

ONEOK INC /NEW/
Form 11-K
June 28, 2001

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 11-K
ANNUAL REPORT

Pursuant to Section 15(d)
of the Securities Exchange Act of 1934

For the Year Ended December 31, 2000

THRIFT PLAN FOR EMPLOYEES
OF ONEOK, INC.
AND SUBSIDIARIES

ONEOK, Inc.
100 West Fifth Street
Tulsa, Oklahoma 74103

THRIFT PLAN FOR EMPLOYEES OF
ONEOK, Inc. AND SUBSIDIARIES

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Net Assets Available for Benefits - December 31, 2000 and 1999	2
Statements of Changes in Net Assets Available for Benefits - Years ended December 31, 2000 and 1999	3
Notes to Financial Statements	4-8

Edgar Filing: ONEOK INC /NEW/ - Form 11-K

Schedules

1	Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	9
2	Line 4j - Schedule of Reportable Transactions	10

All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as they are inapplicable or not required.

Independent Auditors' Report

The Administrative Committee
Thrift Plan for Employees of
ONEOK, Inc. and Subsidiaries:

We have audited the accompanying statements of net assets available for benefits of the Thrift Plan for Employees of ONEOK, Inc. and Subsidiaries as of December 31, 2000 and 1999, and the related statements of changes in net assets available for benefits for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Plan'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 net assets available for benefits of the Thrift Plan for Employees of ONEOK, Inc. and Subsidiaries as of December 31, 2000 and 1999, and the changes in net assets available for benefits for the years ended December 31, 2000 and 1999, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules included herein are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

Tulsa, Oklahoma

Edgar Filing: ONEOK INC /NEW/ - Form 11-K

June 18, 2001

THRIFT PLAN FOR EMPLOYEES OF
ONEOK, INC. AND SUBSIDIARIES

Statements of Net Assets Available for Benefits

December 31, 2000 and 1999
(In thousands)

	2000	1999
	-----	-----
Investments, at fair value:		
Money market funds	\$ 26,030	\$ 19,705
Mutual funds	168,504	151,858
Guaranteed Investment Contracts	17,074	19,323
Government securities	587	561
Common stock of ONEOK, Inc.	161,523	87,536
Common stock of Western Resources, Inc.	5,772	4,750
Participant loans	14,914	14,524
	-----	-----
	\$ 394,404	\$ 298,257
	=====	=====

See accompanying notes to financial statements.

2

THRIFT PLAN FOR EMPLOYEES OF
ONEOK, INC. AND SUBSIDIARIES

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2000 and 1999
(In thousands)

	2000

Investment income (loss):	
Net appreciation (depreciation) in fair value of investments	\$ 82,321
Dividends	9,230
Interest	1,841

Net investment income (loss)	93,392
Contributions:	
Employee	13,652
Employer	7,298
Rollover	9,841

	30,791
Withdrawals by participants	(28,036)
Transfers from KGS Thrift Plan	-

Net increase in net assets available	

Edgar Filing: ONEOK INC /NEW/ - Form 11-K

for benefits	96,147
Net assets available for benefits, beginning of period	298,257
Net assets available for benefits, end of period	\$ 394,404

See accompanying notes to financial statements.

3

THRIFT PLAN FOR EMPLOYEES OF
ONEOK, INC. AND SUBSIDIARIES

Notes to Financial Statements

December 31, 2000 and 1999

(1) Description of Plan

A brief description of the Thrift Plan for Employees of ONEOK, Inc. and Subsidiaries (the Plan) follows and is provided for general information only. Participants should refer to the full text of the Plan for more complete information. Also see Note 5 regarding the Plan merger at January 1, 1999.

(a) General

The Plan is a defined contribution plan which covers substantially all employees of ONEOK, Inc. and Subsidiaries (the Company) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Participation and Contributions

An employee may begin participation on the first day of the month following employment. Participants may make pre-tax deferrals of up to a maximum of 14% of his or her basic compensation if certain deferral limitations are not exceeded. Participants may make after-tax deposits of any whole percentage of their basic compensation up to a maximum of 6% as long as the total of pre-tax deferrals and after-tax deposits does not exceed 18%.

After one year of service, the Company will match 100% of pre-tax deferrals and after-tax deposits, up to a maximum of 6% for participants not covered by a collective bargaining agreement. For employees covered by a collective bargaining agreement, the Company will match 50% of pre-tax deferrals and after-tax deposits up to a maximum of 6%. The combined total of pre-tax deferrals, after-tax deposits, and Company matching contributions cannot exceed the lesser of \$30,000 or 25% of the participant's annual compensation.

The Plan contains a "Dividend Switchback Option", which allows participants holding ONEOK, Inc. common stock in their Plan account to make deferrals of compensation equivalent to, 100%, 50%, or 0% of the ONEOK, Inc. dividends received on the stock, on a pre-tax basis. Deferrals by participants under this feature are not included within the Plan's calculation of maximum pre-tax and after-tax deposits.

(2) Summary of Significant Accounting Policies

Edgar Filing: ONEOK INC /NEW/ - Form 11-K

(a) Basis of Presentation

The accompanying financial statements of the Plan have been prepared on an accrual basis of accounting.

4

(b) Investments

Investments in the ONEOK, Inc. Investment Contract Fund are stated at cost, which approximates market value. All other investments are stated at fair value based on the estimated current market value of the respective investments at the end of the year. All investments are held by Bank of Oklahoma, N.A., as Trustee. When available, current market value is determined based on published market quotes and trading activity of the underlying investment securities.

(c) Gains and Losses from Sale of Investments

Gains and losses resulting from the sale of investments are differences between the average cost of specific investments sold and proceeds received. Transactions are recorded on a trade date basis.

(d) Administrative Costs

The Company pays all costs and expenses for administering the Plan, including expenses of the Committee and fees and expenses of the Trustee, except for brokerages, commissions, investment management fees, and transfer taxes applicable to investment of securities or investments acquired or sold for a participant's account, and loan origination fees.

(e) Payment of Benefits

Benefits are recorded when paid.

(f) Income Taxes

The Plan is a qualified plan under Section 401(a) of the Internal Revenue Code at 1986 (the Code) the trust of which is exempt from federal income tax under the provisions of Section 501(a) of the Code. The Plan has received a favorable determination letter from the Internal Revenue Service dated June 19, 1998 stating that the Plan, as then designed, was in compliance with the applicable requirements of the Code. The Plan has been amended and restated since receiving the determination letter. The Company believes that the Plan is currently designed and being operated within the applicable requirements of the Code.

(g) Cash and Cash Equivalents

The Plan maintains a reserve of cash or cash equivalents for the purpose of expediting participant withdrawals from the various funds. Cash equivalents are invested in shares of the American Performance U.S. Treasury Fund.

(h) Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of

Edgar Filing: ONEOK INC /NEW/ - Form 11-K

America requires a number of estimates and assumptions by the Plan Administrator relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(i) Newly Issued Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). SFAS No. 133 requires that an entity recognize all derivatives and measure those instruments at fair value.

SFAS No. 133 is effective for fiscal years beginning after June 15, 2000. Pursuant to SFAS No. 137, the Plan is required to adopt SFAS No. 133 effective January 1, 2001. Management has determined that the impact of SFAS No. 133 on the Plan financial statements would be immaterial.

5

(j) Reclassifications

Certain 1999 amounts have been reclassified to conform with the 2000 presentation.

(3) Investment of Funds

The participants have the right to designate investment of their account balances, including their contributions and deferrals and the Company's matching contributions. Investment options are changed from time to time by the administrative committee of the Plan. Currently, funds may be designated among the following investment options:

American Performance U.S. Treasury Fund - Invests primarily in U. S. Treasury bills, notes, and other obligations backed by the full faith and credit of the U.S. Government.

American Performance Bond Fund - Invests primarily in actively managed portfolio of short, intermediate, and long-term bonds and other fixed income securities.

Ariel Growth Fund - Invests primarily in common stocks of undervalued companies, with an emphasis on small-cap stocks.

Putnam International Growth Fund - Invests primarily in stock of high-quality, seasoned companies based outside the United States.

Vanguard PRIMECAP Fund - Invests primarily in stocks of companies with above-average prospects for continued earnings growth, strong industry positions, and skilled management teams.

Vanguard Windsor Fund - Invests primarily in common stocks of undervalued companies.

Vanguard Asset Allocation Fund - Invests primarily in common stocks, long-term U.S. Treasury bonds, and money market instruments.

Vanguard Institutional Index Fund - Invests in the 500 securities

Edgar Filing: ONEOK INC /NEW/ - Form 11-K

included in the Standard & Poor's 500 Index attempting to match the performance of the widely followed Index.

6

SEI Stable Asset Fund - Invests primarily in highly rated Guaranteed Investment Contracts purchased from insurance companies, other financial institutions, or that are guaranteed by the U.S. Government or its agencies. This fund is frozen and no new monies may be added.

ONEOK, Inc. Investment Contract Fund - Seeks to provide a high level of income and a stable unit value of \$1 by investing in investment contracts issued by life insurance companies and commercial banks, as well as other similar types of fixed principal investments. The fund is frozen and no new monies may be added.

ONEOK, Inc. Common Stock Fund - Seeks to provide the potential for long-term growth by investing in the common stock of ONEOK, Inc.

Western Resources, Inc. Common Stock Fund - Seeks to provide the potential for long-term growth by investing in the common stock of Western Resources, Inc. The fund is frozen and no new monies may be added. All dividends from this fund are invested in the American Performance U. S. Treasury Fund.

Investments in the ONEOK, Inc. Investment Contract are stated at cost which approximates market value. Investments in the loan fund are stated at face value. All other investments are stated at quoted market price.

If no investment option is elected by the participant, the funds are invested in the American Performance U.S. Treasury Fund. Participants may direct the investment of their account balances to more than one option. However, the minimum investment that can be directed to any one option is 1%.

The participants may direct the sale or other disposition of securities in their account and may change their investment instructions to the Trustee on a daily basis. Neither the Company nor the Trustee guarantees the value of the investments nor do they indemnify any employee against any loss that may result from such investments.

All interest, dividends, and other income received by the Trustee and all gains and losses from the sale of securities are credited or charged to the respective participant's account. The cost charged to a participant's account for securities purchased is the average cost for all such securities purchased during the month. Brokerage commissions, transfer taxes, and other charges and expenses in connection with the purchase or sale of securities are added to the cost of the securities purchased or deducted from the proceeds of the sale.

Company contributions to the account of a participant and any income and earnings are immediately vested upon receipt by the Trustee (subject to subsequent loss through decline in value of investments). Upon termination of the Plan, each of the participants will receive distribution of the entire balance of their account.

Participants may borrow from the Plan pursuant to Section 408(b)(1) of the ERISA, as amended. Loans may not exceed 50% of the nonforfeitable accrued benefit of the participant. Participant loans are stated at cost which represents estimated market value.

Edgar Filing: ONEOK INC /NEW/ - Form 11-K

(4) Investments

The following table presents the fair values of individual investments at December 31, 2000 and 1999 (in thousands):

	2000 ----	1999 ----
American Performance U. S. Treasury Fund	\$ 26,030	19,705
American Performance Bond Fund	4,471	3,160
7		
Ariel Growth Fund	6,787	6,068
Vanguard International Growth Portfolio	-	1,874
Putnam International Growth Fund	6,054	-
Vanguard Primecap Fund	53,275	37,306
Vanguard Windsor Fund	33,808	33,565
Vanguard Asset Allocation Fund	16,234	13,434
SEI Standard & Poor's 500 Index Fund	-	49,564
Vanguard Institutional Index Fund	42,362	-
SEI Stable Asset Fund	5,513	6,887
ONEOK, Inc. Investment Contract Fund	17,074	19,323
United States Government Series "E" and "EE" Bonds	587	561
ONEOK, Inc. Common Stock	161,523	87,536
Western Resources, Inc. Common Stock	5,772	4,750
Participant loans	14,914	14,524
	-----	-----
	\$394,404	\$298,257
	=====	=====

The following schedule presents the net appreciation (depreciation) in fair value for each significant class of investment for the year ended December 31, 2000 and 1999, in thousands.

	2000 -----	1999 -----
Common stock	\$ 82,140	(41,283)
Mutual Funds	181	20,863
	-----	-----
	\$ 82,321	(20,420)
	=====	=====

(5) Plan Merger

Effective January 1, 1999, the Plan was amended to merge with the ONEOK, Inc. KGS 401(k) Thrift Plan (the KGS Plan) with the Plan as the survivor. The assets of the KGS Plan were subsequently transferred into the Plan. At December 31, 1998, the fair market value of the assets transferred into the Plan was \$114,634,599.

Edgar Filing: ONEOK INC /NEW/ - Form 11-K

December 31, 2000
(In thousands)

Column (a) Party-in-Interest Identification -----	Column (b) Identity of Issue, Borrower, Lessor, or Similar Party -----	Column (c) Description of Investment Including Maturity Date, Rate of Interest, Par or Maturity Value -----
*	American Performance U.S. Treasury Fund	Money Market Fund
*	American Performance Bond Fund	Mutual Fund
	Ariel Growth Fund	Mutual Fund
	Putnam International Growth Fund	Mutual Fund
	Vanguard PRIMECAP Fund	Mutual Fund
	Vanguard Windsor Fund	Mutual Fund
	Vanguard Asset Allocation Fund	Mutual Fund
	Vanguard Institutional Index Fund	Mutual Fund
	SEI Stable Asset Fund	Mutual Fund
*	ONEOK, Inc. Investment Contract Fund	Guaranteed Investment Contracts
	Series "E" Bonds	U.S. Government securities
	Series "EE" Bonds	U.S. Government securities
*	ONEOK, Inc.	Common stock without par value
*	Western Resources, Inc.	Common stock without par value
*	Participant loans	Participant loans at varying interest rates and maturity dates
*	Party-in-interest	

See accompanying independent auditors' report and notes to the financial statements.

THRIFT PLAN FOR EMPLOYEES OF
ONEOK, Inc. AND SUBSIDIARIES

Line 4j - Schedule of Reportable Transactions

Year Ended December 31, 2000
(In thousands)

Column (a)	Column (b)	Column (c)	Column (d)	Column (e)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental
* Bank of Oklahoma	SEI S&P 500 Index Fund	\$ 7,886	-	-
* Bank of Oklahoma	SEI S&P 500 Index Fund	\$ -	58,121	-
* Bank of Oklahoma	Vanguard Institutional Index Fund	\$ 50,477	-	-
* Bank of Oklahoma	Vanguard Institutional Index Fund	\$ -	4,357	-

Identity of Party Involved	Column (h) Current Value of Asset on Transaction Date	Column (i) Net Gain (Loss)
* Bank of Oklahoma	7,886	-
* Bank of Oklahoma	58,121	12,721
* Bank of Oklahoma	51,477	-
* Bank of Oklahoma	4,357	(258)
* Series of transactions		

See accompanying independent auditors' report and notes to the financial statements.

10

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Thrift Plan for Employees of ONEOK, Inc. and Subsidiaries has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized, on this 28th day of June 2001.

Thrift Plan for Employees
of ONEOK, Inc. and Subsidiaries

Edgar Filing: ONEOK INC /NEW/ - Form 11-K

ONEOK, Inc.

By: /s/ Jim Kneale

Jim Kneale
Senior Vice President, Treasurer and
Chief Financial Officer
(Principal Financial Officer)

11

EXHIBIT INDEX

EXHIBIT
NUMBER

EXHIBIT

23

Independent Auditors' Consent

12