

E N D O W M E N T

*Funds
given for
permanent
support*



**OKLAHOMA CITY
COMMUNITY
FOUNDATION**

A N N U A L R E P O R T

*for the year ending
June 30, 1995*





WHAT IS THE OKLAHOMA CITY COMMUNITY FOUNDATION?

The mission of the Oklahoma City Community Foundation, a non-profit public charity, is 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.

The mission will be fulfilled by pursuit of these goals:

- Provide convenient, efficient and effective ways through which donors can contribute assets to charitable purposes.
- Encourage donors to create funds which will benefit the community both now and in the future.
- Advocate for the development of endowment funds and provide appropriate means by which permanent endowment funds can be built and wisely managed to provide long-term support.
- Develop the Funds for Oklahoma City, restricted and unrestricted community endowments, which can be used by the Trustees and the community to develop, coordinate and enhance services and programs which meet the changing needs of the community.

TRUSTEES

J. Edward Barth
President

Nancy P. Ellis

Jeanette L. Gamba

Raymond Hefner, Jr.

James H. Holloman, Jr. (*as of 1/96*)

William O. Johnstone

Linda P. Lambert

Frank McPherson

Anne Hodges Morgan

George Records

Richard Sias (*as of 6/95*)

Jay Stein (*resigned 8/95*)

James Young

FOUNDING TRUSTEE

John E. Kirkpatrick

OFFICERS

John L. Belt
Secretary

Eleanor J. Maurer
Treasurer

Marilyn B. Myers
Assistant Secretary

CURRENT STAFF

Nancy B. Anthony
Executive Director

Sam Bowman
After School Options

Tammy Davis

Susan Elkins

Leslie Griffith

Laura Lang

Dale Levy

Carla Pickrell

Frances L. Robinson

Linda Rodriguez

Anna-Faye Rose
Survivors' Education Fund

Geren Steiner

OKLAHOMA CITY COMMUNITY FOUNDATION

1300 N. Broadway Drive
Oklahoma City, OK 73103
(405) 235-5603

ON THE COVER

The brief definition of "endowment" is followed through this report by other definitions that capture key capabilities and services of the Oklahoma City Community Foundation. Together, they serve as fundamentals of the organization's asset development plan.

To the Oklahoma City Community

*Continuing
forever;
valid for
all time*



In understated summary, we've been busy. All of Oklahoma City will remember 1995, and like the community itself, the activities of the Oklahoma City Community Foundation ran the gamut from tragedy to triumph. The Community Foundation had just moved to its new location at 1300 N. Broadway Drive and was in the middle of its most significant year of asset growth when the Murrah Federal Building was destroyed on April 19.

Initially, we did not expect to play a major role in the emergency response. But later the Community Foundation's expertise concerning charitable funds and its capacity to work with both donors and service organizations proved essential to helping the community deal with the tragedy and with so many throughout the nation who wanted to help.

By encouraging good stewardship of funds and helping organizations and independent funds work together, the Community Foundation fulfilled a key role in the recovery process. The dedication of our staff to providing service to those affected by the bombing and to the thousands of contributors from throughout the nation was exemplary. As horrible as the bombing was, we tried very hard to provide services which enhanced the community's response.

The move to 1300 N. Broadway symbolizes not only a return to the original home of the Community Foundation but also a new

role to be played in helping the community. In both asset development and fund management, the Community Foundation has become a vital community asset and a resource. We are extremely appreciative to John and Eleanor Kirkpatrick for their gift of the headquarters building. The extra space for meetings, the availability of parking, and the ability to expand services to both donors and non-profit organizations will be invaluable in the future.

For example, the traditional grant-making activities of the Community Foundation have evolved into a process of developing cooperative approaches to community needs and opportunities.

Building the capacity of the community will involve not only funding programs but also helping organizations work together to effectively address issues. The new location will help us implement this new approach and enhance our effectiveness.

The Community Foundation manages the community's endowment. This unique niche of services to donors and non-profit organizations has generated exceptional growth over the past ten years. Since 1985, the Community Foundation's assets have increased from \$20 million to \$130 million, giving Oklahoma City the 18th largest Community Foundation in the United States.

The growth has resulted from the Community Foundation's orientation toward helping donors establish and maintain permanent

funds and helping non-profit organizations develop endowments. It has come from thousands of donors in the community and benefits more than 200 organizations and charitable activities. We are pleased that so many donors have recognized the importance of permanent endowment and have contributed to these funds. The 12-member Board of Trustees is committed to further increasing the community's endowment by working with donors and providing excellent administrative and investment services that will add value to the contributions. We are conscious of the need for high quality staff but will continue to keep administrative costs among the lowest in the country.

Helping donors help the community summarizes our mission in many ways. We have all learned in 1995 what it means to be a community and certainly what it means to help. The Community Foundation is poised to continue this 1995 spirit of service and cooperation.

Sincerely,

J. Edward Barth
President

Nancy B. Anthony
Executive Director

FLEXIBLE

*Capacity
to adapt to
changing
requirements*



Growth and New Opportunities

The Oklahoma City Community Foundation is committed to helping shape the long-term future of Oklahoma City. Through leadership, financial management, and a variety of services and programs, the Community Foundation is building community assets to address community needs.

This Annual Report represents the fiscal year ending June 30, 1995, and the Community Foundation's 26th year of service.

In fiscal 1995, the Community Foundation increased assets from contributions by \$27.4 million, which represents the largest increase in its history. Permanent

endowments and long-term funds totaled \$130 million as of June 30, 1995. The Community Foundation now ranks as the 18th largest in the United States and among the top three in the Southwest.

The growth of the foundation demonstrates both the commitment of donors and strong financial performance. Ten years ago, assets totaled \$20 million. In 1988, assets had doubled. By 1992, foundation assets reached \$65 million. Assets doubled again by 1995.

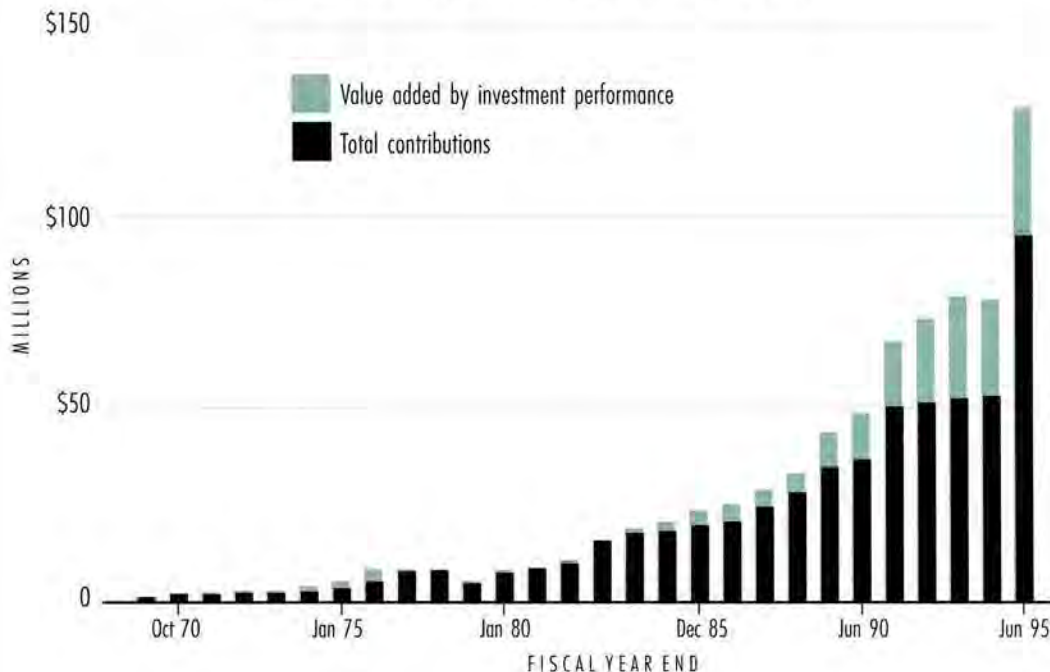
Professional investment management and oversight by knowledgeable trustees and staff are primary services offered by

the Community Foundation. For fiscal 1995, the pooled investment funds had a total return of 18.8 percent. This included a cash distribution of 5 percent and appreciation of 13.8 percent which was added to the funds.

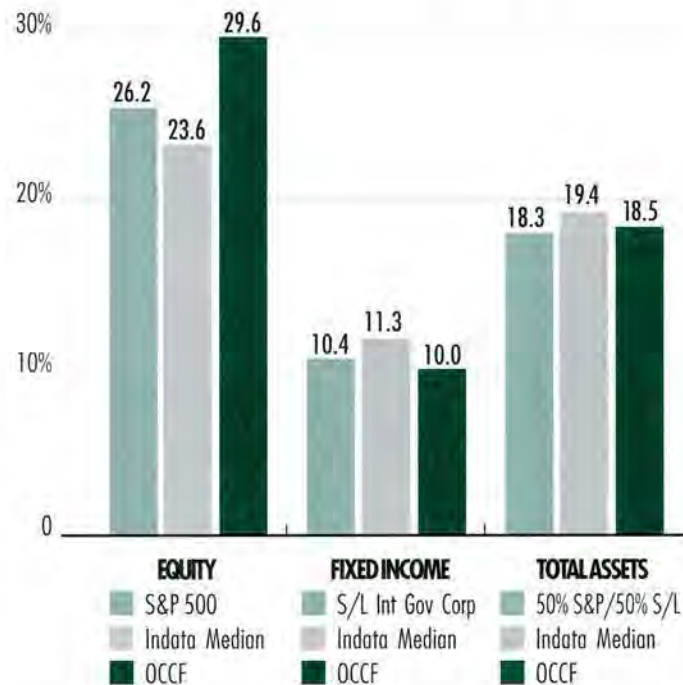
The investment program is based on a long-term investment horizon with goals of protecting the principal, ensuring that endowments grow to guard against inflation and maximizing the income stream for the long term.

To meet these goals, a diversified investment portfolio is managed by the trust departments of Boatmen's Bank, Liberty Bank

HISTORIC GROWTH OF TOTAL ASSETS, 1969-1995



**INVESTMENT PERFORMANCE
FOR FISCAL YEAR ENDING 6/30/95**



and Bank of Oklahoma. Under the supervision of investment counsel James K. Hotchkiss, managers provide the benefits of investment services for all funds that would not be available to a single fund acting alone.

Community Foundation trustees review investment results and performance quarterly. In the past six years, the average fund has increased in value by more than 38 percent through investment performance and additionally has received cash distributions of 40 percent. In the next few years, distributions will reach \$7-8 million annually, making the Community Foundation one of the major sources of funding for non-profit entities in Oklahoma City.

In fiscal 1995, five new Affiliated Funds were created, bringing the number of these larger charitable funds within the Community Foundation to 14. Each Affiliated Fund is incorporated as a non-profit organization and has a separate board of trustees. The Community Foundation appoints a majority of each board and provides management and investment services.

New Affiliated Funds were established for non-profit endowments for the Oklahoma Philharmonic, the Allied Arts Foundation, and Deer Creek Schools. The Rural Oklahoma Community Foundation also established a fund to serve needs of donors seeking to benefit three

Investment performance is measured against three industry standards. Equity performance is compared to the Standard and Poor's 500 Stock Index (S&P 500); fixed income performance is compared to the Shearson/Lehman Intermediate Government Corporate Index (S/L Int Gov Corp). Total return is compared to an equal weighting of these two. Indata is a universe of investment managers used widely to judge performance.

rural communities in southern Oklahoma. The fifth new fund, the Oklahoma City Disaster Relief Fund, was established in response to the April 19 bombing.

A major addition of \$21 million to the Kirkpatrick Family Fund from the Kirkpatrick Foundation was completed in 1995. The Kirkpatrick Family Fund will become a grant-making subsidiary of the Community Foundation. Marilyn Myers will serve as director of the Kirkpatrick Family Fund.

The Community Foundation's Designated Fund program manages donations for specifically designated charities. The Designated Fund program is the nation's largest in terms of participating charities. As of June 30, 1995, 198 organizations were part of the Designated Fund program.

The three-year Kirkpatrick Challenge to designated fund organizations increased endowments by \$3.1 million. While the amounts differed for each fund, the Kirkpatrick Challenge issued an offer to match—dollar for dollar—additions to the Community Foundation endowment. This remarkable program drew participation from 143 different funds and more than 3,000 contributors. The average participating fund increased from \$22,513 to \$52,040.

As important, the Kirkpatrick Challenge generated awareness and enthusiasm among organizations, their boards and constituents for building endowments. Few, if any, community programs have had a broader impact on promoting endowed funds and their role in addressing community needs.

S I M P L E

*Easily
understood;
free from
complications*



As interest grew in endowed giving, the Community Foundation faced growing pains of its own. Since moving to 115 Park Ave. in 1987, the foundation has tripled its assets, doubled its staff and significantly increased programs and services. The downtown location had served the Community Foundation well during this period, but additional space was required to accommodate the growing organization.

Once again, the generosity of founding trustee John Kirkpatrick helped guide the organization into a new era. John and Eleanor Kirkpatrick donated the former headquarters of Kirkpatrick Oil Company at 1300 N. Broadway Drive for the foundation's use. Constructed in 1947 and expanded in 1955, the building is close to downtown and is conveniently located for many groups working with the Community Foundation.

Remodeling added a new entrance and meeting space and enhanced signage will soon be in place. The facility and large parking lot have already served the community well as the location for coordinating inter-agency activities.

The move also served as tangible evidence of the foundation's growth. In 1969, the Community Foundation began operations in a 400 square-foot office at the back of the Kirkpatrick building. Upon its return 26 years later, the foundation now

occupies the entire 6,500-square-foot facility.

New Initiatives for Discretionary Funds

The allocation of discretionary funds is a very important function of the Community Foundation. In 1995, after a year-long study by the Grants Review Committee, the Foundation embarked on a new path that will lead to greater inter-agency cooperation and synergy within the community.

The previous grant-making process was built around evaluating and reacting to specific funding requests. The Community Foundation trustees have replaced this process with proactive, forward-looking programs that maximize the use of resources.

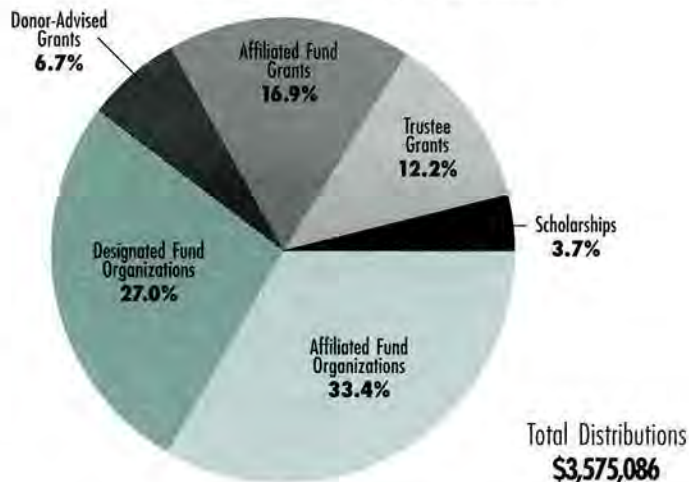
The new direction emphasizes the broader role of the Community

Foundation in drawing together resources to effectively address community issues. The approach seeks to fund cooperative projects that enable existing resources to be more fully utilized by multiple agencies, strategic initiatives that build service capacity in the community and improvements in infrastructure for service providers with common interests.

The discretionary Fund for Oklahoma City will focus on programs that build the future capacity of the community. Although time-intensive, establishing collaborative programs is critical in effective resource utilization and an appropriate function for the Community Foundation.

A committee of community volunteers is charged with evaluating proposals and assisting

DISTRIBUTIONS OF 1995 EARNINGS



*Producing
a decided,
desired
result*



organizations in developing programs that fall within the new guidelines for discretionary funding.

The Foundation has also taken the lead in supporting *After School Options*, an initiative to develop programs and activities for youth aged 8-13. Activities range from a weekly after-school tutoring program offered by a church to the establishment of a Boys and Girls Club. The program provides activities that develop positive values in youth and encourage parents to participate.

The need for the *After School Options* program emerged from a community-wide planning process conducted by Central Oklahoma 2020. The Community Foundation has a four-year commitment to *After School Options*, and implementation of this program is shared with the Kirkpatrick Foundation and the Kirkpatrick Family Fund.

Help in the Time of Need

By every measure, 1995 was a successful, but painful year. For the community and its foundation, the year was one of learning and growing, of hope and sorrow, and of identifying and addressing needs.

No discussion of 1995 is complete without considering the impact of the bombing of the Alfred P. Murrah Federal Building on April 19. In the immediate aftermath of this disaster, the unique capabilities and flexibility

of the Community Foundation were stretched beyond what was considered possible.

The unprecedented act of domestic terrorism proved more than one agency could handle. The Community Foundation emerged as a lead agency in handling contributions, promoting involvement by community groups and service organizations, setting the standards for stewardship of donor contributions and in dealing with the media to explain the utilization of charitable funds.

More than 12,000 contributions representing all 50 states and the District of Columbia have been acknowledged by the Community Foundation. Sixteen funds were established within the Community Foundation to address needs resulting from the bombing. The funds provide assistance to a wide variety of victims. The largest fund, the Community Foundation Survivors' Education Fund, assists in providing for the higher education and vocational training needs of dependent children whose parents were killed or critically injured as well as the eight children who were in the Murrah Building and survived the explosion. The Community Foundation has established an additional program that will work with these children to ensure that they can take advantage of scholarship opportunities that are available.

Other funds addressed needs ranging from medical care to

mental health counseling to the establishment of a memorial at the Murrah Building site.

Common principles to guide distributions from these funds were established. First and most important, resources were dedicated to effectively meeting the immediate needs of survivors and helping them begin to restore their lives. Second, the distribution of funds and services were closely coordinated to ensure assistance was provided efficiently and without duplication. Third, the Community Foundation resolved to be fully accountable to donors and the community for both administration and use of these funds.

The agencies involved in recovery have been widely praised for their ability to work together to address the multitude of needs following the bombing. The Community Foundation was instrumental in helping coordinate the agencies' efforts in response to the tragedy.

Today, Oklahoma City continues to heal. Although the city will never be the same, there are many who believe it will ultimately emerge a stronger and more cohesive community. The Oklahoma City Community Foundation is committed to assisting in the long-term healing process by addressing issues the community will face today and well into the future.

A C C O U N T A B L E

*Subject
to
explanation;
answerable*



Independent Auditors' Report

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

We have audited the accompanying statements of assets, liabilities and fund balance arising from cash transactions of Oklahoma City Community Foundation, Inc. as of June 30, 1995 and 1994, and the related statements of activity and changes in fund balance arising from cash transactions, and changes in cash balances for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 described in Note A, these financial statements were prepared primarily on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the

assets, liabilities and fund balance arising from cash transactions of Oklahoma City Community Foundation, Inc. at June 30, 1995 and 1994, and the results of its activities and changes in fund balance arising from cash transactions, and the changes in its cash balances for the years then ended, on the basis of accounting described in Note A.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining statement of assets, liabilities and fund balance

arising from cash transactions is presented for purposes of additional analysis 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 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cole & Reed P.C.
Oklahoma City, Oklahoma
August 11, 1995

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE ARISING FROM CASH TRANSACTIONS

Oklahoma City Community Foundation, Inc.

	June 30	
	1995	1994
ASSETS		
Cash	\$ 1,476,440	\$ 205,026
Investments:		
Cash equivalent funds		
and securities – Note B	127,336,332	79,094,890
Real estate	604,164	604,164
Oil and gas properties – Note B	194,063	203,640
Property and equipment, net of		
accumulated depreciation – Note C	633,534	284,315
Other assets	191,196	144,396
	\$ 130,435,729	\$ 80,536,431
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Payroll withholdings	\$ 28,455	\$ 136
FUND BALANCE	130,407,274	80,536,295
	\$ 130,435,729	\$ 80,536,431

See notes to financial statements

**STATEMENTS OF ACTIVITY AND CHANGES IN FUND BALANCE
ARISING FROM CASH TRANSACTIONS**

Oklahoma City Community Foundation, Inc.

	Year Ended June 30	
	1995	1994
REVENUES AND SUPPORT		
Investment income	\$ 4,261,863	\$ 3,489,473
Contributions received	27,455,650	2,509,176
Escrowed contributions	8,929,281	423,703
	<u>40,646,794</u>	<u>6,422,352</u>
EXPENSES		
Trustee banks' fees for investment management	218,063	202,499
General and administration	610,715	351,429
	<u>828,778</u>	<u>553,928</u>
DISTRIBUTIONS		
Grants	2,956,379	2,223,140
Escrowed funds	962,524	867,377
	<u>3,918,903</u>	<u>3,090,517</u>
EXCESS OF REVENUES AND SUPPORT OVER EXPENSES AND DISTRIBUTIONS BEFORE NET INVESTMENT GAINS (LOSSES)	35,899,113	2,777,907
NET INVESTMENT GAINS (LOSSES) – Note B		
Realized	186,441	985,805
Unrealized	13,785,425	(3,943,341)
	<u>13,971,866</u>	<u>(2,957,536)</u>
INCREASE (DECREASE) IN FUND BALANCE	49,870,979	(179,629)
FUND BALANCE AT BEGINNING OF YEAR	80,536,295	80,715,924
FUND BALANCE AT END OF YEAR	<u>\$ 130,407,274</u>	<u>\$ 80,536,295</u>

See notes to financial statements

STATEMENTS OF CHANGES IN CASH BALANCES

Oklahoma City Community Foundation, Inc.

	Year Ended June 30	
	1995	1994
OPERATING ACTIVITIES		
Increase (decrease) in fund balance	\$ 49,870,979	\$ (179,629)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and depletion	31,756	24,938
Noncash contributions	(26,159,626)	(505,212)
Net investment (gains) losses	(13,971,866)	2,957,536
Increase (decrease) in payroll withholdings	28,319	(2,286)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,799,562</u>	<u>2,295,347</u>
INVESTING ACTIVITIES		
Purchases of investments	(79,681,837)	(56,848,429)
Proceeds from sales and maturities of investments	71,346,237	54,646,351
Purchase of equipment	(145,751)	—
Increase in other assets	(46,797)	(77,614)
NET CASH USED IN INVESTING ACTIVITIES	<u>(8,528,148)</u>	<u>(2,279,692)</u>
INCREASE IN CASH	1,271,414	15,655
CASH AT BEGINNING OF YEAR	205,026	189,371
CASH AT END OF YEAR	<u>\$ 1,476,440</u>	<u>\$ 205,026</u>

See notes to financial statements

COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE ARISING FROM CASH TRANSACTIONS

Oklahoma City Community Foundation, Inc. • June 30, 1995

AFFILIATED FUNDS OF THE

	Okla. City Community Foundation, Inc.	Davis Family	Omniplex	Kirkpatrick Center	Kirkpatrick Family	Cowboy Hall of Fame
ASSETS						
Cash	\$ (468,749)	\$ (492)	\$ (6,665)	\$ 3,240	\$ (85,058)	\$ 130
Investments:						
Cash equivalent funds and securities	57,006,994	1,147,650	3,082,122	24,676,859	27,912,856	982,783
Real estate	604,164	—	—	—	—	—
Oil and gas properties	194,063	—	—	—	—	—
Property and equipment, net	633,534	—	—	—	—	—
Other assets	231,982	29	10,280	25,684	4,433	1,428
	<u>\$58,201,988</u>	<u>\$1,147,187</u>	<u>\$3,085,737</u>	<u>\$24,705,783</u>	<u>\$27,832,231</u>	<u>\$984,341</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Payroll withholdings	\$ 28,455	\$ —	\$ —	\$ —	\$ —	\$ —
FUND BALANCE	<u>58,173,533</u>	<u>1,147,187</u>	<u>3,085,737</u>	<u>24,705,783</u>	<u>27,832,231</u>	<u>984,341</u>
	<u>\$58,201,988</u>	<u>\$1,147,187</u>	<u>\$3,085,737</u>	<u>\$24,705,783</u>	<u>\$27,832,231</u>	<u>\$984,341</u>

NOTES TO FINANCIAL STATEMENTS

Oklahoma City Community Foundation, Inc. • June 30, 1995

The Oklahoma City Community Foundation, Inc. (the "Foundation") was incorporated Dec. 30, 1968, under the laws of the State of Oklahoma, as a non-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.

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The Foundation prepares its financial statements primarily on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. The principal differences between this basis and generally accepted accounting principles are due to the methods used to account for contributions receivable, accrued interest and dividends, accounts payable and accrued expenses, and distributions payable. The cash basis is used for all instances except purchased interest, which is included as an asset until the income is actually received, and depreciation of buildings and equipment.

The accompanying financial statements include the assets, liabilities, fund balance and activities of the Foundation and its 14 affiliated organizations:

<i>Affiliated organizations</i>	<i>Formed during year ended June 30</i>
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

Affiliated organizations

*Formed during year
ended June 30*

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

The affiliated funds are combined with the Foundation in the accompanying financial statements because the Foundation effectively controls the Funds' Board of Trustees and distributions made by the Funds exclusively benefit the charitable and educational purposes of the Foundation.

Contributions: Certain contributions made to the Foundation have been designated for a particular purpose by the donors. It is the expressed intention of the Foundation to honor the designations of donors; however, the Foundation reserves the power to exercise final control over all funds.

It is the intent of the Foundation to distribute all escrowed contributions received. Thus, these contributions will not become a part of the permanent fund balance.

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

Investments: Securities and other investments are maintained by local trustee banks in various trust funds. Cash equivalent funds are comprised of short-term, highly liquid investments that are readily convertible into known amounts of cash. Cash equivalent funds, U.S. Government obligations, bonds, and common and preferred stocks are reported at market value in the accompanying financial statements. Market values are based on quoted market prices, if available, or the best estimate of market value as determined by the Foundation or the trustee banks. All other investments are valued at the lower of aggregate cost or market value. The cost basis of donated investments is the fair market value at the date of receipt. Realized gains and losses on sales of securities represent the difference between the sales proceeds and historical cost basis.

Property and Equipment: Property and equipment is stated at cost. The basis of donated property and equipment is its fair market value at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are five years for furniture, fixtures, and equipment, and twenty years for buildings.

Oil and Gas Properties: Depletion of oil and gas properties is based on production.

Reclassifications: Certain reclassifications have been made in the 1994 financial statements to conform to the classifications used in the 1995 financial statements.

OKLAHOMA CITY COMMUNITY FOUNDATION, INC.

Air Space Museum	Art Museum	Malzahn Family	Leadership Okla. City	Deer Creek	Allied Arts	Oklahoma Philharmonic	Rural Okla. Community Foundation	Okla. City Disaster Relief	Total
\$ 345	\$ 75	\$ —	\$ 137	\$ 77	\$ 74	\$ 170	\$ 121	\$ 2,033,035	\$ 1,476,440
2,944,324	979,571	1,050,000	613,978	666,626	643,780	723,578	546,939	4,358,272	127,336,332
—	—	—	—	—	—	—	—	—	604,164
—	—	—	—	—	—	—	—	—	194,063
—	—	—	—	—	—	—	—	—	633,534
6,310	15,128	—	—	11,684	11,284	13,335	493	(140,874)	191,196
<u>\$2,950,979</u>	<u>\$994,774</u>	<u>\$1,050,000</u>	<u>\$614,115</u>	<u>\$678,387</u>	<u>\$655,138</u>	<u>\$737,083</u>	<u>\$547,553</u>	<u>\$6,250,433</u>	<u>\$130,435,729</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 28,455
<u>2,950,979</u>	<u>994,774</u>	<u>1,050,000</u>	<u>614,115</u>	<u>678,387</u>	<u>655,138</u>	<u>737,083</u>	<u>547,553</u>	<u>6,250,433</u>	<u>130,407,274</u>
<u>\$2,950,979</u>	<u>\$994,774</u>	<u>\$1,050,000</u>	<u>\$614,115</u>	<u>\$678,387</u>	<u>\$655,138</u>	<u>\$737,083</u>	<u>\$547,553</u>	<u>\$6,250,433</u>	<u>\$130,435,729</u>

NOTE B: INVESTMENTS

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

	June 30, 1995	June 30, 1994
Cash equivalent funds	\$ 12,553,480	\$ 3,944,351
Securities:		
U.S. Government obligations	43,601,982	25,759,698
Bonds	4,073,812	8,845,391
Common and preferred stocks	67,107,058	40,545,450
	<u>114,782,852</u>	<u>75,150,539</u>
	<u>\$ 127,336,332</u>	<u>\$ 79,094,890</u>

Investment gains (losses) for the years ended June 30, 1995 and 1994 consisted of the following:

	1995		1994	
	Market Value	Cost	Excess of Market Value Over Cost	Excess of Market Value Over Cost
Balance at end of year	\$127,336,332	\$110,003,173	\$17,333,159	\$3,547,734
Balance at beginning of year			3,547,734	7,491,075
Increase (decrease) in unrealized market appreciation for year			13,785,425	(3,943,341)
Realized net gain for year			186,441	985,805
Net realized and unrealized investment gains (losses)			<u>\$13,971,866</u>	<u>\$(2,957,536)</u>

The realized net gain in 1994 includes a gain of approximately \$80,000 from the sale of real estate.

Producing oil and gas properties are net of accumulated depletion of \$512,199 and \$503,765 at June 30, 1995 and 1994, respectively. Depletion totalled \$8,434 and \$10,623 in 1995 and 1994, respectively.

NOTE C: PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	June 30, 1995	June 30, 1994
Land	\$218,000	\$175,000
Building	442,301	155,384
Furniture, fixtures, and equipment	125,823	83,199
	<u>786,124</u>	<u>413,583</u>
Less accumulated depreciation	152,590	129,268
	<u>\$633,534</u>	<u>\$284,315</u>

Depreciation expense was \$23,322 and \$14,315 for 1995 and 1994, respectively.

NOTE D: CONTRIBUTED SERVICES

Several of the Foundation's trustees provide contributions in the form of services performed at no cost. The value of the services is not reflected in these statements since it is not susceptible to objective measurement or valuation.

NOTE E: INCOME TAXES

The Internal Revenue Service has ruled that the Foundation qualifies under Section 501(c)(3) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws.

NOTE F: RETIREMENT PLAN

Substantially all employees of the Foundation participate in the Retirement Plan of Oklahoma City Community Foundation, Inc., commonly known as a Section 403(b) annuity plan. Under the plan, the Foundation contributes amounts not to exceed 7% of the respective employee's regular salary to provide retirement benefits. In addition, the 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 20% of the employee's regular salary. Contributions are subject to Internal Revenue Service limitations. Contributions made by the Foundation are 100% vested after seven 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 \$12,980 and \$9,898 to the plan during the years ended June 30, 1995 and 1994, respectively.

NOTE G: ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

In June 1993, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 116, "Accounting for Contributions Received and Contributions Made", and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations," both of which are effective for fiscal years beginning after Dec. 15, 1994. SFAS No. 116 will affect the Foundation's method of accounting for contributions. Contributions received will be required to be recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. SFAS No. 117 will affect the method of financial reporting and financial statement presentation. The Foundation will be required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The specific requirements of these two statements as they apply to community foundations have not yet been determined; however, it is anticipated that the statements will be adopted during the year ending June 30, 1996.



**OKLAHOMA CITY
COMMUNITY FOUNDATION**

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