establishes a fair value hierarchy 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 and therefore, currently subject to FAS 157 include investment in cash equivalent funds and securities, investment in limited partnership interests, investment in other assets, beneficial interest in charitable lead trust, and agency transfers subject to SFAS 136.

Reclassifications: Certain reclassifications have been made to the June 30, 2008, consolidated financial statements to conform to the classifications used at June 30, 2009.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE B--INVESTMENTS

Investments in cash equivalent funds and securities at fair value consist of the following:

	June 30	
	2009	2008
Cash equivalent funds	\$ 33,635,285	\$ 47,712,559
Securities		
U.S. government obligations	83,976,778	111,726,472
Asset backed obligations	26,492,754	36,114,316
Mutual funds	4,552,516	5,515,232
Equity index funds	161,737,923	204,298,944
Bond index funds	34,320,129	2,549,768
Common and preferred stocks	90,136,973	118,618,024
	<u>401,217,073</u>	<u>478,822,756</u>
	<u>\$ 434,852,358</u>	<u>\$ 526,535,315</u>

The Foundation holds closely held stock with a fair value of approximately \$3,359,000 and \$5,230,000 at June 30, 2009 and 2008, respectively, which is included in common and preferred stocks in the above table. A trustee of the Foundation serves as a director of this closely held company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE C--FAIR VALUE MEASUREMENTS

The Foundation uses quoted market prices to determine the fair value of an asset or liability when available. If quoted market prices are not available, the Foundation determines fair value using valuation techniques, generally the market approach and/or income approach, to determine fair value.

The following methods and assumptions were used to estimate the fair value of assets and liabilities in the financial statements.

Cash and Cash Equivalents: The asset's carrying amount approximates fair value due to its short maturity.

Investments in Cash Equivalent Funds and Securities: These assets are stated at fair value based on the current market value of the assets in the portfolio. Quoted market prices are used, when available, or the best estimate of fair value as determined by the Foundation or the investment manager. Generally, quoted market prices are available for mutual funds and common and preferred stocks, index funds are stated at market price as determined by the fund manager, and U.S. government and asset backed obligations are stated at market price as determined by independent third party pricing services. Closely held stock is stated at fair value as determined by the Foundation using valuation techniques which are relevant in the circumstances.

Investments in Limited Partnership Interests: Partnership interests are stated at fair value as determined by the fund manager and/or the Foundation. Generally, fair value is based on the fair value of the underlying assets, independent appraisal, and/or other factors deemed relevant to the valuation.

Investments in Real Estate: Investments in real estate are carried at the lower of cost or fair value. As all investments in real estate were donated to the Foundation, the fair value of the real estate on the contribution date was determined by independent appraisal. Given the short time period since the gift date, the Foundation believes that the fair value today is not materially different from the fair value at the time of donation. Real estate investments are estimated to have a fair value of approximately \$11,300,000 and \$11,500,000 at June 30, 2009 and 2008, respectively.

Investments in Other: Other investments are stated at fair value as determined by the Foundation. The Foundation values these assets using a combination of the income and market approach valuation techniques.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE C--FAIR VALUE MEASUREMENTS--Continued

Contributions Receivable: The fair value is based on the present value of the expected future cash flows and due to the short maturities of the receivables the carrying value approximates fair value.

Beneficial Interest in Lead Trust: The beneficial interest is carried at fair value which is based on the present value of the expected future cash flows from the trust.

Other Assets: The primary other asset is cash surrender values on life insurance policies for which the Foundation is the beneficiary and as such the carrying values approximate fair value.

Accounts Payable and Accrued Liabilities: The carrying amount of the liability approximates fair value due to its short maturity.

Grants and Program Services Payable: The carrying amount of grants and program services payable is based on the discounted value of the expected future cash distributions, which approximates fair value.

Annuity Contracts Payable and Assets Held for Others: The fair value is determined by discounting the future cash flows at rates that could currently be negotiated by the Foundation for borrowings of similar amounts. The carrying amount of annuity contracts payable and assets held for others approximates fair value.

Notes Payable: The carrying value approximates fair value and has not been separately calculated due to immateriality.

Agency Transfers Subject to SFAS 136: The carrying amount represents the agency's interest in the net assets of the Foundation which is carried at fair value and is equal to the related assets held for the benefit of the agency.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE C--FAIR VALUE MEASUREMENTS--Continued

Assets and liabilities measured at fair value on a recurring basis are classified within the fair value hierarchy as follows:

	As of June 30, 2009			
	Level 1	Level 2	Level 3	Total
ASSETS				
Investments in cash equivalent funds and securities	\$124,965,688	\$306,527,584	\$ 3,359,086	\$434,852,358
Investment in limited partnership interests	-	-	6,721,738	6,721,738
Investment in other assets			2,762,750	2,762,750
Beneficial interest in lead trust	-	-	2,265,384	2,265,384
Total assets measured at fair value on a recurring basis	<u>\$124,965,688</u>	<u>\$306,527,584</u>	<u>\$ 15,108,958</u>	<u>\$446,602,230</u>
LIABILITIES				
Agency transfers subject to SFAS 136	\$ -	\$ 64,137,424	\$ -	\$ 64,137,424
Total liabilities measured at fair value on a recurring basis	<u>\$ -</u>	<u>\$ 64,137,424</u>	<u>\$ -</u>	<u>\$ 64,137,424</u>

Following is a description of the methodologies used for the classification of financial instruments measured at fair value on a recurring basis:

Investments in cash equivalent funds and securities: When quoted prices are available in an active market, securities are classified within Level 1 of the hierarchy. Investments classified as Level 1 include cash and cash equivalents, common and preferred stocks which are actively traded, and mutual funds. Equity and bond index funds are classified within Level 2 of the hierarchy due to their proprietary nature. U.S. government obligations and asset backed obligations are classified within Level 2 of the hierarchy and are independently valued by nationally recognized, third party pricing services. Closely held stock is classified as Level 3 in the hierarchy and is based on the fair value determined through recent appraisal which utilized a combination of the market and income approach. The fair value of closely held stock was previously based on the market approach; however, due to the lack of recent sales, the Foundation changed its valuation method for this closely held stock during the current year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE C--FAIR VALUE MEASUREMENTS--Continued

Investment in limited partnership interests: The fair value of interests in limited partnerships is determined by the Foundation using a combination of the market and income approach valuation techniques. In some cases independent appraisals are obtained and then discounted to fair value by the Foundation for lack of marketability and/or minority interest. Due to the significant unobservable inputs required to estimate the fair value of these interests, the Foundation's investments in limited partnerships are all classified as Level 3 within the hierarchy.

Investment in other assets: The fair value of other investments are determined by the Foundation's management using valuation techniques (such as the market and/or income approach) and consideration of other factors deemed relevant in the circumstances. Due to the significant unobservable inputs required to estimate the fair value of these investments, the Foundation's investments in other assets are classified as Level 3 in the hierarchy.

Beneficial interest in lead trust: The fair value of the underlying trust assets are based on quoted market prices when available or the best estimate of fair value as determined by the trust manager. The Foundation's valuation technique considers the fair value of the assets held in the trust and applies a discount rate to convert such amounts to a single present value amount. The discount rate used by the Foundation reflects current market conditions including the inherent risk in the underlying assets and the risk of nonperformance by the trustee. Due to the significant unobservable inputs required to estimate the expected future cash receipts from the trust agreements, the Foundation's beneficial interest is classified as Level 3 in the hierarchy.

Agency transfers subject to SFAS 136: The fair value of the liability is based on the fair value of the investment assets held by the Foundation for the benefit of the recipient agency. The specific assets held for the benefit of the agency have been classified within the hierarchy for investment in cash equivalent funds and securities (as discussed above). The related and associated liability is classified as Level 2 in the hierarchy because principal inputs (i.e., fair value of assets in the portfolio) are all classified as Level 1 or Level 2 and therefore are corroborated by observable market data.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE C--FAIR VALUE MEASUREMENTS--Continued

The following table summarizes the changes in the fair value of the Foundation's Level 3 financial assets for the period ending June 30, 2009:

	Investments in Cash Equivalent Funds and Securities	Investments in Limited Partnership Interests	Investments in Other Assets	Beneficial Interest in Lead Trust
Balance at July 1, 2008	\$ 5,230,149	\$ 8,106,367	\$ 2,850,361	\$ 3,240,771
Net investment losses	(1,871,063)	(1,384,629)	-	-
Change in value of split interest agreements	-	-	-	(975,387)
Contributions	-	-	2,762,389	-
Sales of investments	-	-	-	-
Purchases of investments	-	-	-	-
Transfers to third party	-	-	(2,850,000)	-
Balance at June 30, 2009	<u>\$ 3,359,086</u>	<u>\$ 6,721,738</u>	<u>\$ 2,762,750</u>	<u>\$ 2,265,384</u>

NOTE D--PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	June 30	
	2009	2008
Land	\$ 688,085	\$ 688,085
Building	5,111,184	4,860,984
Furniture, fixtures, and equipment	993,631	981,048
	<u>6,792,900</u>	<u>6,530,117</u>
Less: Accumulated depreciation	1,216,815	923,203
	<u>\$ 5,576,085</u>	<u>\$ 5,606,914</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE E--SPLIT-INTEREST AGREEMENTS

At June 30, 2009 and 2008, the Foundation has recorded approximately \$4,704,000 and \$8,688,000, respectively, in fair value of various split-interest agreements as an asset in its consolidated statements of financial position. Assets received under these agreements are recorded at fair value and in the appropriate net asset category. Related contributions per the agreements are recognized as contribution revenue and are equal to the present value of future benefits to be received by the Foundation over the term of the agreements. Contribution revenue related to these agreements totaled approximately \$69,000 and \$858,000 in 2009 and 2008, respectively. Liabilities have been established for those split-interest agreements for which the Foundation is the trustee or for which the Foundation is obligated to an annuitant under a charitable gift annuity. These liabilities totaled approximately \$3,684,000 and \$6,419,000 at June 30, 2009 and 2008, respectively. During the term of these agreements, changes in the value of the split-interest agreements are recognized in the consolidated statements of activities based on accretion of the discounted amount of the contribution, and reevaluations of the expected future benefits (payments) to be received (paid) by the Foundation (beneficiaries), based on changes in life expectancy and other assumptions. Discount rates ranging from 3.2% to 8.0% were used in these calculations at the dates of the contributions. Split-interest agreements for which the Foundation is the trustee but the charitable beneficiary is revocable are included in the assets and liabilities above. The liability for these revocable agreements is equal to the fair value of the assets.

The Foundation is the beneficiary of a charitable lead unitrust for which it does not serve as trustee. Under the charitable lead trust agreement, the trust will pay 7% of the net fair market value of the trust estate to the Foundation over the next 15 years and the assets remaining at the end of the trust term will be distributed to a third party beneficiary. The fair value of the Foundation's beneficial interest is based on the present value of the estimated expected future cash inflows using discount rates of 2% and 3.8% at June 30, 2009 and 2008, respectively. The Foundation received distributions of approximately \$0 and \$358,000 during the years ended June 30, 2009 and 2008, respectively. A distribution of approximately \$588,000 was received subsequent to June 30, 2009. Changes in fair value of the beneficial interest are reflected as a change in value of split-interest agreements in the consolidated statements of activities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE F--NOTES PAYABLE

Notes payable have been entered into which reflect balances of approximately \$289,000 and \$323,000 at June 30, 2009 and 2008, respectively. This balance is comprised of two notes, both carrying a fixed interest rate of 6% and payable in monthly installments which total \$4,317. The notes mature on March 1, 2013 and May 1, 2017. Principal payments for 2010 through 2014 range from approximately \$33,000 to \$40,000 with payments thereafter totaling approximately \$107,000. The Foundation paid interest expense of \$18,400 and \$20,500 in 2009 and 2008, respectively, which is included in general and administrative expenses in the consolidated statements of activities. The notes are secured by readily marketable securities which are required to be maintained at the same value as the outstanding principal balance.

NOTE G--GRANTS AND PROGRAM SERVICES PAYABLE

Grants and program services payable consist of unconditional amounts awarded, but not paid, to various not-for-profit groups. All unconditional amounts payable at June 30, 2009 and 2008 are expected to be paid in less than one year from the statement of financial position date.

The Foundation's trustees have also approved conditional grants and program services totaling approximately \$203,000 and \$253,000 at June 30, 2009 and 2008, respectively. No amounts have been recognized in the consolidated financial statements because the recipient agencies have not met certain conditions of the grant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE H--TOTAL NET ASSET COMPOSITION

In addition to endowment funds, the Foundation also manages other non-endowed funds.

Total net asset composition at June 30, 2009 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Endowment funds	\$ 52,269,661	\$ 304,540,541	\$ 356,810,202
Non-endowed funds			
Donor advised	23,446,799	-	23,446,799
Designated	<u>9,341,384</u>	<u>-</u>	<u>9,341,384</u>
	32,788,183	-	32,788,183
Split-interest agreements	<u>806,938</u>	<u>2,507,081</u>	<u>3,314,019</u>
Total Net Assets	<u>\$ 85,864,782</u>	<u>\$ 307,047,622</u>	<u>\$ 392,912,404</u>

Total net asset composition as of June 30, 2008:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Endowment funds	\$ 61,233,858	\$ 376,089,284	\$ 437,323,142
Non-endowed funds			
Donor advised	19,153,621	-	19,153,621
Designated	<u>10,522,636</u>	<u>-</u>	<u>10,522,636</u>
	29,676,257	-	29,676,257
Split-interest agreements	<u>1,665,989</u>	<u>3,842,143</u>	<u>5,508,132</u>
Total Net Assets	<u>\$ 92,576,104</u>	<u>\$ 379,931,427</u>	<u>\$ 472,507,531</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE I--ENDOWMENT DISCLOSURES

Endowment net asset composition by type of fund as of June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Donor-Restricted			
Endowment Funds			
Legacy funds	\$ -	\$ 236,238,486	\$ 236,238,486
Charitable organization endowment funds	-	49,359,496	49,359,496
Scholarship and award funds	-	14,221,787	14,221,787
Field of interest funds	-	<u>4,720,772</u>	<u>4,720,772</u>
	-	304,540,541	304,540,541
Appropriated and Unexpended			
Endowment Funds			
Legacy funds	9,448,701	-	9,448,701
Charitable organization endowment funds	3,037,750	-	3,037,750
Scholarship and award funds	1,747,653	-	1,747,653
Field of interest funds	<u>1,520,902</u>	-	<u>1,520,902</u>
	15,755,006	-	15,755,006
Other Endowment Funds	2,644,989	-	2,644,989
Board Designated Endowment Funds			
Fund for Oklahoma City	11,257,157	-	11,257,157
Program initiatives	5,328,643	-	5,328,643
Administration	<u>17,283,866</u>	-	<u>17,283,866</u>
	33,869,666	-	33,869,666
Total Endowment Funds	<u>\$ 52,269,661</u>	<u>\$ 304,540,541</u>	<u>\$ 356,810,202</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE I--ENDOWMENT DISCLOSURES--Continued

Changes in endowment net assets for the year ended June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 61,233,858	\$ 376,089,284	\$ 437,323,142
Investment return			
Investment income	1,064,709	11,248,733	12,313,442
Investment fees	(132,255)	(1,666,583)	(1,798,838)
Net investment loss	<u>(6,096,998)</u>	<u>(74,919,901)</u>	<u>(81,016,899)</u>
Total investment return	(5,164,544)	(65,337,751)	(70,502,295)
Contributions	4,619,143	6,299,590	10,918,733
Administrative fees	1,309,628	(937,754)	371,874
Appropriation of endowment assets for expenditure	<u>(9,728,424)</u>	<u>(11,572,828)</u>	<u>(21,301,252)</u>
Endowment net assets, end of year	<u>\$ 52,269,661</u>	<u>\$ 304,540,541</u>	<u>\$ 356,810,202</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE I--ENDOWMENT DISCLOSURES--Continued

Endowment net asset composition by type of fund as of June 30, 2008:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Donor-Restricted			
Endowment Funds			
Legacy funds	\$ -	\$ 295,468,311	\$ 295,468,311
Charitable organization endowment funds	-	57,886,514	57,886,514
Scholarship and award funds	-	17,216,341	17,216,341
Field of interest funds	-	5,518,118	5,518,118
	-	<u>376,089,284</u>	<u>376,089,284</u>
Appropriated and Unexpended			
Endowment Funds			
Legacy funds	11,031,644	-	11,031,644
Charitable organization endowment funds	2,805,555	-	2,805,555
Scholarship and award funds	1,641,425	-	1,641,425
Field of interest funds	1,788,905	-	1,788,905
	<u>17,267,529</u>	-	<u>17,267,529</u>
Other Endowment Funds	3,232,153	-	3,232,153
Board Designated Endowment Funds			
Fund for Oklahoma City	13,881,862	-	13,881,862
Program initiatives	6,336,555	-	6,336,555
Administration	20,515,759	-	20,515,759
	<u>40,734,176</u>	-	<u>40,734,176</u>
Total Endowment Funds	<u>\$ 61,233,858</u>	<u>\$ 376,089,284</u>	<u>\$ 437,323,142</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE I--ENDOWMENT DISCLOSURES--Continued

Changes in endowment net assets for the year ended June 30, 2008:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 455,750,288	\$ -	\$ 455,750,288
Net asset reclassification based on change in law	<u>(393,293,951)</u>	<u>393,293,951</u>	<u>-</u>
Endowment net assets after reclassification	62,456,337	393,293,951	455,750,288
Investment return			
Investment income	1,255,101	13,359,139	14,614,240
Investment fees	(153,529)	(1,876,276)	(2,029,805)
Net investment loss	<u>(2,261,785)</u>	<u>(27,270,667)</u>	<u>(29,532,452)</u>
Total investment return	(1,160,213)	(15,787,804)	(16,948,017)
Contributions	6,422,698	14,386,824	20,809,522
Administrative fees	1,389,326	(982,793)	406,533
Appropriation of endowment assets for expenditure	<u>(7,874,290)</u>	<u>(14,820,894)</u>	<u>(22,695,184)</u>
Endowment net assets, end of year	<u>\$ 61,233,858</u>	<u>\$ 376,089,284</u>	<u>\$ 437,323,142</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE J--COLLECTIONS

The Foundation maintains various collections of works of art, historical treasures, and similar assets. These collections are maintained for public exhibition, education, and research in furtherance of public service rather than for financial gain. These assets are protected, kept unencumbered, cared for, and preserved by the Kirkpatrick Center Affiliated Fund. As a matter of policy, the proceeds of items in collections that are sold are used to acquire other items for collections.

The Foundation maintains nine separate collections, including the African Art Collection, Asian Art Collection, Boehm Collection, Baker Collection, Clock Collection, Payne Collection, Sutton Collection, Pre-Columbian Collection, and Victorian Doll House Collection. Each of these collections is subject to the policies referred to above.

NOTE K--CONTRIBUTED SERVICES

Several of the Foundation's trustees who assist the Foundation with special projects provide contributed services. No amounts have been recognized in the consolidated statements of activities because the criteria for recognition have not been satisfied.

NOTE L--RETIREMENT PLAN AND OTHER BENEFITS

Substantially all employees of the Foundation participate in the Retirement Plan of Oklahoma City Community Foundation, Inc. (the "Plan"), commonly known as a Section 403(b) plan. Under the Plan, the Foundation contributes 10% of the respective employee's regular salary to provide retirement benefits. In addition, employees may contribute a specified percentage of their regular salary to the Plan. The total amount contributed by the Foundation and the employee cannot exceed 100% of the employee's regular salary, subject to Internal Revenue Service limitations. Contributions made by the Foundation are 100% vested after six years of service. Benefits paid under the Plan are limited to the sum of the employee's and the Foundation's contributions and investment earnings on those contributions. The Foundation contributed approximately \$160,000 and \$134,000 to the Plan during the years ended June 30, 2009 and 2008, respectively.

The Foundation has entered into severance benefit agreements with select key executives. Split-dollar life insurance premiums of approximately \$181,000 and \$169,000 are included in other assets, and severance benefits payable of approximately \$311,000 and \$331,000 are included in accounts payable and other liabilities at June 30, 2009 and 2008, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

June 30, 2009

NOTE M--AGENCY TRANSFERS SUBJECT TO SFAS 136

The Foundation follows the provisions of SFAS 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. This statement establishes standards for transactions in which the Foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets or both to another entity that is specified by the donor. SFAS 136 specifically requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself or one of its affiliated organizations as the beneficiary of that fund, the community foundation must account for the transfer of such assets and the activity associated with those assets as a liability.

The Foundation maintains variance power, as described in the governing documents of the Foundation, and legal ownership over these funds and, as such, continues to report the funds as assets of the Foundation. Variance power assures donors that if the charitable purpose of their contribution becomes impractical or impossible, the distributions will be directed to similar purposes in the community. A liability for agency transfers subject to SFAS 136 has been established for the fair value of the assets contributed by not-for-profit organizations for their benefit in the amount of approximately \$64,137,000 and \$74,923,000 at June 30, 2009 and 2008, respectively.

NOTE N--SUBSEQUENT EVENTS

In accordance with SFAS No. 165, *Subsequent Events*, the Foundation has evaluated subsequent events through September 28, 2009, which is the date the consolidated financial statements were available to be issued. There are no recognized or non-recognized subsequent events included in the consolidated financial statements or related footnotes.

OKLAHOMA CITY COMMUNITY FOUNDATION AND AFFILIATED
ORGANIZATIONS--SCHEDULE OF ASSETS

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

	June 30	
	2009	2008
Albers Family Fund	\$ 1,620,839	\$ -
Allied Arts Foundation	920,735	1,088,790
Bob & Nancy Anthony Family	702,833	830,779
Christian Keesee Charitable Fund	1,415,757	2,556,316
Community Resources Oil and Gas	38,420	4,570
Community Resources Real Estate	1,213,926	1,174,437
Cowboy Hall of Fame	1,134,648	1,397,689
Deer Creek	1,248,422	1,541,987
Everett Family Foundation	1,861,691	2,223,878
Heritage Hall	1,353,153	1,673,494
Hospice Foundation of Oklahoma	1,328,714	1,600,815
Janice and Joe L. Singer Family	1,121,832	1,317,081
John and Claudia Holliman	1,116,512	1,357,114
Kirkpatrick Center	37,094,307	44,706,130
Kirkpatrick Family	169,821,605	215,281,623
Lawton Community Foundation, Inc.	2,836,056	3,347,892
Leadership Oklahoma City	835,474	1,037,352
Love Family	8,857,560	9,372,854
Malzahn Family	1,404,018	1,523,311
Oklahoma Air Space Museum	4,805,198	5,763,906
Oklahoma City Art Museum	5,886,357	6,847,294
Oklahoma City Community Foundation, Inc.	195,465,611	229,650,546
Oklahoma City Disaster Relief Fund, Inc.	9,341,611	10,522,635
Oklahoma City Retailers Foundation	1,103,855	1,483,028
Oklahoma Philharmonic	3,616,594	3,426,347
Omniplex	4,172,829	5,198,056
Raymond H. and Bonnie Hefner Family	1,419,180	1,738,871
Robert and Blanche Gordon Family	4,456,978	5,921,398
Rural Oklahoma Community Foundation, Inc.	1,792,975	2,158,646
William E. and Margaret H. Davis Family	1,142,490	1,424,990
	469,130,180	566,171,829
Less: Accumulated depreciation	3,337,654	2,643,877
	\$ 465,792,526	\$ 563,527,952