

**OKLAHOMA CITY
UNIVERSITY**

June 30, 2010

Audited Financial Statements

OKLAHOMA CITY UNIVERSITY

June 30, 2010

Audited Financial Statements

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Independent Auditors' Report

The Board of Trustees
Oklahoma City University

We have audited the accompanying statements of financial position of Oklahoma City University (the "University") as of June 30, 2010 and 2009, and the related statements of activities, and statements of cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University as of June 30, 2010 and 2009, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Cole & Reed P.C.

Oklahoma City, Oklahoma
October 8, 2010



OKLAHOMA CITY UNIVERSITY
Statements of Financial Position
June 30, 2010 and 2009

Assets	2010	2009
Cash and cash equivalents	\$ 3,642,398	\$ 3,098,646
Receivables:		
Student, less allowance for uncollectible accounts of \$375,000 and \$275,000 in 2010 and 2009, respectively	3,094,456	3,570,232
Contributions, net	12,939,262	8,139,353
Accrued interest and other	620,977	784,404
Student notes receivable, less allowance for uncollectible notes of \$87,900 in 2010 and 2009	5,525,189	5,829,855
Prepaid expenses, deposits, and other assets	1,190,253	1,098,879
Investments:		
Securities	42,121,184	38,982,055
Investments held in charitable remainder annuity trusts	3,593,489	3,838,865
Real estate	644,617	644,617
Beneficial interest in trusts held by others	24,955,757	24,374,387
Deferred costs	207,898	223,031
Property, plant, and equipment, net	162,796,436	157,716,031
Total assets	\$ 261,331,916	\$ 248,300,355
Liabilities and Net Assets		
Accounts payable and accrued liabilities:		
Salaries, wages, and benefits	\$ 3,687,250	\$ 3,465,234
Construction costs	1,236,201	-
Other	4,294,442	3,723,160
Notes payable	3,192,956	3,400,000
Student tuition and fees collected in advance	1,938,046	3,381,733
Deposits held in custody for others	1,582,511	1,023,103
Annuities payable	4,128,693	4,393,666
Capital lease obligations	27,379	67,812
Interest rate swap agreements, net	10,193,075	7,711,042
Bonds payable, net	59,599,736	60,799,974
Advances from Federal Government for student loans	3,821,000	3,818,000
Total liabilities	93,701,289	91,783,724
Net assets:		
Unrestricted	72,128,946	67,751,279
Temporarily restricted	24,771,411	22,535,198
Permanently restricted	70,730,270	66,230,154
Total net assets	167,630,627	156,516,631
Total liabilities and net assets	\$ 261,331,916	\$ 248,300,355

See notes to financial statements.

OKLAHOMA CITY UNIVERSITY
Statement of Activities
Year ended June 30, 2010
(with comparative totals for 2009)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2010	2009
Revenues, gains, and other support:					
Student tuition and fees	\$ 81,311,022	\$ -	\$ -	\$ 81,311,022	\$ 81,389,543
Less: student aid	(29,776,004)	-	-	(29,776,004)	(27,053,185)
Net student tuition and fees	51,535,018	-	-	51,535,018	54,336,358
Federal and state grants and contracts	10,985	1,307,898	-	1,318,883	1,232,391
Private gifts and grants	1,121,566	11,861,318	5,117,446	18,100,330	9,648,368
Changes in value of split interest agreements	37,155	-	-	37,155	(156,471)
Changes in the fair value of interest rate swap agreements	(2,482,033)	-	-	(2,482,033)	(3,290,020)
Sales and services of educational departments	596,603	15,087	-	611,690	613,042
Sales and services of auxiliary, net of student aid of \$797,789	6,616,699	-	-	6,616,699	6,131,549
Investment income (loss), net	5,095,546	1,169,421	60,012	6,324,979	(13,371,238)
Other income	1,391,092	325,000	-	1,716,092	1,142,873
	63,922,631	14,678,724	5,177,458	83,778,813	56,286,852
Changes in restrictions by donors	-	677,342	(677,342)	-	-
Net assets released from restrictions	13,119,853	(13,119,853)	-	-	-
Total revenues, gains, and other support	77,042,484	2,236,213	4,500,116	83,778,813	56,286,852
Expenses:					
Educational and general:					
Instruction	36,092,273	-	-	36,092,273	36,434,856
Academic support	7,014,384	-	-	7,014,384	6,851,818
Student services	13,326,789	-	-	13,326,789	13,309,053
Institutional support	9,057,834	-	-	9,057,834	9,012,351
Total educational and general	65,491,280	-	-	65,491,280	65,608,078
Auxiliary enterprises	7,173,537	-	-	7,173,537	6,229,657
Total expenses	72,664,817	-	-	72,664,817	71,837,735
Change in net assets	4,377,667	2,236,213	4,500,116	11,113,996	(15,550,883)
Net assets, beginning of year	67,751,279	22,535,198	66,230,154	156,516,631	172,067,514
Net assets, end of year	\$ 72,128,946	\$ 24,771,411	\$ 70,730,270	\$ 167,630,627	\$ 156,516,631

See notes to financial statements.

OKLAHOMA CITY UNIVERSITY

Statement of Activities
Year ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	2009
Revenues, gains, and other support:				
Student tuition and fees	\$ 81,389,543	\$ -	\$ -	\$ 81,389,543
Less: student aid	(27,053,185)	-	-	(27,053,185)
Net student tuition and fees	54,336,358	-	-	54,336,358
Federal and state grants and contracts	59,195	1,173,196	-	1,232,391
Private gifts and grants	1,473,035	4,337,448	3,837,885	9,648,368
Changes in value of split interest agreements	(156,471)	-	-	(156,471)
Changes in the fair value of interest rate swap agreements	(3,290,020)	-	-	(3,290,020)
Sales and services of educational departments	543,068	69,974	-	613,042
Sales and services of auxiliary, net of student aid of \$702,097	6,131,549	-	-	6,131,549
Investment income (loss), net	(13,286,099)	(338,838)	253,699	(13,371,238)
Other income	933,970	208,903	-	1,142,873
	46,744,585	5,450,683	4,091,584	56,286,852
Changes in restrictions by donors	-	(320,000)	320,000	-
Net assets released from restrictions	7,265,695	(7,265,695)	-	-
Total revenues, gains, and other support	54,010,280	(2,135,012)	4,411,584	56,286,852
Expenses:				
Educational and general:				
Instruction	36,434,856	-	-	36,434,856
Academic support	6,851,818	-	-	6,851,818
Student services	13,309,053	-	-	13,309,053
Institutional support	9,012,351	-	-	9,012,351
Total educational and general	65,608,078	-	-	65,608,078
Auxiliary enterprises	6,229,657	-	-	6,229,657
Total expenses	71,837,735	-	-	71,837,735
Change in net assets	(17,827,455)	(2,135,012)	4,411,584	(15,550,883)
Net assets, beginning of year	85,578,734	24,670,210	61,818,570	172,067,514
Net assets, end of year	\$ 67,751,279	\$ 22,535,198	\$ 66,230,154	\$ 156,516,631

See notes to financial statements.

OKLAHOMA CITY UNIVERSITY
 Statements of Cash Flows
 Years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ 11,113,996	\$ (15,550,883)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gifts restricted for capital expenditures	(3,670,886)	(2,728,196)
Gifts for permanently restricted purposes:		
Gifts restricted for endowments	(4,639,936)	(3,557,985)
Beneficial interest in trusts held by others	(477,510)	(279,900)
Investment income for permanently restricted purposes	(60,012)	(253,699)
Advances for student notes receivable	(338,189)	(4,864,286)
Proceeds from sale of student notes receivable	-	3,181,635
Collections on student notes receivable	635,944	560,120
Net realized and unrealized investment (gains) losses	(5,508,131)	14,115,927
Depreciation and amortization	6,388,518	6,483,175
Unrealized loss on interest rate swap agreements	2,482,033	3,290,020
Gain on sale of property, plant, and equipment	(1,500)	-
Gain on sale of student notes receivable	-	(25,500)
Bad debt (recovery) expense	(65,409)	541,120
Changes in operating assets and liabilities that provided (used) cash:		
Student accounts receivable	375,776	(219,406)
Prepaid expenses, deposits, and other assets	(91,374)	280,936
Contributions receivable	(4,923,890)	814,165
Accrued interest and other receivables	175,427	(257,756)
Accounts payable and accrued liabilities	793,298	1,122,924
Annuities payable	(264,973)	(1,354,933)
Student tuition and fees collected in advance	(1,443,687)	(956,134)
Deposits held in custody for others	559,408	471,052
Advances from Federal Government for student loans	3,000	(226,000)
Agency transaction receipts	2,045,053	1,374,671
Agency transaction disbursements	(2,045,053)	(1,374,671)
Net cash provided by operating activities	1,041,903	586,396
Cash flows from investing activities:		
Purchases of investments	(14,578,680)	(52,860,302)
Proceeds from sales of investments	15,797,670	49,802,819
Distributions from beneficial interest in assets held by others	1,291,528	2,663,925
Proceeds from sale of property, plant, and equipment	1,500	-
Capital expenditures	(10,207,827)	(8,448,892)
Net cash used in investing activities	(7,695,809)	(8,842,450)

OKLAHOMA CITY UNIVERSITY
Statements of Cash Flows--Continued
Years ended June 30, 2010 and 2009

	2010	2009
Cash flows from financing activities:		
Gifts collected for capital expenditures	\$ 5,307,889	\$ 8,462,672
Gifts collected for permanently restricted purposes	3,087,234	3,559,347
Investment income for permanently restricted purposes	60,012	253,699
Advances on notes payable	6,454,346	10,200,000
Payments on notes payable	(6,461,390)	(10,601,198)
Payments on bonds payable and capital lease obligations	(1,250,433)	(2,771,807)
Net cash provided by financing activities	7,197,658	9,102,713
Net change in cash and cash equivalents	543,752	846,659
Cash and cash equivalents, beginning of year	3,098,646	2,251,987
Cash and cash equivalents, end of year	\$ 3,642,398	\$ 3,098,646
Supplemental data:		
Noncash investing and financing activities:		
Gifts of beneficial interest in trusts held by others	\$ 477,510	\$ 279,900
Advances payable payments applied towards contributions receivable balances	200,000	-
Construction costs financed via accounts payable and accrued liabilities	1,236,201	-
Interest paid	2,197,104	2,542,707

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Oklahoma City University (the "University") is a private not-for-profit institution of higher education with its campus located in Oklahoma City, Oklahoma. The University is accredited by the North Central Association of Colleges and Schools.

Accounting Standards Codification: The University adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). The ASC does not alter current accounting principles generally accepted in the United States of America ("U.S. GAAP"), but rather integrated existing accounting standards with other authoritative guidance. The ASC provides a single source of authoritative U.S. GAAP for nongovernmental entities and supersedes all other previously issued non-SEC accounting and reporting guidance. The adoption of the ASC did not have any significant effect on the University's financial statements.

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting. The University follows the accounting and reporting practices for private colleges and universities. Accordingly, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the University and changes therein are classified and reported as follows:

Unrestricted Net Assets: Net assets that are generally not subject to donor-imposed restrictions. Uses of certain unrestricted net assets are committed as matching funds under student loan programs of the Federal Government. Unrestricted net assets may be designated for specific purposes by the University.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed restrictions that may or will be met either by actions of the University and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. The amount of net assets identified as released from donor restrictions includes any amounts released whether received in the current year or prior periods.

Permanently Restricted Net Assets: Net assets subject to donor-imposed permanent restrictions. Generally, the donors of these assets permit the University to use all or part of the income earned on related investments for specific or general purposes.

Cash and Cash Equivalents: Cash and cash equivalents include cash on hand and on deposit in demand and interest-bearing accounts administered by the University with original maturities of three months or less.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE A--SIGNIFICANT ACCOUNTING POLICIES--Continued

Cash and Cash Equivalents--Continued: At June 30, 2010, the University had certain concentrations of credit risk with financial institutions in the form of uninsured cash and time deposits. For purposes of evaluating credit risk, the stability of financial institutions conducting business with the University is periodically reviewed and management believes that credit risk related to the balances is minimal.

Student Accounts Receivable: Student accounts receivable consists primarily of tuition, fees, and auxiliary charges. Management considers various factors in estimating the allowance for doubtful accounts, including the length of time from the initial billing that the receivables have been outstanding, the enrollment status of the students with outstanding receivables, and the University's collection history. Receivables are normally considered to be delinquent when they become more than 90 days outstanding from the date they were originally billed. A receivable is charged against the allowance when management has determined that all methods for collection of the receivable have been exhausted.

Student Notes Receivable: Student notes receivable consist primarily of loans made to students under U.S. Government loan programs. The loans are stated at net realizable value in the accompanying statements of financial position.

Investments: All investments received by gift or bequest are recorded at fair value in the statements of financial position on the date received. If fair value is not determinable on the date received, the asset received by gift or bequest is recorded at nominal value. Investments in securities (i.e. common stocks, pooled investments, bonds, hedge funds, and other securities) are marked to market at year end. Investments in real estate and commercial properties are carried at the value initially recorded, less depreciation or amortization, unless there has been an indication of either (a) impairment of value considered to be other than temporary, which would result in a write-down to fair value or (b) increased market value, which would result in a write-up to fair value. Investments held in charitable remainder trusts are carried at fair value based on the underlying trust assets.

Beneficial Interest in Trusts Held by Others: The University's interests in beneficial trusts held by others are valued in accordance with the related trusts' policies for valuing the trusts' underlying assets, which may vary by trust.

Deferred Costs: Specific incremental costs directly attributable to the various bond offerings are deferred and amortized, using the effective interest method, over the remaining life of the bonds. Accumulated amortization aggregated approximately \$68,000 and \$53,000 at June 30, 2010 and 2009, respectively.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE A--SIGNIFICANT ACCOUNTING POLICIES--Continued

Property, Plant, and Equipment: Land, buildings and improvements, equipment, computers, and automobiles are stated at cost when purchased by the University or at fair value at date of receipt by gift when acquired by donation. Assets are depreciated on the straight-line method over the estimated useful lives of the respective asset. Estimated service lives for purposes of depreciation are as follows:

Buildings	40 to 70 years
Improvements	40 years
Steinway pianos	50 years
Equipment, including library books	10 to 20 years
Computers and automobiles	4 years

The University reports gifts of property, plant, and equipment as unrestricted support unless explicit donor stipulations specify how the donated asset 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 stipulations about how long those long-lived assets must be maintained, the University reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service or cash is used for construction in progress.

Investment Revenue Recognition: Investment income includes dividends, interest, royalties, and similar items and is recognized as revenue in the period in which it is earned. The amounts are reported as an increase in unrestricted net assets unless otherwise restricted by the donor.

Unrestricted gains and losses on investments are recorded as increases or decreases in unrestricted net assets. Unrealized gains and losses are recorded as temporarily restricted and permanently restricted net assets in accordance with donor specifications and, as applicable based on the ASC's guidance surrounding: *Endowments of Not-for-Profit Organizations – Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds.*

Generally, losses on the investments of restricted endowments reduce temporarily restricted net assets to the extent donor-imposed temporary restrictions on net appreciation of investments have not been met before the loss occurs. Any remaining losses reduce unrestricted net assets, but can be restored through subsequent investment gains.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE A--SIGNIFICANT ACCOUNTING POLICIES--Continued

Contributions and Promises to Give: Contributions are recorded at fair value. Unconditional promises to give are recorded net of an allowance for doubtful receivables estimated based on such factors for the University as prior collections history, types of contributions and the nature of the fund-raising activity. Amounts due in more than one year are recorded at net discounted cash flow using an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue.

Bequests are recorded at the time an unassignable right to the gift has been established and the proceeds are measurable in amount. Conditional promises to give are not recorded until conditions are substantially met.

Deferred Income and Tuition Revenue: Deferred income consists of funds collected prior to providing service to the payor. Tuition revenue is recognized as revenue in the period in which it is earned. Tuition, room and board for future periods are recognized as revenue at the beginning of the semester in the period to which the amount relates. Tuition revenue is reported as the gross revenue less the related discount. Sales and services of auxiliary are reported as gross revenue less related discounts. The University provides student aid to students meeting certain criteria.

Advertising Costs: The University expenses the costs of advertising as incurred. For the years ended June 30, 2010 and 2009, advertising expense was approximately \$578,000 and \$679,000, respectively.

Compensated Absences: The University's employees earn paid vacation based on their job classification and their years of service with the University. Vacation time accrues and vests based upon length of service and is expensed in the period earned. Employees are not paid for unused sick leave; therefore, an amount is not accrued.

Income Tax Status: The University is an organization exempt from federal income tax pursuant to Section 501 (a) of the Internal Revenue Code (the "Code") as an organization described in Section 501 (c)(3) of the Code. Provision has been made, where material, for any taxes due on unrelated business income.

Accounting for Uncertain Tax Positions: The FASB issued guidance on the accounting for uncertainty in income taxes. The University adopted this new guidance for the year ended June 30, 2010. Management evaluated their tax positions and concluded that they had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, they are no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2007.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE A--SIGNIFICANT ACCOUNTING POLICIES--Continued

Annuities Payable: Annuities payable are agreements between donors and the University whereby the donor makes a contribution to the University and the University agrees to pay a fixed amount for a specified period of time to the donor. Assets are valued at fair value and liabilities are stated at present value, using an appropriate discount rate commensurate with the risks involved and Internal Revenue Service Life Expectancy tables.

Charitable Remainder Annuity Trust: The University is a beneficiary of certain Charitable Remainder Annuity Trusts which consist of stocks, cash, and other assets. At the date the trusts were established, receivables and contributions revenue were recognized for the present value of the estimated future benefits to be received when the trusts assets are distributed. The University's share of the assets is adjusted during the term of the trusts for changes in the fair value of assets, accretion of the discount and other changes in the estimates of future benefits.

Advances from Federal Government for Student Loans: Funds provided by the United States Government under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collection. These funds are ultimately refundable to the government and are recorded as liabilities. Activity of the Federal Pell Grant program is not reflected in the financial statements as the transactions are considered to be agency transactions.

Interest Rate Swap Agreements: The University recognizes all interest rate swap agreements, which are derivative financial instruments, as either assets or liabilities in the statements of financial position and measures those instruments at fair value. The University is party to interest rate swaps in order to manage fluctuations in cash flows resulting from variability in interest payments due to changes in interest rates. Changes in the fair value of interest rate swaps are recorded as a separate line item within total revenues, gains, and other support.

Fair Value Measurements: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements accounting guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs that are derived principally from or corroborated by observable market data; and
- Level 3: Inputs that are unobservable and significant to the overall fair value measurement.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE A--SIGNIFICANT ACCOUNTING POLICIES--Continued

Fair Value Measurements--Continued: Financial assets subject to fair value measurement disclosure requirements include investments in securities, investments held in charitable remainder annuity trusts, real estate, and beneficial interest in trusts held by others. Financial liabilities subject to fair value measurement disclosure requirements include interest rate swap agreements.

Use of 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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events: The University has evaluated subsequent events through October 8, 2010, which is the date the financial statements were available to be issued. Note G provides information about non-recognized subsequent events regarding negotiations for replacement credit facilities. Note J provides information about non-recognized subsequent events regarding donors' revisions to certain net asset restrictions. The June 30, 2010 financial statements include no recognized subsequent events.

Reclassifications: Certain amounts in the 2009 financial statements have been reclassified to conform to the current year presentation. In addition to amounts reclassified in 2009 to conform to current year presentation, \$3,738,960 of unrestricted net assets were reclassified to temporarily restricted net assets as of July 1, 2008 as a result of expenditures on certain construction projects released in excess of balances raised for such construction projects.

NOTE B--CONTRIBUTIONS RECEIVABLE

Contributions receivable are discounted based on an estimated risk free rate of return of 5% to state amounts at estimated present value. Total discounts are \$704,000 and \$603,000 at June 30, 2010 and 2009, respectively. Additionally, management has provided an allowance for uncollectible contributions receivable of \$35,000 and \$595,000 at June 30, 2010 and 2009, respectively. Net contributions receivable along with the period of expected collection are as follows at June 30:

	2010	2009
Due in less than one year	\$ 6,324,590	\$ 3,287,516
Due in one to five years	6,614,672	4,698,998
Due in more than five years	-	152,839
	<u>\$ 12,939,262</u>	<u>\$ 8,139,353</u>

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE C--STUDENT NOTES RECEIVABLE

Federal Perkins Loan Program: Student loans under the Federal Perkins Loan Program were approximately \$4,655,000 and \$4,738,000 at June 30, 2010 and 2009, respectively. For fiscal years 2010 and 2009, Perkins stipulates that the Federal Government provide 2/3rds of the total funds available with the University providing the remaining 1/3rd. Perkins provides for cancellation of a note at rates of 12.5% to 30% per year up to a maximum of 100% if the debtor complies with certain provisions of Perkins. The Federal Government reimburses the loan funds of the University at rates of 12.5%-30% for canceled indebtedness due to certain teaching services and various types of services for the U.S. Government and 100% for loans declared not collectible due to death, permanent disability, or a declaration of bankruptcy. The total portion funded by the Federal Government, which includes cash balances maintained by the University as well as outstanding student loans, is shown as advances from Federal Government for student loans in the accompanying statements of financial position.

At June 30, 2010 and 2009, student loans under the Federal Perkins Loan Program are reduced by an allowance for uncollectible notes of approximately \$88,000. Management considers various factors in estimating the allowance for uncollectible notes, including the amounts of past due balances, the University's collection history, and amounts that will be reimbursed by the U.S. Government.

Federal Family Education Loan Program: The University is an Eligible Lender (as defined in Title IV of the Higher Education Act of 1965, as amended from time to time) that participates in lending to students pursuant to the Federal Family Education Loan Program (the "Program"). The University makes loans to students in the University's graduate and professional programs.

In May 2001, the University entered into an Education Loan Servicing Agreement (the "Loan Servicing Agreement") and a Forward Purchase and Sale Commitment Agreement (the "Purchase and Sale Agreement") with the Oklahoma Student Loan Authority (the "Servicer"). Both agreements (as amended) expire April 30, 2011. The Loan Servicing Agreement requires the Servicer to provide substantially all of the administrative functions of servicing the loans. Under the terms of the Purchase and Sale Agreement, the University receives 106% of the loan values upon selling the loans to the Servicer. Loans can be sold on a monthly basis, but in no case later than the time period in which the borrower enters repayment status. During July 2008, the Servicer temporarily suspended the purchase of loans due to lack of available funds. As a result, the University began selling its eligible loans to the U.S. Department of Education for a total amount comprised of the total principal balance of the loans (including accrued but unpaid interest), a reimbursement of one percent lender fee and a \$75 purchase fee per loan.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE C--STUDENT NOTES RECEIVABLE--Continued

Federal Family Education Loan Program--Continued:

In May 2001, the University entered into an Agreement to Endorse Loans with the Oklahoma State Regents for Higher Education ("Regents"). The Servicer pays a guarantee fee for each loan, as the Servicer will ultimately hold loans that go into default status. The University has no credit risk associated with the loans and, accordingly, the University has no allowance for uncollectible notes associated with loans made under the Program.

In June 2001, the University entered into a Revolving Financing Agreement (the "Financing Agreement") with a bank to provide funding for student loans. This Financing Agreement was amended in October 2008 to reduce the principal sum from \$10 million to \$5 million. The Financing Agreement expires April 30, 2011 and bears interest at a floating rate (the "Financing Rate"). The floating rate at June 30, 2010 and 2009 is 1.21% and 1.23%, respectively. The University pays an unused commitment fee of .10% per annum. The student loans held by the Servicer are pledged as collateral. The outstanding balance at June 30, 2010 and 2009 is approximately \$835,000 and \$1,033,000, respectively. The University receives interest payments from the Department of Education on a quarterly basis. The interest paid by the Department of Education at June 30, 2010 and 2009 is 1.60% and 1.60%, respectively. The Financing Agreement requires the University to meet certain covenants and restricts additional indebtedness, as defined in the Financing Agreement. The Financing Agreement was further amended during July 2009 reducing the principal sum to approximately \$1,033,000.

At June 30, 2010 and 2009, the University has approximately \$838,000 and \$1,056,000 in student loans receivable, respectively, related to the Program. During 2009, the University originated approximately \$3,825,000 of loans and sold student loans with principal amount of \$3,156,000 (no student loans originated or sold in 2010).

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE D--BENEFICIAL INTEREST IN TRUSTS HELD BY OTHERS

The University has a beneficial interest in assets held in trusts by the Oklahoma United Methodist Foundation ("OUMF"). These assets are to be held in perpetuity by OUMF for the benefit of the University. The University receives distributions from the income earned by the trusts, which is generally restricted for scholarship purposes. During 2010 and 2009, the University received approximately \$1,192,000 and \$2,664,000, respectively, related to these trusts. The beneficial interest in trusts is recorded at the fair value of such assets.

During 2009, the University recognized transfers it previously made to the Oklahoma City Community Foundation, Inc. ("OCCF"), which the University had specified itself as the beneficiary of the funds. In connection with the University's recognition of these transfers, the statement of financial position as of June 30, 2010 and 2009 includes the beneficial interest in assets held by OCCF of approximately \$252,000. The University received distributions from these funds held by OCCF totaling approximately \$13,000 and \$12,000 during 2010 and 2009, respectively. The distributions were recognized as a reduction in the assets held by OCCF.

Annually, distributions from the funds are paid to the University according to OCCF's spending policy. OCCF maintains variance power over these funds. Variance power assures donors that if the charitable purpose of their contribution becomes impractical or impossible, the distributions will be directed to similar purposes in the community. OCCF also maintains legal ownership of the funds. However, U.S. GAAP requires the University to reflect its beneficial interest in these assets in its financial statements.

In addition to the funds discussed above, OCCF maintains other funds that have been contributed by various donors to OCCF for the benefit of the University. These funds are not included as assets of the University. The earnings from these funds are paid to the University each year. For the years ended June 30, 2010 and 2009, the University received approximately \$135,000 and \$146,000, respectively, from the funds. At June 30, 2010 and 2009, the fair value of the funds was approximately \$2,791,000 and \$2,506,000, respectively. The University has no remainder interest in the corpus of these funds.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE E--PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are summarized as follows:

Description	2010	2009
Land	\$ 6,661,240	\$ 6,646,448
Building	140,737,098	140,364,468
Improvements	20,377,651	17,961,573
Steinway pianos	2,168,880	2,168,880
Equipment, including library books	40,625,298	40,391,834
Computers and automobiles	4,691,893	5,159,732
Construction in progress	7,268,727	615,258
	222,530,787	213,308,193
Less accumulated depreciation	(59,734,351)	(55,592,162)
Net property, plant, and equipment	\$ 162,796,436	\$ 157,716,031

NOTE F--NOTES PAYABLE

Following is a description of the University's note payable agreements and outstanding balances as of June 30, 2010 and 2009:

- A) The University has an unsecured commercial line of credit with a financial institution. The agreement allows for borrowing up to \$3,000,000, bears interest at Wall Street Journal Prime Rate, subject to an interest rate floor of 5.75% (effective rate of 5.75% at June 30, 2010), for calendar 2010 and matures December 31, 2010. At June 30, 2010 and 2009, the amounts drawn down were \$3,000,000 each year.
- B) In May 2009, the University canceled its contract with the company managing its on-campus bookstore, bringing the operation of the bookstore under the University's oversight. To finance purchases of inventory for the bookstore, the University entered into an unsecured revolving line of credit with a financial institution. The agreement allows for borrowing up to \$800,000, bears interest at 0.50% above the Wall Street Journal Prime Rate, subject to an interest rate floor of 6.25% (effective rate of 6.25% at June 30, 2010), and matures May 1, 2011. At June 30, 2009, \$400,000 had been drawn down (none at June 30, 2010). Also related to the bookstore, the University acquired an unsecured, non-revolving line of credit with a financial institution for the buyout of the previous operator's interest. The agreement allows for borrowing up to \$400,000, bears interest at 0.50% above the Wall Street Journal Prime Rate, subject to an interest rate floor of 6.00% (effective rate of 6.00% at June 30, 2010), and matures May 1, 2014. At June 30, 2010, the amount drawn down was approximately \$193,000.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE G--BONDS PAYABLE

Bonds payable is summarized as follows as of June 30:

	<u>2010</u>	<u>2009</u>
2005 Series Revenue Bonds (A)	\$ 38,240,000	\$ 39,055,000
2006 Series Revenue Bonds (B)	21,485,000	21,880,000
	<u>59,725,000</u>	<u>60,935,000</u>
Less unamortized discount	<u>(125,264)</u>	<u>(135,026)</u>
	<u>\$ 59,599,736</u>	<u>\$ 60,799,974</u>

The University amortizes bond discounts using the interest method.

- A) In August 2005, the University entered into an agreement with the Oklahoma City Industrial and Cultural Facilities Trust (the "Trust") to issue Educational Facility Revenue Bonds - Series 2005A and Series 2005B (the "2005 Bonds" collectively and the "2005A Bonds" or "2005B Bonds" separately), which are secured by a pledge of revenues and other income of the University. The 2005A Bonds are comprised of \$8,135,000 Serial Bonds maturing annually through September 15, 2016. The 2005A Bonds mature in varying annual amounts ranging from \$1,035,000 in 2010 to \$1,370,000 in 2015. The 2005B Bonds are comprised of \$30,105,000 Serial Bonds maturing on various dates from September 15, 2016 through September 15, 2030. The 2005B Bonds mature in varying annual amounts ranging from \$495,000 in 2016 to \$2,830,000 in 2030. The interest rates on the 2005A Bonds and 2005B Bonds are 100% of one-month LIBOR and 67% of one-month LIBOR, respectively, provided that the interest rates may not exceed the lesser of 12% per annum or the maximum rate allowed by law.

The 2005 Bonds were issued for the purpose of providing a portion of the funds necessary to (a) refund outstanding bonds of the University; (b) finance or reimburse the University for the acquisition, construction, and equipping of capital improvements to the University's property and providing repairs, renovations, maintenance and improvements to buildings and other improvements throughout the campus; and (c) pay the costs of issuance of the 2005 Bonds.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE G--BONDS PAYABLE--Continued

As required by the 2005 Bonds, the University entered into irrevocable, direct pay letter of credit with Bank of America, N.A. for \$41,650,000 plus an amount equal to 35 days' interest on the 2005 Bonds in the event the University is unable to repay the 2005 Bonds. This letter of credit was originally scheduled to expire September 15, 2009 but has been extended to December 31, 2010 for the outstanding aggregate amount of \$38,686,000. The extended letter of credit requires a 3.5% annual fee, prorated and payable monthly in advance. The 2005 Bonds also require an annual payment of 1/50th of 1% of the declining principal amount to the Trust.

The University has entered into interest rate swap agreements related to the 2005 Bonds.

- B) In August 2006, the University entered into an agreement with the Oklahoma City Industrial and Cultural Facilities Trust (the "Trust") to issue the 2006 Bonds, which are secured by a pledge of revenues and other income of the University and specifically revenues from student housing that was completed in August 2007. The 2006 Bonds are comprised of a term bond with annual sinking fund requirements through September 15, 2036. The 2006 Bonds mature in varying annual amounts ranging from \$415,000 in 2010 to \$1,415,000 in 2036. The interest rates on the 2006 Bonds are 67% of one-month LIBOR provided that the interest rates may not exceed the lesser of 12% per annum or the maximum rate allowed by law.

The 2006 Bonds were issued for the purpose of providing the funds necessary to (a) finance the construction and equipping of new student housing consisting of 190 units, for a total of 369 student beds and (b) pay the related costs of issuance of the 2006 Bonds.

As required by the 2006 Bonds, the University entered into irrevocable, direct pay letter of credit with Bank of America, N.A. for \$22,870,000 plus an amount equal to 35 days' interest on the 2006 Bonds in the event the University is unable to repay the 2006 Bonds. This letter of credit was originally scheduled to expire September 15, 2009 but has been extended to December 31, 2010 for the outstanding aggregate amount of \$21,736,000. The extended letter of credit requires a 3.5% annual fee, prorated and payable monthly in advance. The 2006 Bonds also require an annual payment of 1/50th of 1% of the declining principal amount to the Trust.

Although the University does not believe it is likely, in the event the University is unable to negotiate replacements of the direct pay letters of credit with Bank of America N.A. and/or redeem the 2005 and 2006 Bonds as described in the last paragraph of Note G, the 2005 and 2006 Bonds would be considered to be in default and Bank of America, N.A. would hold the bonds.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE G--BONDS PAYABLE--Continued

At June 30, 2010 annual maturities of principal of the 2005 and 2006 Bonds are as follows:

<u>Fiscal Year</u>	<u>Amount Due</u>
2011	\$ 1,450,000
2012	1,530,000
2013	1,615,000
2014	1,705,000
2015	1,795,000
Thereafter	<u>51,630,000</u>
	<u>\$ 59,725,000</u>

The University believes the fair value of bonds payable is not materially different from their carrying value. The fair value of the 2005 and 2006 Bonds approximates the book value due to the variable interest rate of the bonds.

At June 30, the estimated fair value of the University's indebtedness is summarized as follows:

	<u>Fair Value</u>	
	<u>2010</u>	<u>2009</u>
2005 Series (variable rate bonds)	\$ 38,240,000	\$ 39,055,000
2006 Series (variable rate bonds)	<u>21,485,000</u>	<u>21,880,000</u>
	<u>\$ 59,725,000</u>	<u>\$ 60,935,000</u>

In August 2010, the University and JP Morgan Chase Bank, N.A. ("Chase") entered into a credit facilities commitment ("Term Sheet") to provide credit to the University in an amount sufficient to (a) redeem the 2005 and 2006 Bonds, (b) assume a novation of the interest rate swaps related to the 2005 and 2006 Bonds, and (c) pay costs of issuance on the new credit facility. In conjunction with the Chase commitment level, additional commitments are needed from other banks in the amount of approximately \$39,500,000, which have been secured as of September 30, 2010. Closing is contingent upon execution and delivery of loan documentation and will include such representations, covenants, events of default, conditions precedent and general provisions that Chase deems necessary as determined by Chase and outlined in the Term Sheet. The Term Sheet and commitments expire, absent extension if the transaction is not closed by November 20, 2010. Management has evaluated its progress to date and believes the credit facility will be closed with Chase and the syndicate of financial institutions prior to November 20, 2010.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE H--INTEREST RATE SWAP AGREEMENTS

The University has entered into interest rate swap agreements with a bank in order to convert variable interest rates on bond issues into fixed rates. The University does not enter into these agreements for any purpose other than interest cash flow purposes and does not speculate for investment purposes using these agreements.

In May 2005, the University entered into forward-starting interest rate swap agreements that effectively convert the 2005 Bonds into a fixed rate obligation. Under the terms of the swaps, the University settles with the counterparty on a net basis for the difference between 100% of one-month LIBOR and a fixed rate of 4.75% on the 2005A Bonds and on a net basis for the difference between 67% of one-month LIBOR and a fixed rate of 3.94% on the 2005B Bonds. The swaps expire September 15, 2016 and September 15, 2030 for the 2005A and 2005B Bonds, respectively. At June 30, 2010 and 2009, these interest rate swap agreements had a fair value of approximately \$6,948,000 and \$5,327,000, respectively, to the benefit of the counterparty, which is included in long term debt in the statement of financial position.

In June 2006, the University entered into a forward-starting interest rate swap agreement that effectively converts the 2006 Bonds into a fixed rate obligation. Under the terms of the swap, the University settles with the counterparty on a net basis for the difference between 67% of one-month LIBOR and a fixed rate of 3.87%. The swap expires September 15, 2036. At June 30, 2010 and 2009, this interest rate swap agreement had a fair value of approximately \$4,368,000 and \$3,333,000, respectively, to the benefit of the counterparty, which is included in long term debt in the statements of financial position.

In September 2006, the University entered into a forward-starting interest rate swap agreement that converts a portion of the underlying basis for the 2005 Bonds and 2006 Bonds from one-month LIBOR to five-year LIBOR. Under the terms of the swap, the University settles with the counterparty on a net basis for the difference between 61.25% of five-year LIBOR and 67% of one-month LIBOR. The swap expires September 15, 2036. At June 30, 2010 and 2009 this interest rate swap agreement had a fair value of approximately \$1,123,000 and \$949,000, respectively, to the benefit of the University which is included in long term debt in the statements of financial position.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE I--LEASES

The University leases certain equipment, computers, and automobiles under noncancelable operating leases and is a party to capital lease agreements.

Leased assets under capital leases in property, plant, and equipment at June 30 include the following:

	<u>2010</u>	<u>2009</u>
Assets	\$ 151,756	\$ 151,756
Less accumulated depreciation	<u>(55,523)</u>	<u>(40,347)</u>
	<u>\$ 96,233</u>	<u>\$ 111,409</u>

At June 30, 2010, annual future minimum lease payments under these leases together with the present value of the future net minimum lease payments under the capital lease obligations are as follows:

<u>Year ending June 30:</u>	<u>Capital leases</u>	<u>Operating leases</u>
2011	\$ 28,730	\$ 86,293
2012	-	44,788
2013	-	30,456
2014	-	30,456
2015	-	30,456
Thereafter	<u>-</u>	<u>55,836</u>
Total minimum lease payments	28,730	278,285
Less amount representing interest	<u>(1,351)</u>	
Present value of minimum lease payments	<u>\$ 27,379</u>	

Payments made on operating leases during fiscal years 2010 and 2009 were approximately \$300,000 and \$399,000, respectively.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE J--RESTRICTED NET ASSETS

The University's restricted net assets are as follows at June 30:

	<u>2010</u>	<u>2009</u>
Temporarily restricted:		
Capital projects	\$ 7,720,807	\$ 10,064,915
Scholarships	11,732,914	7,878,504
Other	<u>5,317,690</u>	<u>4,591,779</u>
	<u>\$ 24,771,411</u>	<u>\$ 22,535,198</u>
Permanently restricted		
Scholarships	\$ 48,181,555	\$ 45,946,595
Other	<u>22,548,715</u>	<u>20,283,559</u>
	<u>\$ 70,730,270</u>	<u>\$ 66,230,154</u>

Net assets were released by satisfying the purpose restriction or by passage of time.

Subsequent to June 30, 2010, certain donors of the University agreed to modify the restrictions associated with contributions made in 2010 and prior years. The modifications of restrictions will allow certain endowment funds to be used to satisfy the payment of principal and interest on the Chase Term Sheet debt described in Note G, if determined necessary and approved by the Board of Trustees. As of October 8, 2010, approximately \$12.8 million of endowment funds have been modified as described. For the year ending June 30, 2011, the University will reclassify these amounts from permanently restricted net assets to temporarily restricted net assets.

NOTE K--RETIREMENT PLAN

The University, through the Teachers Insurance Annuity Association ("TIAA") and the College Retirement Equity Fund ("CREF"), provides an individual retirement plan for academic and nonacademic personnel. The University's policy is to contribute a percentage of the employee's base salary based on the contribution level made by the employee. The University may cease matching contributions at its discretion. For the year ended June 30, 2010, the University contributed as follows for the months of July and August 2009:

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE K--RETIREMENT PLAN--Continued

<u>Employee contribution</u>	<u>University matches</u>
<5%	At same rate
5-5.99%	6.50%
6-6.99%	7.50%
7-7.49%	8.50%
7.5% or more	9.00%

Starting September 2009, the University suspended matching contributions through August 2010 at which point the University's matching was reinstated to exactly match employee contributions up to 5%.

The employer may contribute additional amounts within limits established by the Internal Revenue Service. The benefits payable by TIAA and CREF to a participant are dependent upon the sum of the contributions made by the participant and the University on their behalf and the earnings pertaining thereto. The University provides no guaranteed retirement benefits; therefore, the Plan is a defined contribution plan. The University contributed approximately \$310,000 in 2010 and approximately \$1,979,000 in 2009.

During 2010, the University offered a one-year pilot program for a retiree healthcare savings plan (the "Retiree Healthcare Plan"). To participate in the Retiree Healthcare Plan, an individual must be (a) a tenured faculty member (b) at least 66 years of age by October 1, 2009 with a minimum of ten years of service to the University and (c) voluntarily retire from the University on May 14, 2010. For qualifying individuals participating in the Retiree Healthcare Plan, the University will provide an annual benefit of \$11,000 for a six-year period. As of June 30, 2010, the University has accrued \$264,000 in connection with the Retiree Healthcare Plan.

NOTE L--FEDERAL FINANCIAL AWARDS

The United States Government awards the University various monies restricted for student financial aid. The monies are awarded through three federal programs: Federal Pell Grant ("Pell"), Federal Supplemental Educational Opportunity Grant ("SEOG"), and Federal Work Study ("FWS"). The University considers this financial aid as an integral part of its educational and general activities.

Pell and SEOG provide eligible students a foundation of financial aid to assist with defraying the costs of post-secondary education. The FWS program provides part-time employment to students who need the earnings to help meet their post-secondary education costs. The program is also intended to broaden the range of worthwhile job opportunities to qualified students.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE M--STUDENT FINANCIAL AID--OFF-BALANCE SHEET RISK

The University conducts certain programs pursuant to grants and contracts funded, and subject to audit, by various federal and state agencies. Amounts questioned as a result of audits, if any, may result in refunds to these governmental agencies.

The University participates in the Federal Family Education Loan Program (the "Program"), which includes the Federal Stafford Loan Program, and Federal Parents Loans for Undergraduate Students. Program loans are made by various lenders to students attending the University. Such transactions are not recorded in the financial statements of the University. The University performs certain administrative functions under the Program, which if not performed timely, could result in a liability to the University.

NOTE N--COMMITMENTS AND CONTINGENCIES

(a) Litigation

The University is involved in various claims and lawsuits arising in the normal course of business but does not believe that the outcome of any of these matters will have a material adverse effect on the University's financial position. The University has included appropriate contingencies in the financial statements for such lawsuits.

(b) Self-Insurance

The University offers a health and dental plan (the "Plan") for employees who wish to participate. The Plan is sponsored by the Board of Higher Education and Ministry of the United Methodist Church ("BHEM") and is facilitated and administered by the Education & Institutional Insurance Administrators, Inc. ("EIIA"). The University collects premiums from participating employees and remits, along with University contributions, to EIIA on a monthly basis. EIIA is responsible for all aspects of administration including enrollment changes, issuing eligibility cards, claims payment, and claims reporting. The University maintains control over the Plan design, including changes to the Plan. EIIA coordinates the purchase of specific stop loss coverage and, in conjunction with other nonrelated members in the BHEM trust, facilitates an intermember sharing fund, whereby claims above a certain amount but below the stop-loss limit are shared by all participating members.

In 2010 and 2009, the University expensed approximately \$2,284,000 and \$2,366,000, respectively, related to the Plan. The University has recorded a provision for incurred but not reported claims, which at June 30, 2010 and 2009, amounted to approximately \$375,000. The University has recorded an asset related to the funds on deposit with EIIA to service claims and expenses, which at June 30, 2010 and 2009, amounted to approximately \$357,000 and \$530,000, respectively.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE O--FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each financial instrument:

Cash and cash equivalents, student receivables, accounts payable and accrued liabilities, and notes payable - the carrying amounts approximate fair value due to their short maturity.

Contributions receivables - the fair value is determined by discounting the future cash flows of each instrument at a rate of 5% for both 2010 and 2009. Additionally, the University provides an allowance for contributions that are considered to be uncollectible. The carrying amount of contributions receivable approximates fair value.

Student notes receivable - it is not practicable to estimate the fair value of these receivables since they contain federally mandated interest rates and repayment terms subject to significant restrictions as to their transfer and disposition.

Investments in securities and charitable remainder annuity trusts - the fair values of publicly traded securities and mutual funds are based on quoted market prices in active markets. Fair value of investments in pooled investment funds, certificates of deposit, government agency bonds and other similar investments are estimated by the quoted market prices in non-active markets or determined by the fund manager, as applicable. Fair value of other investments, including hedge fund investments, are estimated based on current market conditions and other factors deemed relevant to the valuation as provided by the investment manager. Investments in securities and charitable remainder annuity trusts are carried at fair value in the accompanying financial statements.

Beneficial interest in trusts held by others - the fair values are based on the fair value of the investment assets held by the other entities as reported to the University. Beneficial interest in trusts held by others is carried at fair value in the accompanying financial statements.

Annuities payable - the fair value is determined by discounting the future cash flows of each annuity at a rate of 6% for both 2010 and 2009. The carrying amount of annuities payable approximates fair value.

Capital lease obligations - the fair value is determined by discounting the future cash flows of each obligation at rates that could currently be negotiated by the University for similar leases. The carrying amount of capital lease obligations approximates fair value.

Bonds payable - the fair value of bond issuances is based on book value as the bonds contain variable interest rates, which are consistent with terms the University could expect to receive in the current bond market. See Note G for summarization of fair values by obligation.

Interest rate swap agreements - the fair value is determined by the counterparty financial institution using current market pricing models. Interest rate swap agreements are carried at fair value in the accompanying financial statements as a component of long-term debt.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE O--FAIR VALUE OF FINANCIAL INSTRUMENTS--Continued

Assets and liabilities measured at fair value on a recurring basis are classified within the fair value hierarchy as of June 30, 2010 and 2009 are as follows:

	June 30, 2010			
	Level 1	Level 2	Level 3	Total
Investments in securities:				
Cash	\$1,756,397	\$ -	\$ -	\$ 1,756,397
Fixed income:				
Investment grade corporate bonds - Goldman Sachs	-	5,215,764	-	5,215,764
Investment grade governmental bonds - Goldman Sachs	-	2,050,688	-	2,050,688
Local emerging markets debt fund - Goldman Sachs	594,348	-	-	594,348
Public equity:				
Capital growth funds - Goldman Sachs	1,410,956	-	-	1,410,956
Capital value funds - Goldman Sachs	1,370,300	-	-	1,370,300
Large capital value funds - Goldman Sachs	2,147,892	-	-	2,147,892
Dynamic equity pooled funds - Goldman Sachs	-	5,280,359	-	5,280,359
Non U.S. equity:				
Non-U.S. equity pooled funds - Goldman Sachs	-	5,778,515	-	5,778,515
Alternative investments:				
Commodity opportunities hedge fund - Goldman Sachs	-	-	857,023	857,023
Hedge fund opportunities hedge fund - Goldman Sachs	-	-	2,577,683	2,577,683
Early secondaries private equity fund - Goldman Sachs	-	-	72,630	72,630
Corporate credit investment fund - Goldman Sachs	-	-	552,009	552,009
Assets held in pooled funds - OCCF	-	-	252,000	252,000
Assets held in pooled funds - OUMF	-	-	10,408,048	10,408,048
Cash surrender value of life insurance	-	447,423	-	447,423
Minerals and other	-	-	1,349,149	1,349,149
Total investments in securities	<u>7,279,893</u>	<u>18,772,749</u>	<u>16,068,542</u>	<u>42,121,184</u>
Beneficial interest in assets held by others:				
Assets held and managed by JP Morgan	-	-	134,545	134,545
Assets held and managed by OUMF	-	-	24,341,080	24,341,080
Assets held and managed by Trust Company of Oklahoma	-	-	480,132	480,132
Total beneficial interest in assets held by others	-	-	24,955,757	24,955,757
Investments in charitable remainder annuity trusts	-	-	3,593,489	3,593,489
Real estate	-	-	644,617	644,617
Total assets carried at fair value	<u>\$7,279,893</u>	<u>\$18,772,749</u>	<u>\$45,262,405</u>	<u>\$71,315,047</u>
Interest rate swap agreement liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,193,075</u>	<u>\$10,193,075</u>

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE O--FAIR VALUE OF FINANCIAL INSTRUMENTS--Continued

	June 30, 2009			
	Level 1	Level 2	Level 3	Total
Investments in securities:				
Cash	\$ 12,446,478	\$ -	\$ -	\$ 12,446,478
Fixed income:				
Investment grade corporate bonds - Goldman Sachs	-	2,916,486	-	2,916,486
Investment grade governmental bonds - Goldman Sachs	-	1,612,808	-	1,612,808
Local emerging markets debt fund - Goldman Sachs	-	-	-	-
Public equity:				
Capital growth funds - Goldman Sachs	1,202,942	-	-	1,202,942
Capital value funds - Goldman Sachs	1,221,487	-	-	1,221,487
Large capital value funds - Goldman Sachs	1,949,475	-	-	1,949,475
Dynamic equity pooled funds - Goldman Sachs	-	2,273,381	-	2,273,381
Non U.S. equity:				
Non-U.S. equity pooled funds - Goldman Sachs	-	1,811,478	-	1,811,478
Alternative investments:				
Commodity opportunities hedge fund - Goldman Sachs	-	-	837,062	837,062
Hedge fund opportunities hedge fund - Goldman Sachs	-	-	2,397,233	2,397,233
Assets held in pooled funds - OCCF	-	-	252,000	252,000
Assets held in pooled funds - OUMF	-	-	9,534,859	9,534,859
Cash surrender value of life insurance	-	465,544	-	465,544
Minerals and other	-	-	60,822	60,822
Total investments in securities	16,820,382	9,079,697	13,081,976	38,982,055
Beneficial interest in assets held by others:				
Assets held and managed by JP Morgan	-	-	131,538	131,538
Assets held and managed by OUMF	-	-	23,793,914	23,793,914
Assets held and managed by Trust Company of Oklahoma	-	-	448,935	448,935
Total beneficial interest in assets held by others	-	-	24,374,387	24,374,387
Investments in charitable remainder annuity trusts	-	-	3,838,865	3,838,865
Real estate	-	-	644,617	644,617
Total assets carried at fair value	<u>\$ 16,820,382</u>	<u>\$ 9,079,697</u>	<u>\$ 41,939,845</u>	<u>\$ 67,839,924</u>
Interest rate swap agreement liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,711,042</u>	<u>\$ 7,711,042</u>

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE O--FAIR VALUE OF FINANCIAL INSTRUMENTS--Continued

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

Investments in securities and investments held in charitable remainder annuity trusts: When quoted prices are available in an active market, securities are classified within Level 1 of the hierarchy. Investments classified as Level 1 include cash and cash equivalents, common stocks, and mutual funds. Other investments, such as pooled investment funds measured at net asset value, which the University may redeem at net asset value, government and corporate bonds and bank certificates of deposit are classified within Level 2 of the hierarchy due to their proprietary nature. Securities classified as Level 2 are independently valued by the fund manager. Limited partnership interests, hedge funds, closely held stocks, cash surrender values and other alternative investments are classified within Level 3 of the hierarchy.

Real estate: Due to the significant unobservable inputs required to estimate the expected future cash receipts from the real estate, all of the University's real estate held as investment is classified as Level 3 in the hierarchy.

Beneficial interest in trusts held by others: Beneficial interests in trusts held by others are primarily pooled investment funds held and managed by OUMF, which the University does not have the ability to redeem. The balances held and invested by OUMF are reported based on an allocation of pooled investment balances at OUMF. Based on the methodology of determining fair value of beneficial interest in assets held by others and (or) the non-redeemable nature of the assets, they are categorized as Level 3 within the hierarchy.

Interest rate swap agreements: Interest rate swap agreements are valued by the counterparty using proprietary valuation methods. As a result, these agreements are classified as Level 3.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE O--FAIR VALUE OF FINANCIAL INSTRUMENTS--Continued

The University's investments in certain entities that calculate net asset value per share which are measured at fair value include the following:

Investments in securities: Investments in securities that calculate net asset value per share (or its equivalent, such as membership units) total \$25,778,267 and \$17,106,013 at June 30, 2010 and 2009, respectively. These investments consist of various domestic and international equity and bond funds, and alternative investments. The University invests in these assets to achieve endowment returns consistent with the adopted investment policies. Investments in these funds include U.S. equities, non-U.S. equities, corporate and governmental bonds, commodities, secondary investments, and other investment vehicles. Investments in this category can be redeemed immediately at the current net asset value per share or its equivalent.

Investments held in charitable remainder annuity trusts: Investments held in charitable remainder annuity trusts that calculate net asset value per share total \$2,350,500 and \$2,429,497 at June 30, 2010 and 2009, respectively. These investments consist of various domestic and international mutual funds and money market funds. The University invests in these assets to achieve returns consistent with annuity payment requirements of each trust. As these investments are held in a trust for the benefit of the University, the University is unable to redeem these balances at current net asset value.

Beneficial interest in trust held by others: Beneficial interest in trust held by others that calculate net asset value per share total \$19,917,639 and \$13,479,987 at June 30, 2010 and 2009, respectively. These investments consist of various domestic and international equity and bond funds, alternative investments, and money market funds. These investments are directed by OUMF and others and are designed to achieve endowment returns consistent with their adopted investment policies. Investments in this category cannot be redeemed at the current net asset value per share as the University is only the beneficiary of investment earnings.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE O--FAIR VALUE OF FINANCIAL INSTRUMENTS--Continued

The following table summarizes the changes in the fair value of the University's Level 3 financial assets and liabilities for the periods ending June 30, 2010 and 2009:

	Investments in securities	Investments held in CRATs	Beneficial interest in trusts held by others	Interest rate swap agreements	Total
Balance at July 1, 2008	\$ 10,404,421	\$ 5,195,763	\$ 27,215,180	\$ (4,421,022)	\$ 38,394,342
Investment income, net	(2,572,445)	(741,102)	(456,768)	-	(3,770,315)
Change in the value of interest rate swap agreement	-	-	-	(3,290,020)	(3,290,020)
Distributions from trusts held by others	-	-	(2,663,925)	-	(2,663,925)
Sales of investments	-	(615,796)	-	-	(615,796)
Gifts by others	-	-	279,900	-	279,900
Purchases	5,250,000	-	-	-	5,250,000
Balance at June 30, 2009	13,081,976	3,838,865	24,374,387	(7,711,042)	33,584,186
Investment income, net	2,401,916	368,400	1,395,382	-	4,165,698
Change in the value of interest rate swap agreement	-	-	-	(2,482,033)	(2,482,033)
Distributions from trusts held by others	-	-	(1,291,522)	-	(1,291,522)
Sales of investments	-	(613,776)	-	-	(613,776)
Gifts by others	8,500	-	477,510	-	486,010
Purchases	576,150	-	-	-	576,150
Balance at June 30, 2010	<u>\$ 16,068,542</u>	<u>\$ 3,593,489</u>	<u>\$ 24,955,757</u>	<u>\$ (10,193,075)</u>	<u>\$ 34,424,713</u>

There was no activity in the University's real estate investments of \$644,617 in 2010 or 2009 and as a result, it has been excluded from the above schedule.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE P--ENDOWMENT DISCLOSURES

The University's endowments consist of individual donor-restricted funds which are managed and controlled by the University. The University also has endowment funds which are held and managed by OUMF and others (see Note D). As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. All of the endowment funds held by the University are managed and controlled by the University in accordance with the following policies, except for the funds managed by OUMF which are subject to OUMF's interpretation of the law, investment policies, and spending policies.

Interpretation of Relevant Law

The Board of Trustees of the University has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the organization 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 organization; and
- (7) The investment policies of the University.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE P--ENDOWMENT DISCLOSURES--Continued

Endowment net asset composition by type of fund as of June 30, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (11,964,240)	\$ 5,878,606	\$ 66,783,586	\$ 60,697,952
Board-designated endowment funds	<u>262,534</u>	<u>-</u>	<u>-</u>	<u>262,534</u>
Total endowment funds	<u>\$ (11,701,706)</u>	<u>\$ 5,878,606</u>	<u>\$ 66,783,586</u>	<u>\$ 60,960,486</u>

Change in endowment net assets for the year ended June 30, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (14,514,318)	\$ 5,937,488	\$ 63,323,652	\$ 54,746,822
Investment income, net	4,853,752	1,132,646	60,012	6,046,410
Contributions	-	-	3,399,922	3,399,922
Appropriation of endowment assets for expenditure	<u>(2,041,140)</u>	<u>(1,191,528)</u>	<u>-</u>	<u>(3,232,668)</u>
Endowment net assets, end of year	<u>\$ (11,701,706)</u>	<u>\$ 5,878,606</u>	<u>\$ 66,783,586</u>	<u>\$ 60,960,486</u>

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE P--ENDOWMENT DISCLOSURES--Continued

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (14,660,264)	\$ 5,937,488	\$ 63,323,652	\$ 54,600,876
Board-designated endowment funds	<u>145,946</u>	<u>-</u>	<u>-</u>	<u>145,946</u>
Total endowment funds	<u>\$ (14,514,318)</u>	<u>\$ 5,937,488</u>	<u>\$ 63,323,652</u>	<u>\$ 54,746,822</u>

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (925,443)	\$ 7,408,108	\$ 58,972,631	\$ 65,455,296
Investment income, net	(11,397,322)	1,193,305	253,699	(9,950,318)
Contributions	-	-	4,097,322	4,097,322
Appropriation of endowment assets for expenditure	<u>(2,191,553)</u>	<u>(2,663,925)</u>	<u>-</u>	<u>(4,855,478)</u>
Endowment net assets, end of year	<u>\$ (14,514,318)</u>	<u>\$ 5,937,488</u>	<u>\$ 63,323,652</u>	<u>\$ 54,746,822</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the University to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$11,964,240 and \$14,660,264 at June 30, 2010 and 2009, respectively. As of June 30, 2010 and 2009, respectively, \$10,347,799 and \$12,801,498 of the deficiencies are related to the endowment funds managed by the University. These deficiencies resulted from unfavorable market fluctuations. As a result, appropriations were limited to appropriations that were deemed prudent and necessary for the programs of the University.

NOTES TO FINANCIAL STATEMENTS--Continued

OKLAHOMA CITY UNIVERSITY

June 30, 2010

NOTE P--ENDOWMENT DISCLOSURES--Continued

Return Objectives and Risk Parameters

For endowment assets the University manages, the University has adopted investment and spending policies for these 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 University must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested for the dual purpose of maximizing total return and meeting income needs while managing the level of risk associated with these objectives by effectively diversifying the investments among different asset classes and securities. The asset allocation policies reflect and are consistent with the investment objectives and risk tolerances expressed through the investment policy. These policies, developed after examining the historical relationships of risk and return among asset classes, are designed to provide the highest probability of meeting or exceeding the return objectives at the lowest level of risk. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation that places a greater emphasis on equity-based investments (target 60%) and alternative investments (target 20%) than fixed income investments (target 20%) to achieve its long-term return objectives within prudent risk constraints.

Investments managed by OUMF are subject to their investment strategies.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The University has a policy of appropriating for distribution each year amounts up to, but not to exceed actual investment performance for that year. Since the University has a policy of designating unrestricted funds each year for investment, it feels that this policy protects the purchasing power of the endowment. In light of current market fluctuations and the future needs of the University, it evaluates the spending policy annually to ensure that it remains in accordance with the long-term objectives of the University.

Investments managed by OUMF are subject to their spending policies.

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Permanently Restricted Net Assets
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Permanently Restricted Net Assets, collected corpus			
balances not including contributions receivable			
Emery D. Aikens Scholarship	\$ 25,000	\$ -	\$ 25,000
American Association of University Women	15,283	-	15,283
Palmer C. Abercrombie Scholarship	44,077	-	44,077
Reverend Dr. & Mrs. John R. Abernathy	173,138	-	173,138
Robert Adair	24,653	-	24,653
African/American Scholarship	2,910	120	3,030
J. Bart Aldridge	25,407	-	25,407
Alumni Legacy Scholarship	60,057	6,793	66,850
Alumni Operations	64,441	7,038	71,479
American Floral Services - Endowed Chair in Marketing	500,000	(177,342)	322,658
American Indian Alumni Scholarship	1,350	-	1,350
American Spirit Dance Co. Scholarship	103,203	250	103,453
John Amick Law Scholarship	1,027	-	1,027
Homer Anderson Scholarship	7,000	2,300	9,300
C. R. Anthony	260,839	-	260,839
Glen C. Archer	3,000	-	3,000
William E. Archer	50,000	-	50,000
James N. Atkins Memorial Book Fund	11,155	2,600	13,755
Josephine E. Atkins Endowed Music Scholarship	25,000	-	25,000
Nova M. Atkins Endowed Religion Scholarship	25,000	-	25,000
R. T. Ayers Family	37,650	-	37,650
William S. & Romaine Bailey - Scholarship	2,500	-	2,500
William S. & Romaine Bailey - Library	141,037	-	141,037
Brian and Julie Bakeman Endowed Schlp	1,000	3,000	4,000
Irminda E. and Sophia L. Banning Scholarship	385,768	-	385,768
Barnett - Widener Scholarship	10,000	-	10,000
H. M. Barnett - Scholarship	53,893	-	53,893
H. M. Barnett - Mission	64,420	239	64,659
Wanda L. Bass Chair of Music Education	500,000	-	500,000
Wanda L. Bass Chair of Organ	500,000	-	500,000
Wanda L. Bass Music Center Endowment	838,930	-	838,930
Wanda L. Bass Piano Maintenance Endowment	458,611	-	458,611
William J. Bassett	3,962	-	3,962
Bruce L. & Marjorie M. Bates Scholarship Fund	30,624	100	30,724
Peg Leg Bates Scholarship	29,115	-	29,115
Jean Frances Beatty Music Schlp	161,028	8,368	169,396
Jean Frances Beatty Religion Schlp	161,001	8,366	169,367
Bell Endowed Professorship	125,000	-	125,000
William H. Bell Memorial Scholarship	200	-	200
Webster Lance Benham Memorial Professorship	170,200	8,079	178,279
Bettis Endowed Scholarship	237,654	-	237,654
Bicentennial Scholarship Fund	7,397	-	7,397
Fred A. Biehler Endowment for Fine Arts	3,951	137	4,088
Bill McKinley	152,000	-	152,000

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Permanently Restricted Net Assets--Continued
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Birdwell Endowed Chair	113,184	3,901	117,085
Birdwell Vocal Scholarship	93,967	1,377	95,344
A. & M. Bizzell Endowment	9,744	18	9,762
Frank Blackwood Religion Leadership Scholarship	44,500	-	44,500
Dr. Fisher Blanton Memorial Scholarship	42,230	1,000	43,230
James H. and Norma R. Blossom Scholarship Fund	135,000	-	135,000
Dr. J. Blue Endowed Scholarships	-	100,962	100,962
Kathleen Tucker Bone Endowed Scholarship	27,597	3,307	30,904
Fred & Opal Boston Religion Leadership Scholarship	30,000	-	30,000
Clyde & Evelyn Bowen	6,505	-	6,505
Edna H. Bowman Scholarships	25,071	-	25,071
Jeanne R. Bowman Memorial Scholarship	16,200	50	16,250
Jean Boyle	9,921	-	9,921
Esther Brindley Endowed Scholarship	27,090	-	27,090
Alan B. Brooking	47,500	-	47,500
Jane Atwood Brown Memorial Scholarship	102,763	-	102,763
Ruth J. Brooks Scholarship in Fine Arts	50,000	-	50,000
Alice Brown Scholarship	6,858	-	6,858
Ellen Bryan Scholarship	63,569	-	63,569
Virginia Bryant Religion Scholarship	26,300	250	26,550
Clarence Burg Music Scholarship	27,036	-	27,036
Martha Ann Burger Endowed Scholarship	449,427	-	449,427
C. W. Burr Endowed Scholarship	40,000	41,983	81,983
Naomi McCasland Burton Student Travel Fund	250,000	-	250,000
James Burwell	602,968	-	602,968
Chester Cadieux Endowed Business Scholarship	125,000	50,000	175,000
Campus Beautification Endowment	300,759	17,123	317,882
H. Arthur Carlson Scholarship	25,115	-	25,115
A. R. Carpenter Scholarship	83,843	-	83,843
Edith Carlson Scholarship	26,561	-	26,561
Ann Carlton Endowed Book Fund	2,050	-	2,050
Clay & Eleanor Carrithers Scholarship	4,000	-	4,000
Ray C. Carrol Endowed Scholarship	4,044	142	4,186
Logan Cary	36,730	1,259	37,989
Endowed Chapel Maintenance	250,000	-	250,000
Ruby Chase Scholarship	20,000	-	20,000
Chemistry Endowed Scholarship	9,813	3,483	13,296
Chesapeake Energy Corporation Scholars' Program	50,000	-	50,000
Chinese Scholarship	2,940	-	2,940
Flora & B. C. Clark Memorial Scholarship	12,837	-	12,837
B. C. Clark, Jr. Chair in MSB	-	1,000,300	1,000,300
Roy Clark Scholarship	47,828	-	47,828
The Clint Foundation Scholarship Endowment	81,281	708	81,989
Coca-Cola Endowed Entrepreneurial Speakers Fund	50,000	-	50,000
Coffey Endowed Scholarship	11,848	-	11,848
Dr. William Coffia Memorial Scholarship	850	-	850
Coffia Student Senate Memorial Award	2,700	-	2,700

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Permanently Restricted Net Assets--Continued
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Commercial Banking in Law Scholarship	40,000	-	40,000
Maybelle Conger Scholarship	3,780	-	3,780
Jack T. Conn Endowed Chair in Banking	282,432	-	282,432
Rev. J. Cecil Coover Scholarship	56,754	-	56,754
E. Coyle Life Endowment	5,422	305	5,727
Council for Excellence	54,302	-	54,302
Cowden-Epperson Scholarship	20,073	20,059	40,132
Ann Covalt Business Scholarship	9,614	693	10,307
Nuell Crain Scholarship	33,315	-	33,315
Pearl E. Crain Scholarship	20,000	-	20,000
Hazel & Russ Crooch Scholarship	43,581	-	43,581
Crowe & Dunlevy Endowed Scholarship	8,000	-	8,000
Bessie B. Cunningham Scholarship	16,815	-	16,815
Daugherty Law Scholarship	100,000	-	100,000
Marianna Davenport Scholarship	30,127	150	30,277
Herbert E. Davis Music Endowment	82,446	-	82,446
Melvin Decker Endowed Memorial Fund	250	1,000	1,250
Robert & Betty Dennis	9,370	17	9,387
Devon Energy Clara Luper Endowed Scholarship Fund	500,050	100,000	600,050
Distinguished Speaker Series Endowment	31,361	2,678	34,039
Lulu S. Doenges Scholarship	35,346	250	35,596
William Doenges Scholarship	39,374	324	39,698
J. C. Dougherty	9,000	-	9,000
Marge Downing Endowed Law Scholarship	34,582	500	35,082
Dulaney - Browne Library Endowment	14,339	8,675	23,014
B. D. Eddie Scholarship	44,960	-	44,960
K. D. Eddie Memorial Scholarship	3,122	-	3,122
James & Violet Egan Memorial Scholarship	105,705	-	105,705
8000 for OCU	43,573	-	43,573
Don & Suzanne Emler Endowed Scholarship	14,365	1,000	15,365
Emrick Endowment	15,000	-	15,000
Alice & Walter Epler Scholarship	5,000	-	5,000
Educational Athletic Scholarship Trust	85,333	-	85,333
F. Lahr & Blanche Einsel Scholarship	72,140	125	72,265
Broneta Evans Religion Scholarship	142,576	-	142,576
Harvey P. Everest Scholarship	19,688	-	19,688
Fair - Folmer Memorial Scholarship	477,138	-	477,138
Esther Wessel Farmer Piano Scholarship	15,885	-	15,885
Elliott C. Fenton Scholarship	3,000	18,000	21,000
Sylvanus Felix Endowment	274,080	9,793	283,873
Lee C. Findlay Scholarship	97,074	-	97,074
Myrtle S. Forsythe Music Scholarship	2,748	-	2,748
Ted Foster, Sr. Law Scholarship	21,349	-	21,349
Dr. Henry James Freede Professorship	1,000,000	-	1,000,000
Loretta T. Freeland Endowed Scholarship	54,275	-	54,275
Friedman - Lerblanc Law School Scholarship	55,100	-	55,100
Bishop and Mrs. Paul Galloway Scholarship	2,000	-	2,000

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Permanently Restricted Net Assets--Continued
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Gamble-Buchanan Endowed Scholarships	750,000	-	750,000
Gardner Endowed Scholarship	99,030	-	99,030
J. M. & Barbara Garrett Leadership Scholarship	69,799	-	69,799
Grace & Alma Garten Endowed Scholarship Fund	15,000	-	15,000
Melba Gaudin Law Library Scholarship	10,000	-	10,000
Marjorie Germany Scholarship	6,794	-	6,794
Joyce & Gordon Goering Scholarship	41,500	-	41,500
Golsen Family Endowed Business Scholarship Fund	208,761	1,466	210,227
Elizabeth Southall Clarke Gordon Endowment	30,813	102	30,915
Dorothy Graham Endowment	18,054	134	18,188
William Grana Scholarship	4,500	-	4,500
James A. Graves Endowed Scholarship	10,000	-	10,000
David & Barbara Green Scholarship	115,000	-	115,000
William D. Greenshields Religion Leadership Scholarship	30,016	-	30,016
Mo & Jacque Grotjohn Endowed Business Scholarship	25,000	250	25,250
Mary Jean Hackler Scholarship	12,348	658	13,006
Brooke Haley Memorial Endowed Scholarship	123,260	200	123,460
J. E. Hall Scholarship	12,837	-	12,837
Richard E Hall Endowed Schlp	-	1,962	1,962
Treva Reuszer Hancock Drama Scholarship	11,200	1,000	12,200
Paul Hansen Hearing Impaired Scholarship	23,861	1,100	24,961
Paul Hansen Memorial Athletic Scholarship	42,671	1,000	43,671
V. V. Harris Chair in Christian Education	255,863	-	255,863
Brian Harvey Soccer Scholarship	20,850	-	20,850
Hatley Endowed Fund	30,438	-	30,438
Dennis Hawkins Memorial Scholarship	-	300	300
William R. Hearst Scholarship	200,000	-	200,000
T. K. Hendrick	291,600	-	291,600
Lloyd Henry Law Scholarship	269,053	-	269,053
Hervey Memorial Law Scholarship	29,106	-	29,106
Dan Hogan Scholarship	1,000	-	1,000
Holland Family Endowment	20,100	-	20,100
Homeland Endowed Scholarship	60,000	-	60,000
Honda Native American Scholarship	150,000	-	150,000
W. Feagin Hood Endowed Scholarship	5,000	-	5,000
Hoopes Scholarship	6,404	-	6,404
Ann Hundley Hoover Endowed Chair	517,075	111,275	628,350
Frank Horton Scholarship	107,088	-	107,088
Dr. Arne V. & Louise Hunninen Scholarship	12,386	111	12,497
Bill Hutton Scholarship	335,343	(17,029)	318,314
Hyde Memorial Scholarship	25,993	-	25,993
Homer Hyde Memorial Scholarship	12,180	-	12,180
Wayne Johnson Memorial Scholarship	8,632	-	8,632
Claire Jones Endowment	12,715	250	12,965
Dr. Clara E. Jones Scholarship	25,965	45	26,010
George C. Jones, Jr. Scholarship	244,133	-	244,133
Paul Jones Religious Endowed Scholarship	50,000	-	50,000

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Permanently Restricted Net Assets--Continued
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Paul Jones Native American Scholarship	32,000	-	32,000
S. Jones Life Endowment	29,156	1,691	30,847
T. Hurley Jordan Law Prize	23,150	-	23,150
Rita Louise Kacey PLUS Award Fund	10,278	52	10,330
Nancy Kenderdine Law Scholarship	10,461	343	10,804
Kerr Law Matching	564,706	-	564,706
Kerr Challenge II	56,518	2,013	58,531
Kerr Constitutional Law Chair	429,241	15,449	444,690
Kerr McGee Endowed Business Scholarship	225,000	75,000	300,000
Kramer Ministerial Scholarship	4,665	117	4,782
Kramer Scholarship	15,805	500	16,305
Jim D. Kutch Life Endowment Law Scholarship	10,701	853	11,554
B. D. Lack	17,998	-	17,998
Ann Lacy & James Alexander Scholarship	-	3,025	3,025
Lambda Chi Alpha Endowed Scholarship	6,399	1,697	8,096
Sally Jo Langston Life Endowment	4,081	192	4,273
Larason Endowed Scholarship	20,000	-	20,000
Law Dean's Position	30,558	-	30,558
Law Building Endowment	89,218	-	89,218
Law Scholars Endowment	101,000	-	101,000
Law School - Energy Chair	650	-	650
Law Seize the Moment Endowed Scholarships	431,834	26,740	458,574
William Leebron Memorial Business Scholarship	11,400	-	11,400
Leichter - Music Endowed Scholarship	200,000	-	200,000
Leichter Life Endowment	57,126	(13,759)	43,367
Martha Jean Lemon Lectureship	-	200,000	200,000
Martha Jean Lemon Scholarship	-	300,000	300,000
Abe Lemons Athletic Scholarship	52,731	-	52,731
Alspaugh Music Scholarship	102,600	-	102,600
Blanche & Lloyd Long Scholarship	30,899	-	30,899
Charles B. Love Memorial Scholarship	37,289	1,000	38,289
Loewenstein Music Scholarship	42,494	-	42,494
Clara Luper Endowed Scholarship	43,083	1,593	44,676
Lydia Lukenbaugh Scholarship	46,360	-	46,360
Margaret & Fred Lynch Scholarship	67,440	123	67,563
Fred R. & Margaret Lynch Endowed Scholarship	80,000	-	80,000
Phillele and Charles McBreyer Endowed Scholarship in Piano	74,650	1,500	76,150
Tom J. and Brenda McDaniel Endowed Scholarship	75,950	-	75,950
Tom J. and Brenda McDaniel Dance Endowed Scholarship Fund	-	147,919	147,919
Tom J. and Brenda McDaniel Music Endowed Scholarship Fund	9,266	140,813	150,079
Dean McGee	109,326	-	109,326
McGilliard Memorial Scholarship	30	-	30
Flora McKay Scholarship	99,910	-	99,910
Donald W. Macpherson Life Endow. Law Scholarship	8,956	(1,239)	7,717
Maddox Endowed Scholarship	19,792	-	19,792
Martin Mailman Scholarship	25,310	200	25,510

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Permanently Restricted Net Assets--Continued
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Elda A. Manis Scholarship Fund	151,019	1,005	152,024
William D. Maril Memorial Scholarship	4,934	-	4,934
Harold & Edith Maris Nursing Scholarship	12,470	-	12,470
Cordis Martin American Indian Scholarship	1,000	-	1,000
Michael & Eunice Massad Scholarship	23,847	2,500	26,347
Leroy Massengale Scholarship	676	-	676
Elaine Masters Leadership Scholarship	33,870	-	33,870
Mathes Religion Leadership Scholarship	11,225	250	11,475
Ruth Mayer Scholarship	12,715	-	12,715
D. & E. Mayes Scholarship	25,000	-	25,000
Charles E. Mehr Dance Scholarship	321,052	-	321,052
Charles E. Mehr Music Scholarship	160,526	-	160,526
Charles E. Mehr Theatre Scholarship	160,526	-	160,526
Meinders Endowed Scholarship for Business	1,000,000	50,000	1,050,000
Meinders Freede Center	1,000,000	(1,000,000)	-
Meinders School of Business Enrichment	350,000	-	350,000
Meinders AFS - Employee Dependent Scholarship	200,000	-	200,000
Meinders Priddy Trust Challenge Endowment	-	1,000,000	1,000,000
Kathryn Meinders Endowed Schol.	60,569	11,290	71,859
Baker Melone Memorial Law Scholarship	11,483	-	11,483
Nellie Melton Scholarship	33,111	(182)	32,929
Methodist Conference	8,000	-	8,000
Genevieve Middaugh Scholarship	6,436	-	6,436
Bishop Paul Milhouse - Religion Chair	100,005	-	100,005
Bishop Milhouse-Scholarship	34,990	21,937	56,927
Guy & Faye Millard Life Endowment	7,999	483	8,482
Glenn & Mary Millard Scholarship	28,025	77	28,102
Glen Miller Ministry Scholarship	37,732	3,266	40,998
Retta Miller Foreign Studies Scholarship	46,936	2,492	49,428
R. M. Eldridge Miller Art Scholarship	56,705	-	56,705
Miss America Women in Business Scholarship	12,500	-	12,500
Loy & Marian Morris Scholarship Fund	499,424	-	499,424
Nellie Moss Scholarship	4,000	-	4,000
MSB Endowed Scholarship / Brick Campaign	22,906	1,000	23,906
Masters Nursing Education Track Endowed Scholarship Fund	150,248	27,000	177,248
School of Music Endowment	59,058	2,900	61,958
W. T. & Carolyn Music Scholarship	1,000	-	1,000
Musick Life Endowment	4,481	233	4,714
Raymond Naifeh Law Fund Scholarship	30,756	1,118	31,874
William Nashert Scholarship	25,831	-	25,831
Native American Legal Resource Center	205	-	205
Dennis & Susan Neff Scholarship	34,953	-	34,953
Clara Neil Endowed Scholarship	10,100	-	10,100
Billy Nelson Memorial Scholarship	1,950	-	1,950
Gene Nelson Scholarship	42,112	-	42,112
Charles Nesbitt	19,500	-	19,500

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Permanently Restricted Net Assets--Continued
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Gladys Nichols Scholarship	2,500	-	2,500
Minnie M. Seba Estate	31,805	57	31,862
Noble Foundation	520,403	-	520,403
Norick Art Scholarship	1,000,000	-	1,000,000
Families of Henry Norick Endowed Scholarship Fund	750,000	-	750,000
Mr. & Mrs. James Norick	370,994	-	370,994
Norman-Edem Law Professorship	218,191	112,353	330,544
Nursing Dean's Chair	55,407	-	55,407
School of Nursing Scholarship	115,608	367	115,975
David P. Oakerhater Chair	3,955	-	3,955
OCU Film Institute	24,242	100	24,342
OCU Law General Endowment	99,696	13,478	113,174
Oklahoma Gas & Electric - Clara Luper Scholars	300,000	60,000	360,000
John F. Olson	5,607	-	5,607
Roberta Olson Endowed Great Plan Scholarship	44,700	-	44,700
OAMA Endowed Scholarship	10,000	-	10,000
Opera Society Founders	31,250	-	31,250
Beverly Osborne Religious Vocations Scholarship	85,000	-	85,000
Outdoor Laboratory and Environmental Studies Endowment	77,218	51,014	128,232
Dana Owen Scholarship	26,140	1,555	27,695
Daphyn Owen Nursing Endowment	2,311	83	2,394
Ray & Lavelle Owen Scholarship	16,800	-	16,800
Robert Parker	13,000	-	13,000
Mark Parker Life Endowment Music Scholarship	13,277	826	14,103
Gertrude Patton Scholarship	1,000	-	1,000
Horace Patton Scholarship	798	-	798
Jerry W. & Charlette R. Perryman Scholarship Endowment	27,580	1,500	29,080
F. M. Petree Book Fund	607	-	607
Petree College of Arts & Sciences Faculty Scholarship Prize	20,775	157	20,932
Petree Scholarship	1,004,365	-	1,004,365
Mr. & Mrs. F. M. Petree	13,840	-	13,840
Terry Phelps Scholarship Fund	3,361	302	3,663
PLUS Alumni Endowed Scholarship	3,476	1,368	4,844
Warren Prixley	5,600	-	5,600
William M. Carroll Pope Scholarship	10,100	-	10,100
Olen Presley Scholarship	1,000	-	1,000
Winona Presley Scholarship	66,582	225	66,807
BMI/Preston Music	25,000	-	25,000
Robert & Emma Price Scholarship	14,500	2,500	17,000
C. L. & Aran Priddy American Indian Scholarship	22,500	2,000	24,500
Priddy Fine Arts Institute Endowment	892,001	32,524	924,525
Wayne Quinlan Endowed Lectureships	38,100	100	38,200
Mary Ellen & George R. Randall Endowed Great Plan Scholarship	54,482	700	55,182
Great Plan Endowed Scholarship	143,220	87	143,307
R. & J. Reed Endowed Scholarship	22,500	-	22,500
Ellen G. Reid Endowed Scholarship	100,773	-	100,773
Winniefred Reneau	22,937	-	22,937

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Permanently Restricted Net Assets--Continued
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Margaret Replogle - Minister	236,912	-	236,912
Margaret Replogle - Music	217,309	-	217,309
Ed & Loraine Reynolds Nursing Scholarship	163,579	-	163,579
Glen Rhodes Scholarship	2,500	-	2,500
Bill Richardson Art	1,722	58	1,780
Helen Riddle Church Leadership Scholarship	96,110	-	96,110
Francis Riley	64,226	-	64,226
Amy Rinehart Memorial Law Scholarship	2,975	-	2,975
Ritz International Endowed Scholarship	10,000	-	10,000
Vernon Roberts Scholarship	50,000	-	50,000
Esther Robinson English Scholarship	10,000	-	10,000
Neal & Hazel Rock Scholarship	10,000	-	10,000
Rockwood Endowed Scholarship	110,000	-	110,000
Warren Romberger World Christianity Endowed Scholarship Fund	4,275	164	4,439
Rotary Club	17,998	-	17,998
Jo Rowan Endowed Dance Scholarship	27,079	293	27,372
Maryetta Rowe Scholarship	-	200,000	200,000
Ryerson Seminary Scholarship Endowment	67,876	(67,876)	-
Sahmaunt Native American Endowment	8,135	660	8,795
Arthur Salisbury Scholarship	11,903	-	11,903
Royal Sargent Scholarship	20,028	-	20,028
George B. Saunders Scholarship Fund	10,000	-	10,000
Don Schooler	93,584	-	93,584
Alleyne F. Schweinle Scholarship	5,000	-	5,000
A. C. Scott Scholarship	38,656	-	38,656
George & Sara Scott Scholarship	35,000	-	35,000
Hugh and Diane Scott Endowment for Athletics	13,326	21,668	34,994
Seideman Nursing Scholarship	16,232	5,725	21,957
L. E. Shackelford Endowment	1,147	-	1,147
Claude Shinn Accounting Scholarship	12,872	-	12,872
L. L. Shirley Scholarship	2,000	-	2,000
Inez Silberg Memorial Scholarship	51,353	-	51,353
M. L. Simmons	838	-	838
C. E. Simpson Memorial Scholarship	1,145	-	1,145
Colonel Thomas & Ruby L. Simpson Scholarship	26,564	1,099	27,663
Alice Sincox Scholarship	1,280	-	1,280
Singapore MDIS Scholarship	95,180	-	95,180
Sloan-Fitzwilliam-Fanning Endowed Scholarship Fund	82,991	-	82,991
Ruth Skinner Scholarship	38,018	-	38,018
Bishop Angie Smith Memorial Scholarship	37,047	1,000	38,047
C. Q. Smith Memorial Scholarship	14,629	-	14,629
Eliza Smith	41,000	-	41,000
Jeanne Hoffman Smith Endowment Fund	1,312,190	18,240	1,330,430
Dr. R. J. Smith Religion Leadership Scholarship	10,000	-	10,000
William H. Smith Scholarship	2,000	-	2,000
George Sneed Memorial Scholarship	69,936	1,201	71,137
L & R Spahn Endowed Scholarship	100,000	-	100,000

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Permanently Restricted Net Assets--Continued
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Roger Stephens Scholarship	12,914	-	12,914
Grace Stephenson	19,077	-	19,077
E. W. & Winnie Stewart Scholarship	17,800	250	18,050
Stewart Endowed Scholarship	31,060	57	31,117
Walter Stiller Scholarship Fund	512,516	-	512,516
Forest & Gloe Stith Memorial Award	11,650	-	11,650
Betty Stockard Endowed Scholarship	-	101	101
Russell Stone Religion Leadership Scholarship	100,000	-	100,000
Hope Strasner Law Scholarship	26,935	-	26,935
Lemuel Summers Endowment	15,855	-	15,855
Hatton Sumners Endowed Law Scholarship	4,087,079	155,826	4,242,905
Bettie E. Stoneking Scholarship	2,553	-	2,553
Clarence Sutton Religion Leadership Scholarship	5,000	-	5,000
Edyth A. Swartz Scholarship	27,484	-	27,484
Peter Swartz School of Business Scholarship	15,888	-	15,888
Esther Taylor	3,091	-	3,091
Thigpen Endowed Scholarship	7,516	-	7,516
Naomi Thomas	27,114	-	27,114
Colonel William Thompson Memorial Scholarship	828	-	828
Mac & Thelma Thompson Scholarship	87,493	-	87,493
Howard & Peg Thorton Mass Communications Scholarship	30,000	-	30,000
Sam Tune Business Scholarship	-	3,150	3,150
Eufaula United Methodist Women	6,672	-	6,672
Wilbur & Nellie Mae Vandegrift	60,152	-	60,152
Herbert Voth Memorial Scholarship	7,776	-	7,776
Phil Wahl Endowed Scholarship	19,692	200	19,892
Wagoner United Methodist Church Endowed Scholarship Fund	16,611	30	16,641
Bradley H Wahnee Memorial Schlp	-	8,008	8,008
J. C. Walker International	40,080	-	40,080
Verls & Lawrence Watson - Business	20,750	-	20,750
Verls & Lawrence Watson - Music	10,750	-	10,750
Warren Watson	17,778	-	17,778
Church of the Good Shepherd	14,283	-	14,283
Wegener Foundation	95,106	-	95,106
Beth & Darwin Wells	327,513	-	327,513
Miriam M. West Scholarship	1,000	-	1,000
Louise A. Whitten Scholarship	10,657	-	10,657
Ernest Wilkinson Law Award	1,000	-	1,000
Dean Thomas A. Williams	15,998	-	15,998
Florence O. Wilson	127,837	-	127,837
Florence O. Wilson - Wilson House	101,578	-	101,578
William Wilson	2,000	-	2,000
Owen Wimberly	250,015	-	250,015
Aleta Winkler Memorial Music Scholarship	-	10,000	10,000
Flora Rouse Winter Endowed Scholarship	836,698	-	836,698
Georgia M. Winton Scholarship	2,000	-	2,000
C. W. Wisdom Lecture	26,690	-	26,690

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Permanently Restricted Net Assets--Continued
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Wise Endowed Scholarship	27,520	-	27,520
W. W. Woodworth Scholarship	25,000	-	25,000
The Wooten Scholarship Foundation	64,245	-	64,245
Euclid M. & Celine M. Wyatt Scholarship	580,152	4,031	584,183
Yamamoto Art Scholarship	78,773	-	78,773
Janet Denay Young	2,000	-	2,000
E. Zaspel Endowed Scholarship	192,699	-	192,699
General Scholarship Endowment	<u>444,731</u>	<u>33,025</u>	<u>477,756</u>
Subtotal of collected endowment funds	43,435,253	3,071,701	46,506,954
Beneficial interest in trusts	19,741,589	466,730	20,208,319
Other, including contributions receivable	<u>3,053,312</u>	<u>961,685</u>	<u>4,014,997</u>
Total permanently restricted net assets	<u>\$ 66,230,154</u>	<u>\$ 4,500,116</u>	<u>\$ 70,730,270</u>

See accompanying independent auditors' report.

OKLAHOMA CITY UNIVERSITY
Schedule of Changes in Certain Temporarily Restricted Net Assets
and Certain Unrestricted Net Assets
Year ended June 30, 2010
(unaudited)

Donor	Fund balances June 30, 2009	Additions (deductions)	Fund balances June 30, 2010
Funds Functioning as Endowments (included in temporarily restricted or unrestricted net assets):			
American Spirit	\$ 117,676	\$ 4,287	\$ 121,963
Bass Chapel Organ	109,157	3,060	112,217
Wanda L. Bass Music Scholarship	63,200	-	63,200
Wanda L. Bass Music Center Endowment	56,645	1,354,425	1,411,070
Bishop Bruce Blake Scholarship	25,000	-	25,000
Bishop Bruce Blake Scholarship	5,172	179	5,351
Ford Foundation	163,447	-	163,447
Roger Givens	188,876	-	188,876
Gunn Estate	25,000	-	25,000
Mary E. Harris Scholarship	495,294	-	495,294
Maud R. Haver	40,863	-	40,863
Elizabeth Hensley Scholarship	10,020	64	10,084
Robert Jones Memorial	2,397	82	2,479
Callie Jean Maschal	106,324	-	106,324
Carl Jung Seminar	25,000	-	25,000
Law School Quasi Endowment	2,332,189	-	2,332,189
Ethelene Cindy Long	4,096	(4,096)	-
Mildred Mease	1,729	-	1,729
D. N. Pope	5,149	-	5,149
Priddy Quasi Endowment	-	600,000	600,000
N. Laughbaum Ragsdale	805	28	833
Naomi Shakelford	3,223	-	3,223
Anna Maude Smith	25,868	-	25,868
Swinka Irrevocable Trust	811,592	-	811,592
Watkins - Soloway Scholarship	61,623	-	61,623
Sussex Spanish Scholarship	3,435	115	3,550
Vivian Wimberly:			
Unrestricted endowment	52,866	-	52,866
Endowed Fund for Bishop W. Angie Smith Chapel	200,000	-	200,000
Endowed Position of Vice President for University - Church Relations	500,000	-	500,000
Owen Wimberly Center for Continuing Education	900,000	-	900,000
Vivian Wimberly Center for Ethics and Community Service	900,000	-	900,000
Religion and Ethics/Dean of the School of Religion	500,000	-	500,000
Wimberly Scholarship Fund	700,000	-	700,000
	<u>\$ 8,436,646</u>	<u>\$ 1,958,144</u>	<u>\$ 10,394,790</u>

See accompanying independent auditors' report.