

**Bartlesville  
Community  
Foundation, Inc.**

**Independent  
Auditor's Report  
And  
Consolidated  
Financial Statements**

For the Years Ending

June 30, 2024

And

June 30, 2023

## **Bartlesville Community Foundation, Inc.**

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**BRYAN, LITTLE, HALEY & KENT**<sub>p.c.</sub>  
Certified Public Accountants

## Independent Auditor's Report

The Board of Trustees  
Bartlesville Community Foundation, Inc.

### ***Opinion***

We have audited the accompanying financial statements of the Bartlesville Community Foundation, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years 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 the Bartlesville Community Foundation, Inc. as of June 30, 2024 and 2023, and the results of its operations and 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Bartlesville Community Foundation, Inc, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Bartlesville Community Foundation, Inc's ability to continue as a going concern for one year after the date that the financial statements are issued.

## *Auditor's Responsibilities 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 GAAS 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.

In performing an audit in accordance with GAAS, 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 Bartlesville Community Foundation, Inc'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 Bartlesville Community Foundation, Inc'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.

*Bryan, Little, Haley & Kent P.C.*

Bryan, Little, Haley & Kent PC  
Bartlesville, Oklahoma  
April 22, 2025

**Bartlesville Community Foundation, Inc.**  
**Consolidated Statements of Financial Position**

	<u><b>June 30, 2024</b></u>	<u><b>June 30, 2023</b></u>
<u><b>Assets</b></u>		
Current Assets:		
Cash and cash equivalents	\$ 1,975,098	\$ 729,969
Investments:		
Cash equivalent funds and securities	21,790,379	20,481,909
Natural gas interest	30,952	30,952
Accounts receivable	<u>63,150</u>	<u>57,513</u>
Total current assets	<u>23,859,579</u>	<u>21,300,343</u>
Fixed Assets:		
Furniture and equipment	35,231	33,272
Right of Use Asset	8,512	24,607
Accumulated depreciation	<u>(26,965)</u>	<u>(25,319)</u>
Total fixed assets	<u>16,778</u>	<u>32,560</u>
Total assets	<u><b>\$ 23,876,357</b></u>	<u><b>\$ 21,332,903</b></u>
<u><b>Liabilities and Net Assets</b></u>		
Current Liabilities:		
Charitable funds held for the benefit of other organizations	\$ 5,707,693	\$ 4,560,736
Lease liability-current portion	8,512	16,095
Accounts payable	72,368	64,813
Payroll liabilities	<u>8,659</u>	<u>1,307</u>
Total current liabilities	<u>5,797,232</u>	<u>4,642,951</u>
Non-current Liabilities:		
Lease liability-long-term portion	<u>--</u>	<u>8,512</u>
Total non-current liabilities	<u>--</u>	<u>8,512</u>
<u><b>Net Assets</b></u>		
Without donor restrictions	6,082,462	5,790,007
With donor restrictions	<u>11,996,663</u>	<u>10,891,433</u>
Total net assets	<u>18,079,125</u>	<u>16,681,440</u>
Total liabilities and net assets	<u><b>\$ 23,876,357</b></u>	<u><b>\$ 21,332,903</b></u>

See accompanying notes to the financial statements and independent auditor's report

**Bartlesville Community Foundation, Inc.**  
**Consolidated Statements of Activities**

	<u>Year Ended June 30, 2024</u>			<u>Year Ended June 30, 2023</u>		
	<u>Without</u>	<u>With</u>	<u>Total</u>	<u>Without</u>	<u>With</u>	<u>Total</u>
	<u>Donor Restrictions</u>	<u>Donor Restrictions</u>		<u>Donor Restrictions</u>	<u>Donor Restrictions</u>	
<b>Revenue:</b>						
Contributions	\$ 570,810	\$ 2,005,648	\$ 2,576,458	\$ 454,054	\$ 1,261,994	\$ 1,716,048
Administrative fees	229,029	--	229,029	206,158	--	206,158
Fundraising events	43,431	--	43,431	77,924	--	77,924
Interest income	114,795	--	114,795	85,144	--	85,144
Investment income	49,408	502,746	552,154	(18,844)	209,445	190,601
Unrealized gain (loss)						
on investments	381,725	512,458	894,183	311,215	587,656	898,871
Bequest	28,750	--	28,750	28,750	--	28,750
Other income	640	--	640	--	--	--
Natural gas royalty	<u>23,552</u>	<u>--</u>	<u>23,552</u>	<u>31,593</u>	<u>--</u>	<u>31,593</u>
Total revenue	<u>1,442,140</u>	<u>3,020,852</u>	<u>4,462,992</u>	<u>1,175,994</u>	<u>2,059,095</u>	<u>3,235,089</u>
<b>Expenses:</b>						
Program	1,026,072	1,915,622	2,941,694	700,630	1,732,332	2,432,962
Fundraising	72,957	--	72,957	70,733	--	70,733
General and administrative	<u>50,656</u>	<u>--</u>	<u>50,656</u>	<u>45,449</u>	<u>--</u>	<u>45,449</u>
Total expenses	<u>1,149,685</u>	<u>1,915,622</u>	<u>3,065,307</u>	<u>816,812</u>	<u>1,732,332</u>	<u>2,549,144</u>
Increase in net assets	292,455	1,105,230	1,397,685	359,182	326,763	685,945
Net Assets, beginning of year	<u>5,790,007</u>	<u>10,891,433</u>	<u>16,681,440</u>	<u>5,430,825</u>	<u>10,564,670</u>	<u>15,995,495</u>
Net Assets, end of year	<u>\$ 6,082,462</u>	<u>\$ 11,996,663</u>	<u>\$ 18,079,125</u>	<u>\$ 5,790,007</u>	<u>\$ 10,891,433</u>	<u>\$16,681,440</u>

See accompanying notes to the financial statements and independent auditor's report

**Bartlesville Community Foundation, Inc.**  
**Consolidated Statements of Functional Expenses**

	<b>Year Ended June 30, 2024</b>				<b>Year Ended June 30, 2023</b>			
	<b><u>Administrative</u></b>	<b><u>Fundraising</u></b>	<b><u>Program Services</u></b>	<b><u>Total</u></b>	<b><u>Administrative</u></b>	<b><u>Fundraising</u></b>	<b><u>Program Services</u></b>	<b><u>Total</u></b>
Salaries	\$ 31,136	\$ 41,514	\$ 134,921	\$ 207,571	\$ 28,211	\$ 37,614	\$ 122,247	\$ 188,072
Payroll expenses	6,196	8,261	26,848	41,305	4,673	6,231	20,250	31,154
Marketing	682	910	2,957	4,549	348	464	1,508	2,320
Utilities	462	617	2,003	3,082	667	889	2,891	4,447
Legacy event	--	944	3,772	4,716	--	6,354	25,414	31,768
Professional development	537	716	2,328	3,581	379	505	1,641	2,525
Postage	421	561	1,823	2,805	292	389	1,265	1,946
Professional services	1,725	2,300	7,475	11,500	1,725	2,300	7,475	11,500
Dues	717	955	3,106	4,778	893	1,191	3,870	5,954
Insurance	460	613	1,992	3,065	355	474	1,539	2,368
Office expense	2,108	2,811	9,135	14,054	1,656	2,208	7,175	11,039
Rent expense	2,786	3,714	12,071	18,571	2,754	3,672	11,934	18,360
Telephone	377	503	1,634	2,514	377	503	1,635	2,515
Website/social media	225	300	975	1,500	95	126	410	631
Fundraising events	--	4,473	--	4,473	--	3,781	--	3,781
Grants from funds	--	--	2,399,925	2,399,925	--	--	1,905,187	1,905,187
Other grants	--	--	93,419	93,419	--	--	93,901	93,901
Workshop expense	--	--	418	418	--	--	--	--
Fees	--	--	224,653	224,653	--	--	211,514	211,514
Software expense	2,577	3,436	11,168	17,181	2,777	3,703	12,035	18,515
Depreciation	247	329	1,071	1,647	247	329	1,071	1,647
Total	<u>\$ 50,656</u>	<u>\$ 72,957</u>	<u>\$2,941,694</u>	<u>\$ 3,065,307</u>	<u>\$ 45,449</u>	<u>\$ 70,733</u>	<u>\$ 2,432,962</u>	<u>\$ 2,549,144</u>

See accompanying notes to the financial statements and independent auditor's report

**Bartlesville Community Foundation Inc.  
Consolidated Statements of Cash Flows**

	<b>Year Ended June 30, 2024</b>	<b>Year Ended June 30, 2023</b>
<b>Cash Flows from Operating Activities:</b>		
Increase in net assets	\$ 1,397,685	\$ 685,945
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	1,647	1,647
Accounts receivable	(5,637)	(3,194)
Accounts payable	7,555	(23,105)
Payroll liabilities	7,352	(2,414)
Lease liabilities	(16,095)	24,607
Charitable funds held for the benefit of another	1,146,957	356,491
Unrealized gain from investments	(894,183)	(898,871)
Realized (gain) loss from investments	<u>(230,925)</u>	<u>83,012</u>
Net cash provided by operating activities	<u>1,414,356</u>	<u>224,118</u>
<b>Cash Flows from Financing Activities:</b>		
Change in investments	<u>(169,227)</u>	<u>(905,353)</u>
Net cash used in financing activities	<u>(169,227)</u>	<u>(905,353)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	1,245,129	(681,235)
Cash and cash equivalents at beginning of the year	<u>729,969</u>	<u>1,411,204</u>
Cash and cash equivalents at end of the year	<u>\$ 1,975,098</u>	<u>\$ 729,969</u>

See accompanying notes to the financial statements and independent auditor's report



**Bartlesville Community Foundation, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**Note 1 - Summary of Significant Accounting Policies**

**A. Organization and Purpose:**

Bartlesville Community Foundation was created in 1999 as a tax-exempt public charity to receive, manage, and distribute gifts from individuals and organizations for the betterment of the Bartlesville area. The Foundation may provide grants to any non-profit organization described in Sections 501(c)(3) and 509(a)(1) or (2) of the Internal Revenue Code, or to any non-profit initiative that meets the Foundation's charitable purpose.

**B. Basis of Accounting:**

The financial statements are prepared using the accrual basis of accounting in conformity with generally accepted accounting principles.

**C. Reporting Entity**

The consolidated financial statements include assets, liabilities, net assets, changes in net assets, and cash flow of Bartlesville Community Foundation. The Bartlesville Community Foundation has three affiliated organizations: Bartlesville Public School Foundation, Nowata Community Foundation, and Bluestem Medical Foundation.

**D. Financial Statement Presentation:**

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities* the Foundation is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions:

- Net assets with donor restrictions – Net assets that are restricted as to use or period of time by the donor.
- Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be used for any purpose by the Foundation.

**Bartlesville Community Foundation, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**E. Cash Equivalents:**

For purposes of the statement of cash flows, the Foundation considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. The Foundation deposits some of its cash balances in a money market account in a bank. At times, the cash balances in the accounts are in excess of federally insured limits.

**F. Fixed Assets and Depreciation:**

Assets are recorded at actual cost of purchased property, or at fair market value of donated assets, and are depreciated over their estimated useful lives using the straight-line method. According to the organization's capitalization policy, all items under \$1,000 are expensed.

**G. Donated Materials, Equipment, and Services:**

Donated materials, equipment, services and rent are recorded as contributions at their estimated values at date of receipt. Volunteer donated services have not been reflected in the financial statements because the criteria for recognition of such volunteer effort under FASB ASC 958 have not been satisfied.

**H. Income Taxes:**

The Foundation is exempt from income taxes under Internal Revenue Code Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The BCF's Form 990, Return for Organization Exempt from Income Tax, for the years ended June 30, 2024, 2023 and 2022 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**I. Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**J. Fair Values of Financial Instruments:**

The fair values of financial instruments have been determined through quoted market prices or other relevant information to approximate the amounts recorded in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

**Bartlesville Community Foundation, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**K. Compensated Absences:**

The Foundation does not accrue for unused vacation.

**L. Charitable Funds held for the benefit of other organizations:**

The Bartlesville Community Foundation follows the ASC Topic 958, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others. This guidance requires the Bartlesville Community Foundation to account for the assets that are received from a not-for-profit organization for the benefit of that not-for-profit organization, or its affiliated organization, as a liability to the specified beneficiary concurrent with its recognition of the assets received. The Bartlesville Community Foundation maintains variance power and legal ownership over these funds.

In order to present the full scope of the Bartlesville Community Foundation's operations, Bartlesville Community 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 statements of activities. In the consolidated statements of financial position, the assets held on behalf of the agency are included in cash and investments in cash equivalent funds and securities and the related liability is classified as charitable funds held for benefit of other organization. Assets and liabilities related to such funds totaled approximately \$5,707,693 and \$4,560,736 at June 30, 2024 and 2023, respectively.

**M. New Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes Topic 840, Leases. Subsequently, the FASB has issued Additional ASUs which further clarify this guidance. The ASU increases the transparency and comparability of organizations by requiring the capitalization of substantially all leases on the balance sheet and disclosures of key information about leasing arrangements. Under this new guidance, at the lease commencement date, a lessee recognizes a right-of-use asset and lease liability, which is initially measured at the present value of the future lease payments. For income statement purposes, a dual model was retained for lessees, requiring leases to be classified as either operating or finance leases. Under the operating lease model, lease expense is recognized on a straight-line basis over the lease term. Under the financing lease model, interest on the lease liability is recognized separately from amortization of the right-of-use asset. In addition, a new ASU was issued in July 2018, to provide relief to companies from restating the comparative period.

The Organization adopted this new accounting standard on July 1, 2022 on a cumulative-effect adjustment basis and applied the new standard to all leases through a cumulative-effect adjustment. As a result, comparative financial information has not been restated and continues to be reported under the accounting standards in effect for those periods. The Organization elected a package of practical expedients permitted under the transition guidance, which among other things, allows the carryforward of historical lease classification. The adoption of this new accounting standard resulted in recognition of lease liabilities of \$8,512 and recognition of right-of-use assets of \$8,512.

**Bartlesville Community Foundation, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**Note 2 - Investments**

Investment in cash equivalent funds and securities:

Investments consist of funds held at Arvest Asset Management. Investments held at Arvest Asset Management are invested in their own proprietary bank funds that do not have quoted market prices, publicly traded securities, mutual funds, and index funds. The values of investments in Arvest proprietary bank funds are provided by Arvest Asset Management.

Investment in natural gas interest:

Natural gas interest is reported at fair value. Fair value is generally determined by independent appraisal at the time of donation and revalued annually by management.

**Note 3 – Charitable Funds held for the benefit of other organizations**

The Foundation administers a variety of component funds, including Agency funds. An Agency fund is one established by a 501(c)(3) non-profit organization from that agency's own funds. The agency funds are under the exclusive legal control of the Foundation but are classified as an asset of the agency and a liability of the Foundation. The following list represents the component agency funds and the respective balances associated with each as of June 30, 2024 and 2023.

Fund Name	Fund Type	June 30, 2024	June 30, 2023
Agape Mission Endowment	Agency	\$ 17,803	\$ 15,832
American Legion James H Teal	Agency	66,432	62,459
Animal Rescue Foundation	Agency	28,194	24,934
Bartlesville Area Friends of the Park	Agency	24,522	20,185
Bartlesville Art Association	Agency	57,475	52,935
Bartlesville Regional United Way Agency	Agency	331,660	304,864
Big Brothers Big Sisters	Agency	138,824	127,237
Bonita K Luther SPCA Designated	Agency	30,774	29,225
BRUW Operating Reserve	Agency	514,861	474,191
BRUW Catastrophic Reserve	Agency	999,439	920,488
BRUW Special Needs	Agency	63,925	58,875
Cherokee Council Boy Scouts	Agency	48,158	46,713
Children's Musical Theatre	Agency	45,565	41,966
Community Concert Foundation	Agency	4,422	3,244
Girl Scouts	Agency	31,316	28,842
Hopestone Cancer Support	Agency	12,617	10,673
Kiddie Park Preservation Design	Agency	6,932	6,611
LFYS	Agency	531,601	489,608
Lighthouse Outreach	Agency	15,825	14,111

**Bartlesville Community Foundation, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**Note 3 – Charitable Funds held for the benefit of other organizations (continued)**

Meals on Wheels	Agency	209,938	208,436
Martha's Task	Agency	6,522	5,592
Run the Streets	Agency	165,026	151,990
Musical Research Society Foundation	Agency	410,819	395,113
NEVUS Outreach	Agency	22,926	21,115
Nowata Boys & Girls Club	Agency	28,513	26,261
Nowata Lions Club	Agency	12,928	11,907
On the Rock Ministries	Agency	56,592	102,993
Paths to Independence	Agency	9,681	8,212
The Journey Home Inc.	Agency	15,335	13,660
Theater Bartlesville Fund	Agency	2,124	2,034
Tri County Foundation Endowment	Agency	1,446,886	559,937
Washington County SPCA	Agency	90,036	77,003
Sandra LeFebvre FOB Wash Co	Agency	140,057	133,002
Wesleyan Christian School	Agency	119,965	110,488
		\$ 5,707,693	\$ 4,560,736

**Note 4 – Net Assets with Restrictions**

The BCF offers a variety of funds, including designated, donor-advised, affiliate, field of interest, scholarship, fiscal sponsorship, and agency. The funds are under the exclusive legal control of the BCF but are classified based on the intent of the donor or organization establishing the fund.

Designated funds are established by a donor for the benefit of a 501(c)(3) organization.

Donor-advised funds are established by a donor but is maintained by the BCF. The BCF has legal control over the contributions however, the donor is granted advisory privileges with respect to the distribution of funds and the investment of assets in the fund.

Field of interest funds are defined at their establishment to benefit charitable projects and non-profit organizations within a defined area of interest.

Scholarship funds are established for the purpose of providing tuition and related expenses associated with schooling. Scholarship funds define criteria for successful scholarship recipients at the time the fund is established.

Fiscal sponsorship funds are established for a particular charitable initiative or project. Some fiscal sponsorship funds represent short-term community projects while others are maintained on a more long-term basis.

Agency funds are established by an agency to support financial sustainability. These can be endowment-like or reserve-like funds.

**Bartlesville Community Foundation, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**Note 4 – Net Assets with Restrictions (continued)**

Affiliate funds are established by an affiliate for specific or unrestricted purposes. Affiliate funds may be for a particular geographic area.

The Foundation issues grants from the various funds in accordance with the parameters of each fund. All distributions are under the authority of the Foundation. The funds are classified as temporarily restricted under the exclusive legal control of the Foundation.

Net assets with restrictions are included in the following component funds:

Fund Name	June 30, 2024	June 30, 2023
Designated	\$ 2,187,720	\$ 2,052,807
Donor Advised	2,960,405	2,320,675
Field of Interest	2,825,255	2,763,470
Fiscal Sponsorship	445,153	576,124
Scholarship	3,395,982	3,001,960
Micro Loan Program	286	286
	<u>\$ 11,814,801</u>	<u>\$ 10,715,322</u>

**Note 5 – Endowment Funds with Restrictions**

The Foundation has endowment funds. These funds are restricted, though the income from the funds may be spent. The restricted funds as of June 30, 2024 and 2023 are as follows:

Fund Name	Fund Type	June 30, 2024	June 30, 2023
Junior Achievement Endowment	Designated	\$ 129,139	\$ 125,102
Birdies for Scholarship Endowment	Scholarship	52,723	51,009
		<u>\$ 181,862</u>	<u>\$ 176,111</u>

**Note 6 - Related Party**

Various board members have funds with the Foundation. The funds' value was \$216,904 and \$112,047, respectively, at June 30, 2024 and 2023.

Various board members are also board members of various funds. The funds' values at June 30, 2024 and 2023 were \$2,601,809 and \$1,232,992, respectively.

**Bartlesville Community Foundation, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**Note 7 - Fair Value**

The Foundation adopted FASB ASC 820 for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to 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;

Level 3 - Unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value estimates are made at a point in time, based on relevant market data as well as the best information available about the financial instrument.

Investments in oil interests: These assets are stated at fair value. Fair value of oil interest are determined by the Bartlesville Community Foundation management. Due to the significant unobservable inputs required to estimate the fair value of these investments, the Bartlesville Community Foundation's investment in oil interest are classified as Level 3 in the hierarchy.

The following tables present assets that are measured at fair value on a recurring basis at June 30, 2024 and 2023:

June 30, 2024				
<u>Fair Value Measurements at Reporting Date Using</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash equivalents				
(Money market funds)	\$ 1,813,691	\$ --	\$ --	\$ 1,813,691
Investments at Arvest				
Asset Management	--	21,790,379	--	21,790,379
Natural Gas Interest	--	--	30,952	30,952
Total	<u>\$ 1,813,691</u>	<u>\$ 21,790,379</u>	<u>\$ 30,952</u>	<u>\$ 23,635,022</u>

**Bartlesville Community Foundation, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**Note 7 - Fair Value (continued)**

June 30, 2023				
<u>Fair Value Measurements at Reporting Date Using</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Cash equivalents				
(Money market funds)	\$ 525,586	\$ --	\$ --	\$ 525,586
Investments at Arvest				
Asset Management	--	20,481,909	--	20,481,909
Natural Gas Interest	--	--	30,952	30,952
Total	<u>\$ 525,586</u>	<u>\$ 20,481,909</u>	<u>\$ 30,952</u>	<u>\$ 21,038,447</u>

**Note 8 – Leases**

The Organization determines if an arrangement contains a lease at the inception of a contract. The lease classification is determined at the commencement date. Right-of-use assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease during the lease term. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the remaining future minimum lease payments during the lease term. Lease commencement is the date the Organization has the right to control the property. The Organization utilizes its incremental borrowing rate to discount the lease payments. The incremental borrowing rate is based on the Organization's estimated rate of interest for a collateralized borrowing over a similar term as the lease term. The operating lease right-of-use assets also include lease payments made before commencement and lease incentives and are recorded net of impairment. Operating leases are expensed on a straight-line basis over the lease term.

The lease term of real estate leases includes renewal options that are reasonably certain of being exercised. Options to extend are considered reasonably certain of being exercised based on evaluation if there are significant investments within the leased property which have useful lives greater than the non-cancelable lease term and the Organization's economic and strategic initiatives. Short-term leases with an initial term of 12 months or less are not recorded on the balance sheet.

The Organization accounts for lease components and non-lease components as a single lease component. Real estate leases that contain one fixed payment that includes real estate taxes, common area maintenance, and insurance are considered as part of the lease payment and included in the right-of-use assets and lease liabilities.

Finance leases are recognized within property, plant, and equipment and as a finance lease liability within accrued expenses and other liabilities and other noncurrent liabilities.



**Bartlesville Community Foundation, Inc.**  
**Notes to the Consolidated Financial Statements**  
**June 30, 2024 and 2023**

**Note 8 – Leases**

The Organization entered into a lease for a building in Bartlesville, OK, the lease term is 36 months. The minimum annual rental commitments under these transactions at June 30, 2024 and 2023 are as follows:

	June 30, 2024	June 30, 2023
The components of lease expense are as follow:		
Operating lease right-of-use assets	\$ 8,512	\$ 24,607
Accounts payable and accrued liabilities	\$ 8,512	\$ 16,095
Operating lease obligation	--	8,512
Total operating lease obligation	<u>\$ 8,512</u>	<u>\$ 24,607</u>

The following table provides the expected future minimum maturities of lease obligations:

2023	\$ --	\$ 17,400
2024	<u>8,700</u>	<u>8,700</u>
Total lease payments	8,700	26,100
Less: Imputed interest	<u>(188)</u>	<u>(1,493)</u>
Total	<u>\$ 8,512</u>	<u>\$ 24,607</u>

**Note 9 - Accounting for The Uncertainty in Income Taxes**

In accordance with FASB ASC 740-10, “Accounting for the Uncertainty in Income Taxes”, the Foundation analyzed its tax filing positions in all of the federal, state, and foreign tax jurisdictions where it is required to file income tax returns, as well as for all open tax years in these jurisdictions. Based on this review, the Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

**Note 10 - Subsequent Events**

The Foundation evaluated subsequent events through April 22, 2025, which is the date the financial statements were available to be issued, and did not note any items that would adjust the financial statements or require disclosure other than those noted above.