OKLAHOMA DISCIPLES FOUNDATION, INC.

FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

HSPG & ASSOCIATES

ACCOUNTING | TAX | ADVISORY

OKLAHOMA DISCIPLES FOUNDATION, INC.
Table of Contents
December 31, 2022

AUDITED FINANCIAL STATEMENTS

H S
P G

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Oklahoma Disciples Foundation, Inc.
Oklahoma City, Oklahoma

Opinion

We have audited the accompanying financial statements of Oklahoma Disciples Foundation, Inc., (the "Foundation") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oklahoma Disciples Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the audit of the Financial Statements

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

5400 N Grand Blvd, Suite 330 • Oklahoma City, Oklahoma 73112 • Phone: 405.844.9995 • Fax: 405.844.9975

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

HSPG & Associates, P.C.

July 20, 2023

OKLAHOMA DISCIPLES FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022

ASSETS

Cash and cash equivalents	$	1,461,459
Investments:		
Operating endowments		6,654,305
Third-party endowments		20,727,820
Assets held under split-interest agreements		896,318
Beneficial interest in charitable trusts held by others		4,895
Property and equipment (net)		2,335
TOTAL ASSETS	$	29,747,132

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued liabilities	$	36,522
Gift annuities income interests		241,244
Gift annuities remainder interests		58,084
Charitable remainder trusts income interests		67,095
Assets held as trustee for others		20,727,820
TOTAL LIABILITIES		21,130,765
NET ASSETS		
Without donor restrictions		3,682,862
With donor restrictions		4,933,505
TOTAL NET ASSETS		8,616,367
TOTAL LIABILITIES AND NET ASSETS	$	29,747,132

See accompanying notes to financial statements.

OKLAHOMA DISCIPLES FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Donations	$ 15,064	$ -	$ 15,064
Investment income	(1,051,323)	(419,224)	(1,470,547)
Rental income (net of expenses)	12,865	-	12,865
Gain on sale of building	444,583	-	444,583
Other income	46,952	-	46,952
Net assets released from restrictions	366,348	(366,348)	-
Total revenues and support	(165,511)	(785,572)	(951,083)
EXPENSES			
Program	227,122	-	227,122
Management and general	117,944	-	117,944
Fundraising	86,783	-	86,783
Total expenses	431,849	-	431,849
CHANGE IN NET ASSETS	(597,360)	(785,572)	(1,382,932)
NET ASSETS AT BEGINNING OF YEAR	4,280,222	5,719,077	9,999,299
NET ASSETS AT END OF YEAR	$ 3,682,862	$ 4,933,505	$ 8,616,367

See accompanying notes to financial statements.

OKLAHOMA DISCIPLES FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fundraising	Total
Payroll, payroll taxes, and benefits	$ 201,703	$ 73,212	$ 76,105	$ 351,020
Travel	1,988	780	1,130	3,898
Legal and professional	-	23,620	-	23,620
Office rental	265	352	264	881
Supplies, equipment, and software	4,759	6,344	4,758	15,861
Telephone	2,380	3,174	2,380	7,934
Marketing program	10,490	-	-	10,490
Postage	134	178	134	446
Insurance	1,080	1,441	1,081	3,602
Dues and subscriptions	-	694	-	694
Board expenses	-	6,909	-	6,909
Miscellaneous	3,391	-	-	3,391
Depreciation	932	1,240	931	3,103
Total	$ 227,122	$ 117,944	$ 86,783	$ 431,849

The accompanying notes are an integral part of these financial statements.

OKLAHOMA DISCIPLES FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	$ (1,382,932)
Adjustments to reconcile change in net assets to net cash	
Depreciation	3,103
Gain on sale of building	(444,583)
Net realized and unrealized investment (gains) losses	1,402,008
Reinvestment of interest and dividends	(150,609)
Change in split-interest agreements	152,168
Change in operating assets and liabilities:	
Prepaid expenses	10,686
Accounts payable and accrued liabilities	8,379
Net cash used in operating activities	(401,780)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of investments	(5,065)
Proceeds from sales and maturities of investments	384,817
Proceeds from sale of building	1,191,891
Net cash provided by investing activities	1,571,643
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,169,863
CASH AND CASH EQUIVALENTS, Beginning of year	291,596
CASH AND CASH EQUIVALENTS, End of year	$ 1,461,459
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITY	
Payments to beneficiaries of split-interest agreements	$ 50,957

See accompanying notes to financial statements.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities – Oklahoma Disciples Foundation, Inc. (the "Foundation") receives gifts from individuals and organizations which are used to fund various charitable organizations and projects throughout the state of Oklahoma. The Foundation manages endowed funds that have been established for the benefit of other organizations (Named Endowments). The Foundation also manages endowed funds, the proceeds of which are used to finance its operations (Operating Endowments). It also administers several charitable remainder trusts and charitable gift annuities, some of which the Foundation is the remainder interest beneficiary.

The Foundation is authorized to charge a fee for administering certain named endowment funds. The annual fee is based on the fair market of the funds as of December 31 and is set by the Board of Directors. The fee is prorated on a monthly basis for new funds received during the year. The Foundation suspended this fee after 2017 and has not reinstated it.

Basis of Accounting – The accompanying 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.

Basis of Presentation – Net assets, revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Financial statement presentation reports information regarding the Foundation's financial position and activities as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and cash equivalents – For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents except those cash and cash equivalents included in the Foundation's investment accounts.

Revenue recognition and other support – Revenues that have characteristics of exchange transactions are not recognized until earned. Fees received prior to services being provided are recorded as deferred revenues. Contributions are recognized as support in the period unconditional promises to give are received and are reported as net assets with or without donor restrictions depending on the existence or nature of any donor restrictions. The standards also provide that if the governing body of an organization has the right to remove a donor restriction, the contributions should be classified as without donor restriction. Conditional contributions – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. The Foundation reports gifts of cash and other assets as restricted contributions if they are received with donor stipulations that limit the use of the donated assets. Contributions for which the restriction is met in the year received are reported as unrestricted.

Investments – Investments consist of cash and money market funds, equity and fixed income mutual funds, and alternative strategies funds. Mutual funds are stated at fair value as determined by the fund and/or investment manager. Cash and money market funds held within investment accounts are held at cost which approximates fair market value. Fair values are based on quoted market prices as provided by the financial institution. Realized gains and losses on sales of securities are computed based on specific identification. Net investment return (loss) is reported in the statement of activities and consists of interest and dividend income and unrealized and realized gains and losses.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying financial statements.

Property and equipment – The Foundation capitalizes property and equipment over $2,500, lesser amounts are expensed. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Foundation reports gifts of property and equipment as without donor restriction support unless explicit donor restrictions specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor restrictions about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Fair value measurements – The Foundation reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Foundation can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Inputs that are unobservable and significant to the overall fair value measurement. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset or a liability within the hierarchy is based upon the pricing transparency of the asset or liability and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

Split Interest Agreements – Split interest agreements consist of gift annuities for which the Foundation serves as trustee and charitable remainder trusts where either the Foundation or other qualified charitable organizations are the remainderman beneficiary. Assets associated with split-interest agreements are included in investments and beneficial interest in charitable trusts held by others. A liability for split-interest obligations is recorded when the agreement is established at the estimated net present value of future cash flows using a risk-adjusted discount rate commensurate with the duration of the estimated payments. In subsequent years, the liability for future trust payments to the donor is reduced by payments made to the donor and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year. The liabilities for the income and remainder interest totaled approximately $366,000 as of December 31, 2022.

Concentration of Credit Risk – The Foundation maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. As of December 31, 2022, the Foundation's balance with financial institutions subject to FDIC coverage exceeded such coverage by $1,210,861. The Foundation has not experienced any losses in such accounts and does not believe that it is exposed to any significant credit risk on cash.

Expense allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs are allocated between program, fundraising, and management and general based on evaluations of the related activities. Management and general 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.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

Income taxes – The Foundation is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. The Foundation is subject to routine audits by taxing jurisdictions. Management believes it is no longer subject to income tax examinations for years prior to 2019.

Subsequent events – The Foundation has evaluated subsequent events through July 20, 2023, the date the financial statements were available to be issued. There are no subsequent events requiring recognition or disclosure in the accompanying financial statements.

Change in accounting guidance – In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* which increases transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit (“NFP”) organizations including transparency on how those assets are used and how they are valued. The ASU requires an NFP to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires an NFP to disclose certain information related to the types of contributed nonfinancial assets received, whether they were utilized or monetized, the NFP’s policy, if any, about monetizing rather than utilizing such assets, and valuation techniques used to determine the valuation of such contributed assets. The Foundation has adopted this ASU for the year ended December 31, 2022 with no impact to previously reported net assets.

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02 *Leases* (Topic 842). The purpose of the guidance is to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position as well as providing additional disclosure requirements related to leasing arrangements. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures. The Foundation adopted FASB ASC 842, with a date of initial application of January 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, Leases (Topic 842): Targeted Improvements. The Foundation did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842. The Foundation did not have any leases qualifying for a change in presentation.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	$ 1,461,459
Distributions from operating endowments	332,715
	$ 1,794,174

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The Foundation considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The operating endowments are subject to an annual spending rate as described in Note 4. Although the Foundation does not intend to spend from these endowments (other than amounts appropriated for general expenditure as part of the annual appropriation), these amounts could be made available if necessary.

3. FAIR VALUE MEASUREMENTS

The following methods and assumptions were used to estimate the fair value of assets reported at fair market value in the accompanying financial statements.

Investments: Investments are stated at fair value, and are based on quoted market prices, when available, or the best estimate of fair value as determined by the fund and/or investment manager. Generally, quoted market prices are available for mutual funds and, as such, are classified as Level 1 in the fair value hierarchy.

Beneficial interest in charitable trusts held by others: The fair value of the Foundation's beneficial interest in charitable trusts held by others is based on the fair value of fund investments as reported by the Christian Church Foundation.

Assets held for others: The fair value of assets held for others is based on the underlying investments held by the Foundation.

The following table presents assets and liabilities measured at fair value on a recurring basis.

	As of December 31, 2022				
	Carrying Value	Total Fair Value	Fair Value Measurements Level 1	Level 2	Level 3
ASSETS					
Investments:					
Cash equivalents (held at cost)	$ 1,513,252	$ -	$ -	$ -	$ -
Mutual funds:					
Equity	17,780,410	17,780,410	17,780,410	-	-
Fixed income	6,198,796	6,198,796	6,198,796	-	-
Alternative strategies	2,785,985	2,785,985	2,785,985	-	-
Total investments	28,278,443	26,765,191	26,765,191	-	-
Beneficial interest in charitable trusts held by others	4,895	4,895	-	-	4,895
Total assets	$ 28,283,338	$ 26,770,086	$ 26,765,191	$ -	$ 4,895
LIABILITIES					
Assets held for others	$ 20,727,820	$ 20,727,820	$ -	$ -	$ 20,727,820

4. ENDOWMENT DISCLOSURES

The Foundation's endowment consists of funds established by donors and two funds established by the board of directors to provide annual funding for specific activities and general operations. Endowment funds for which variance power has not been granted to the Foundation are reported as Assets held as trustee for others (see Note 5). Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law **–** The Foundation follows the Accounting Standards Codification's guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit Foundation that is subject to an enacted version of the Oklahoma Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Board of Directors of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence in UPMIFA. In accordance with UPMIFA, the following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds held for the benefit of the Foundation.

(1) The duration and preservation of the fund;
(2) The purposes of the Foundation and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Foundation; and
(7) The investment policies of the Foundation.

Endowment net asset or liability composition by type of fund as of December 31, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Assets Held as Trustee for Others	Total
Donor-restricted endowment funds	$ -	$ 3,776,176	$ 20,727,820	$ 24,503,996
Board-designated endowment funds	2,883,024	-	-	2,883,024
	$ 2,883,024	$ 3,776,176	$ 20,727,820	$ 27,387,020

Changes in endowment net assets or liability for the year ended December 31, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Assets Held as Trustee for Others	Total
Endowment net assets or liability, beginning of year	$ 3,883,924	$ 4,406,151	$ 22,356,365	$ 30,646,440
Investment return, net	(987,496)	(263,627)	(3,431,362)	(4,682,485)
Contributions	5,065	-	2,815,690	2,820,755
Appropriation of endowment assets for expenditure	(18,469)	(366,348)	(1,012,873)	(1,397,690)
Endowment net assets or liability, end of year	$ 2,883,024	$ 3,776,176	$ 20,727,820	$ 27,387,020

Funds with Deficiencies – From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2022 there were no underwater endowments.

Return Objectives and Risk Parameters – 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. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested with investment policies which emphasize preservation of capital, protection against inflation and a continuing source of income. The policies specifically prohibit investments in derivatives (excluding commodity ETFs), limited partnerships, venture capital investments and interest only, principal only and residual tranche collateralized mortgage obligations. It also prohibits short selling (other than when used within a fund allowing short and long positions) and margin transactions.

The asset allocation guidelines as specified in the investment policy are shown below:

Asset Class	**Benchmark**	**Range**	**Target**
Domestic Equities	R3000	35%-75%	45%
International Equities	ACWI ex US	5%-30%	15%
Alternative Strategies	HFRI	5%-30%	10%
Fixed Income Securities	Barclay's Agg	15%-50%	27%
Money Market & Cash Equivalents	Citi 3 month T-Bills	0%-10%	3%

The above referenced benchmarks are defined as: R3000 is the Russell 3000 Index; ACWI ex U.S. is the All Country Weighted Index, excluding the United States; HFRI is the Hedge Fund Research Inc. Index; Barclay's Agg is the Barclay's U.S Aggregate Bond Index; and Citi 3 month is the Citigroup 3 – month Treasury Bill Index.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Foundation's spending policy provides that the annual distributions shall be calculated as 4.5% of the Investment Pool's average quarter-ending share price for the trailing twelve calendar quarters, not to exceed 5.5% or fall below 3.5% of the Investment Pool's most recent year-end share price. The Board may, at its discretion, modify the above formula and impute traditional income equal to 3.0% of the year ending fair market value of each particular trust. It further provides that the annual distribution shall be limited in that it cannot reduce the fair market value of the trust below the fair value of the original gift. The annual distribution shall be approved by the Foundation's board at the first meeting of the year and be distributed as soon as possible thereafter. It prohibits makeup distributions to reimburse for prior annual distribution deficiencies.

Certain of the other Assets Held As Trustee For Others are held as depository type Custodial Funds: Christian Church (Disciples of Christ) churches or other denominational entities may deposit custodial funds with the Foundation for investment similar in manner to the Endowment investments.

The fee structure for custodial funds is as follows:

TOTAL FUNDS ON DEPOSIT	QUARTERLY FEE PERCENTAGE	ANNUAL FEE PERCENTAGE
<$1MM	0.1250%	0.50%
>=$1MM and <$2MM	0.0625%	0.25%
>=$2MM and <$3MM	0.0500%	0.20%
>=$3MM	0.0375%	0.15%

There are three pools of custodial funds which are described by purpose as follows:

Custodial Funds Perpetual Pool – The purpose of the Custodial Funds Perpetual Pool is to provide capital appreciation and income from a diversified portfolio of equity and fixed income instruments with a long-term investment horizon by holding an efficient combination of investments. This pool may contain liquid, semi-liquid or illiquid investments. The Custodial Funds Perpetual Pool is to be used by organizations participating in the Foundation's Custodial Funds Management Program where the funds are perpetual in nature.

Custodial Funds Income With Growth Investment Pool – The purpose of the Income with Growth Investment Pool is to provide capital preservation and income from a diversified portfolio of equity and fixed income instruments with an intermediate investment horizon by holding an efficient combination of liquid lower volatility investments. The Income With Growth Investment Pool is for organizations participating in the Foundation's Custodial Funds Management Program that have an intermediate term investment horizon of 5 to 10 years.

Custodial Funds General Investment Pool **(No longer An Option as of 2020.02.25. Previously designated funds are grandfathered into this pool.)** – The purpose of the General Investment Pool is to provide capital appreciation and income from a diversified portfolio of equity and fixed income instruments with a long-term investment horizon by holding an efficient combination of liquid investments. The General Investment Pool is for organizations participating in the Foundation's Custodial Funds Management Program that have a long-term investment horizon (10-15+ years) but where the funds may or may not be perpetual in nature.

The asset allocation guidelines for the custodial funds pools are shown below:

		Perpetual Pool		Growth Pool		General Pool	
Asset Class	**Benchmark**	**Range**	**Target**	**Range**	**Target**	**Range**	**Target**
Domestic Equities	R3000	35%-75%	45%	15%-45%	30%	25%-55%	40%
International Equities	ACWI ex US	5%-30%	15%	5%-15%	8%	5%-20%	8%
Alternative Strategies	HFRI	5%-30%	10%	5%-30%	10%	5%-30%	10%
Fixed Income Securities	Barclay's Agg	15%-50%	27%	40%-80%	49%	25%-65%	39%
Money Market & Cash Equivalents	Citi 3 month T-Bills	0%-10%	3%	0%-10%	3%	0%-10%	3%

The above referenced benchmarks are defined as: R3000 is the Russell 3000 Index; ACWI ex U.S. is the All Country Weighted Index, excluding the United States; HFRI is the Hedge Fund Research Inc. Index; Barclay's Agg is the Barclay's U.S Aggregate Bond Index; and Citi 3 month is the Citigroup 3 – month Treasury Bill Index.

5. ASSETS HELD AS TRUSTEE FOR OTHERS

The Foundation manages several endowed funds established to support the activities of various organizations in Oklahoma. The Foundation does not have variance power over these funds. Therefore, they are reflected on the Foundation's books as a liability, the amount of which is equal to the fair market value of the assets. They are summarized in Note 4.

The Foundation also manages several gift annuities for which it is not the beneficiary of the remainder interest. The present value of the income interest and the remainder interest are both reflected on the Foundation's books as liabilities. Because the Foundation has no beneficial interest in the earnings from these assets, the income and expense items related to these funds are not reflected in the Foundation's statement of activities.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2022.

Subject to expenditure for specified purposes:	
Named endowment matching donation	$ 618,014
Split-interest agreements	
Remainder interests	539,314
Endowments:	
Subject to appropriation and expenditure for a specified purpose:	
Operating endowment	2,065,239
Perpetual in nature, earnings from which are subject to endowment spending policy and appropriation:	
Operating endowment	1,706,043
Beneficial intersts in charitable trusts held by others	4,895
	1,710,938
Total net assets with donor restrictions	$ 4,933,505

7. FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll and benefits, travel, office rental, supplies, telephone, postage, insurance, miscellaneous, and depreciation which are allocated based on time and effort.

* * * * * *