

# The Lawton 2010 Annual Report

Community Foundation

[www.LawtonCF.org](http://www.LawtonCF.org)



The Armed Services YMCA Lawton Fort Sill's food closet program provides free non-perishable food items to military families who find themselves in temporary need.

## The Power of Endowment Offers Hope for the Future

The Armed Services YMCA (ASYMCA) Lawton Fort Sill has been serving the needs of military families in the Lawton area since 1941. Through a variety of programs and services, the ASYMCA strives to strengthen military families and help them adjust to the challenges of military life.

One couple who understands these challenges firsthand is retired Col. Robert and Darcy Cline. Originally from North Dakota, Col. Cline enlisted in the U.S. Army in 1972. He and Darcy met while attending North Dakota State University. Soon after they were married, the couple moved to Fort Lewis, Wash. for Col. Cline's first military assignment. Nearly 30 years and numerous assignments later, Col. Cline retired from active duty in 2003 as Fort Sill chief of staff in Lawton.

Col. Cline's lengthy and decorated military career required the couple to frequently move, a situation many young military families face. Through the ASYMCA, the Clines were able to develop a much needed support system during their early military years and today they recognize the important service ASYMCA Lawton Fort Sill provides in their community.

[Continued on Page 2](#)

### Dear Donors and Friends,



It is my pleasure to present the 2010 annual report of the Lawton Community Foundation. With this report, we hope to illustrate the impact of the organization between July 1, 2009 – June 30, 2010. It is through the generosity of our donors that we are able to fulfill our mission of supporting the charitable needs of our community.

In fiscal year 2010, we awarded \$19,000 in scholarships to 11 area high school seniors through the Lawton Community Foundation Scholars program. Additionally, three new scholarship endowments were established and we currently administer six individual scholarship funds. We also added four new endowment funds to our Charitable Organization Endowment program, through which we administer permanent endowments for a total of 25 area nonprofit organizations.

The Anniversary Match Challenge also concluded this fiscal year. The challenge, which encouraged gifts to endowments with a dollar-for-dollar match, brought in more than \$76,000 in individual gifts and netted a total increase in funds of more than \$147,000. We are extremely pleased with the success of the challenge and the support of more than 200 donors.

Our organization exists to provide donors and charitable organizations with the opportunity to make a lasting impact on the community through the permanence of endowment funds. Since our establishment in 1999, we have reinvested more than \$960,000 back into the community through scholarships, community grants and annual distributions to charitable organizations. We hope you will join us in supporting the charitable interests of our community both now, and in the future. For more information, please contact us at 580/353-4747 or visit [www.LawtonCF.org](http://www.LawtonCF.org).

Gene Love  
President, Board of Trustees

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“The ASYMCA is a wonderful service for the military community,” says Col. Cline. “The support it offers is vital to any military family.”

In addition to childcare and social activities, the ASYMCA offers a mentoring and tutoring program for children, free local transportation, a resale shop and a food closet for service members and their families.

In 2000, the organization established a Charitable Organization Endowment at the Lawton Community Foundation to prepare for its future by developing a stable source of funding they could rely on for years to come. The Clines, who have both served as ASYMCA board members, especially like the idea of giving to the endowment fund for the permanence it provides.

“This endowment ensures that even in difficult times the ASYMCA will still have a source of income,” says Col. Cline. “Long after we’re gone, the gifts we make now will continue to provide support to the organization in perpetuity.”

The ASYMCA also understands the power of endowment and



Col. Robert and Darcy Cline

is committed to building its fund. In addition to regularly reinvesting the annual distribution back into the endowment, they completed the Anniversary Match Challenge, increasing the fund by more than \$11,000 in fiscal year 2010.

“By reinvesting the annual distribution and encouraging individual gifts, we hope to grow the endowment so it can help support our programs and services well into the future,” says executive director Bill Vaughan.

## Lawton Community Foundation Donors

*A special thanks to the following donors who have made cumulative contributions of \$500 or more to permanent endowments at the Lawton Community Foundation. We currently administer three advised funds established by donors to accomplish their charitable goals. If you are interested in making a gift or establishing an advised fund at the Lawton Community Foundation, please contact 580/353-4747 or visit [www.LawtonCF.org](http://www.LawtonCF.org).*

Owen & Jane Ard  
Stephen & Nancy Arntz  
Bank of the Wichitas  
Bivens Memorial  
Dianne & Chad Bledsoe  
Leonard & Tanya Case  
David A. Clement  
Robert A. & Darcy A. Cline  
Lt. Col. (Ret) Francis & Joanne F. Curran  
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Ronald L. & Loree B. Gaines  
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Greater Kansas City Community  
Foundation

Robert G. & Jean P. Harbison  
Wayne P. Hunt  
Randy N. & Eileen M. Jensen  
Michael T. & Carolyn Keith  
Frank Howard & Anna Claire Kuchta  
Lawton Community Theatre Guild  
Lawton Retail Merchants Association  
John F. & Jane Kinzer Lewis  
The McMahon Foundation  
Dennis & Kathleen Meyer  
Oklahoma Abstract Co.  
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Michael & Jamie Smith  
Southwestern Medical Center  
David Towe  
Robert M. & Barbara B. Vaughan  
Dennis & Sandra K. Ward  
Lanny & Florence Wilson  
James F. & Jackie R. Wood

### Advised Funds \*

Virginia Brewczynski Legacy Fund  
Katherine D. Lacy Fund  
Gene & Carolyn Anne Love Gift Fund

\* See page 6 for more information about the type of advised funds we offer.

## Charitable Organization Endowments

The Lawton Community Foundation administers a Charitable Organization Endowment program to provide a reliable source of income for charitable organizations, while also offering a convenient way for donors to make contributions. Currently the program includes 25 organizations who rely upon their endowments to help them meet the varied needs of the community. The organizations are listed below along with the value of their endowment fund as of June 30, 2010 and the amount of their annual distribution. For more information on these Charitable Organization Endowments, please visit [www.LawtonCF.org](http://www.LawtonCF.org).

	Fund Value at 6.30.10	Fiscal Year 2010 Distribution
Arts for All	\$ 31,270	\$ 1,274
Comanche County Memorial Hospital Foundation	16,854	870
J. Roy Dunning Children's Shelter*		
Field Artillery OCS Alumni Chapter	43,922	1,688
First United Methodist Church Foundation of Lawton	112,322	4,993
Fort Sill Armed Services YMCA - Gene Love Endowment	189,364	8,867
Frederick School Enrichment Foundation	18,918	543
Giddy Up 'N Go	51,216	2,296
Great Plains AMBUCS - Kid's Zone	17,238	903
Great Plains Technology Center Foundation*		
Greater Lawton Rotary Club	20,552	750
Robert E. Greiner School for the Handicapped of Comanche County	27,224	1,418
Hackberry Flat Foundation	44,358	1,831
Holiday in the Park	17,627	925
Lawton AMBUCS Lou Brox Endowment	33,636	960
Lawton Community Theatre	24,897	926
Lawton - Family YMCA	15,365	806
Lawton Food Bank	32,098	1,303
Lawton Philharmonic Orchestra	24,978	925
Lawton Public School Foundation	309,910	13,665
Museum of the Great Plains	23,620	1,207
On the Chisholm Trail Association Heritage Center	31,610	1,209
Southwest Oklahoma Genealogical Society	16,804	881
United States Field Artillery Association Foundation	58,655	2,383
United Way of Lawton/Ft. Sill	32,846	1,457
<b>Total</b>	<b>\$ 1,195,284</b>	<b>\$ 52,080</b>

\*Fund established after June 30, 2010

## Scholarship and Award Endowment Funds

The Lawton Community Foundation currently administers six scholarship endowment funds that provide perpetual support for local scholarship programs. These funds are listed below along with the fund value as of June 30, 2010.

	Fund Value at 6.30.10
Cache School Scholarship	\$ 89,781
Great Plains-Jim Nisbett Scholarship	20,000
General Donald R. Keith Memorial Scholarship	24,292
Lawton Noon Lions Club Scholarship	95,227
Oklahoma Arts Institute Scholarship	22,455
Lamont N. Wilson ROTC Scholarship	20,000
<b>Total</b>	<b>\$ 271,755</b>

### Lawton Community Foundation Anniversary Match Challenge Results

In honor of its 10th anniversary, the Lawton Community Foundation launched the Anniversary Match Challenge on November 1, 2008. Through December 31, 2009, individual gifts to Charitable Organization Endowments were matched dollar-for-dollar up to \$5,000. Below are the results of the challenge.

Total Individual Donations	\$ 76,416
Total Match Dollars	71,045
Total Increase in Funds	\$ 147,461

# Lawton Community Foundation Investment Process

As an affiliate organization, the Lawton Community Foundation adheres to the investment policy of the Oklahoma City Community Foundation, which is designed for an endowment fund to provide annual distributions for charitable purposes in perpetuity. The investments need to allow the fund to generate distributions, grow to accommodate inflation and continue to exist in the future.

The Oklahoma City Community Foundation uses an investment management structure that includes the oversight provided by a strong Investment Committee and employs a style-based investment manager system. The Investment

Committee allocates assets to specific investment styles and hires investment managers to manage that particular style. Hotchkiss Associates serves as the investment counsel and advises on asset allocation and specific managers.

Achieving good investment results is the primary goal. While the markets are often volatile, a strong process for allocation and review and an excellent committee that is well-informed and actively involved are key to the investment management approach, which has produced a solid investment product for donors and nonprofit organizations for many years.

## Step 1

The management process begins with the Investment Committee's determination of percentages of assets to be allocated between equities, fixed income securities and cash.

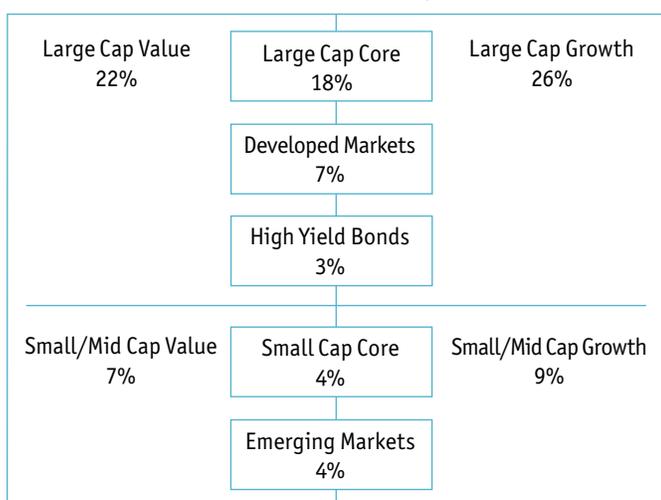
### Asset Allocation Targets for the General Investment Pool as of June 30, 2010:

	Target	Range
Equity	62.5%	40–70%
Fixed Income	34.5%	30–60%
Cash	3.0%	0–10%

## Step 2

Next, the committee determines the equity allocation among the various styles of equity management.

### Asset Class Target Percentages for the General Investment Pool as of June 30, 2010



## Step 3

Once allocation is decided, the committee selects the style-specific equity managers. Their performance is evaluated against the appropriate benchmark for their particular sector. They are also evaluated as to their adherence to the specific style they have been engaged to manage.

### Investment Managers as of June 30, 2010:

#### Equity

##### Large Cap Value

Wedge Capital Management, Charlotte, N.C.  
BlackRock, New York, N.Y.\*

##### Large Cap Growth

BlackRock, New York, N.Y.\*

##### Small/Mid Cap Value

Earnest Partners, Atlanta, Ga.

##### Small/Mid Cap Growth

Columbus Circle, Stamford, Conn.

#### International

Developed Markets: BlackRock, New York, N.Y.\*

Emerging Markets: BlackRock, New York, N.Y.\* and Aberdeen Asset Management, Philadelphia, Pa.

##### Large Cap Core

BlackRock, New York, N.Y.\*

##### Small Cap Core

Kalmar Investors, Wilmington, Del.

BlackRock, New York, N.Y.\*

##### High Yield Bonds

Wells Capital Management, San Francisco, Calif.

##### Fixed Income

J.P. Morgan Asset Management, Columbus, Ohio

Bank of Oklahoma, Oklahoma City, Okla.

\* Index Fund

### General Pool Total Return

	Year Ended June 30, 2010	Three Years Ended June 30, 2010	Five Years Ended June 30, 2010	Ten Years Ended June 30, 2010
Oklahoma City Community Foundation	12.99%	-2.26%	2.54%	2.78%
65% S&P 500/35% Barclays Capital G/C Int	12.28%	-3.60%	1.75%	1.48%

# A New Scholarship Endowment Honors a Fallen Hero

“Sleep well, America.” Lance Cpl. Lamont N. Wilson of Lawton signed off every letter back home from the frontlines of Operation Iraqi Freedom with these three words, truly summing up his feelings about his country.



Lamont N. Wilson

with Lamont’s parents Lanny and Florence, established the Lamont N. Wilson ROTC Scholarship Endowment at the Lawton Community Foundation.

“When I heard the story about Lamont’s death it really hit home,” says the donor. “Through this scholarship we hope to honor his memory. He was a true American hero.”

Graduating from Eisenhower High School in 2003, Lamont enlisted in the U.S. Marines in June of that same year. He had dreamed of a military career since childhood and when asked why he joined the Marines he would reply, “to make his father proud.” Based out of Camp Pendleton, Calif., Lamont was assigned to the 2nd Battalion, 1st Marine Regiment, 1st Marine Division, 1st Marine Expeditionary Force. In September 2004, 20-year-old Lamont was killed in combat in Fallujah, Iraq.

Following his death, a local scholarship was established by an anonymous donor to honor Lamont and his selfless service to our country. The scholarship is awarded annually to an ROTC student graduating from Lamont’s alma mater, Eisenhower High School. The donor wanted to ensure the permanence of the scholarship and in 2010, together

Thanks to the thoughtfulness of an anonymous donor and the generosity of Lamont’s parents, his honorable legacy will live on.

Scholarship and award funds can provide donors with a way to honor their loved ones while helping students further their education. The Lawton Community Foundation can work with donors, whatever their reason for establishing an endowment, to help them accomplish their charitable goals. Additionally, we facilitate administration of the fund and provide perpetual support for the scholarship program. If you are interested in establishing a scholarship or award fund please contact us at 580/353-4747 or visit [www.LawtonCF.org](http://www.LawtonCF.org).

## Scholarships Awarded to 11 Lawton Area Students

The Lawton Community Foundation together with the Lawton Noon Lions Club awarded \$19,000 in scholarships to 11 area high school seniors during the 2010 fiscal year. Recipients and their families were honored at a special breakfast event on May 11 at Cameron University.

“It is our goal to encourage Lawton area students to attain the highest level of education and training,” says Gene Love, president of the Lawton Community Foundation. “We hope Lawton area residents will help support the program so it continues to meet the educational needs of our community.”

### 2010 Lawton Community Foundation Scholars:

Lawton Senior High School - Howard Hughes and Kaitie Hardin

Eisenhower Senior High School - Ellen Adams

MacArthur Senior High School - Joel Dean and Samantha Fleming

Duncan High School - Chad Harwell

Frederick High School - Whitney Longacre

Elgin High School - Sara Melrose

Cache High School - Andre Butler

Altus High School - Zackary Neely

### 2010 Lawton Noon Lions Club Scholars:

Elgin High School - Amanda McNeil



Recipients received awards in the amount of \$1,500 each. The Lawton Noon Lions Club scholarship provides \$1,000 per year for four years. The Lawton Community Foundation scholarship committee selects the scholarship recipients with the assistance of the high school counselors and a committee at each school. If you are interested in supporting this important program, please contact us at 580/353-4747.

# Giving Through the Lawton Community Foundation

## Why it makes sense:

**Tax Benefits** - Because we are a part of the Oklahoma City Community Foundation, a 501(c)(3) public charity, gifts to the Lawton Community Foundation receive the maximum tax benefits allowed.

**We Keep It Simple** - By establishing a fund at the Lawton Community Foundation, you can avoid administrative burdens, legal complexities and compliance requirements associated with private foundations.

**Flexibility** - We are able to accept a wide variety of gifts including cash, appreciated stocks, mutual funds and other marketable securities, life insurance policies, retirement plan assets and business-related assets such as closely held stock from S corp., C corp. and LLCs.

**Cost Effective** - The Oklahoma City Community Foundation provides all of our administrative and investment services. Under this structure, we are able to offer a wide range of services at a much lower cost when compared to operating a private foundation or similar entities.

## Types of Funds We Offer:

**Advised Funds** - Donor advised funds are the simplest and most flexible option for donors to accomplish their charitable goals. We offer three options of Advised Funds: Legacy Fund, Gift Fund and Express Fund.

**Legacy Fund** - With a required minimum balance of \$10,000, a Legacy Fund is the best alternative for families or individuals who may be considering creating a private foundation. It offers both a proven investment management as well as administrative support including the handling of all required reporting.

**Gift Fund** - Established with a minimum of \$10,000, a Gift Fund is a less expensive and more effective alternative to commercial gift funds. A Gift Fund is ideal for the individual who wants investment performance and the ability to distribute the total gift to charity.

**Express Fund** - With a completely spendable fund balance, an Express Fund is a perfect vehicle for individuals who want to make a year-end gift of cash, appreciated stock or another non-cash asset to benefit one or more charitable organizations. An Express Fund can be established with a minimum gift of \$1,000.

**Charitable Organization Endowment Funds** - The Lawton Community Foundation currently administers endowment funds of 25 charitable organizations. Through the program, the charitable organizations receive an annual distribution from their endowment and will receive the annual

distribution for perpetuity. The endowments not only provide a reliable source of income to these organizations but also serve as a convenient way for donors to make contributions.

**Scholarship & Award Funds** - Established by individuals, corporations, alumni groups and civic organizations, scholarship and award funds are permanent endowments that provide support for those who are seeking to improve themselves through higher education or additional post-high school training. Scholarship and award funds can be established with a minimum gift of \$20,000. We currently administer six individual scholarship and award endowment funds.

## Types of Gifts We Accept:

*To make charitable giving as easy and flexible as possible, we accept a wide variety of assets. Regardless of the type of gift, because we are a 501(c)(3) public charity, contributions to us qualify for the maximum deductibility for income, gift and estate tax purposes.*

**Cash Gifts** - A cash contribution can be in the form of cash, check, money order or cashier's check.

**Credit Cards** - Through a secure online giving website, we accept American Express, MasterCard and Visa. Use any of these cards to make a gift 24/7 to an endowment fund.

**Real Estate** - Gifts of real estate may be given at appraised value. If appreciated, capital gains tax may be avoided on the real estate appreciation if the property is contributed directly to a fund.

**Business-Related Assets** - Individually-owned business assets such as closely held C-corp. and S-corp. stock, partnerships and LLCs can be used to make a charitable gift.

**Stocks, Bonds and Mutual Funds** - Gifts of appreciated stocks, bonds and mutual funds can offer you significant tax savings while maximizing charitable contributions. We have accounts at most brokerage firms and can arrange for the transfer of the donated securities.

**Oil and Gas Interests & Royalty Interests** - The contribution of oil and gas interests may allow for the preservation of liquid assets while maximizing the charitable contributions.

**A Life Insurance Policy** - Life insurance can be an effective means to fund a charitable giving plan without significant outlays of cash. If the policy is gifted, you receive a tax deduction for the current cash value and future premiums could be funded with additional tax deductible contributions.

For more information on giving to the Lawton Community Foundation, please call 580/353-4747 or visit [www.LawtonCF.org](http://www.LawtonCF.org).

## Giving Later Through a Planned Gift

*A planned or deferred gift is a charitable gift made as part of a donor's tax or estate plan that provides the donor a partial tax deduction for the gift and an income stream for a set time or life. The Lawton Community Foundation can facilitate several planned giving options. For more information, please contact us at 580/353-4747.*

**Charitable Gift Annuities (CGA)** are available for individuals 55 years or older who want to make a gift with cash or other assets of at least \$20,000, receive income for life and, at the end of the annuity, have the remaining assets go to the charitable fund of their choosing. Six CGA options are available.

**Charitable Remainder Trusts** provides annual income to the donor or a beneficiary for life or a term of years. In addition, the trust is removed from the estate, reducing subsequent estate taxes. Upon the trust's termination, the remaining assets will benefit an existing endowment or advised fund.

**Charitable Lead Trusts** provides income for a period of

years to an endowment fund designated by the donor. At the end of the trust term, the remaining assets are passed on to designated beneficiaries.

**Retirement Plan Assets** can be used to maximize charitable contributions by establishing an Advised Fund. Your heirs can serve as advisors to the fund, ensuring that your charitable interests are continued into the future.

**Bequests** allow you to designate a percentage, the residual or the entire estate to benefit an existing fund or to establish a new fund. This option may provide you and your family with substantial reductions in federal estate taxes.

## Lawton Community Foundation Distribution Policy: A Summary

The endowments created under the Lawton Community Foundation adhere to the distribution policy of the Oklahoma City Community Foundation. The policy permits endowments to capitalize on good investment years as well as protect them in low or negative return markets. Cash distributions from the endowment funds are based upon a spending policy that calls for distributing 5 percent of the fund's average market value. The remaining investment return is left in the fund to increase the value, which protects future distributions from inflation.

The 5 percent figure is based upon an estimate of two factors over time: market return and inflation. A conservative prediction of average market return in a balanced fund over time is 8 percent. It is widely expected that inflation will average 3 percent over time. This leaves 5 percent to spend

while still protecting the fund's value for the future.

While there are other approaches to determining distributions, the 5 percent spending rule does not require a specific investment allocation to income-producing assets and is not subject to short-term market fluctuations. Instead, investment managers are able to focus on achieving the best total return.

The policy ensures that the annual distribution will be more predictable because the amount is not tied to current income, which fluctuates due to shifts in market conditions. The annual distribution amount is based upon a rolling quarter average of the fund's market value. Effective FY2011 the number of quarters will increase from eight to 12 thus further protecting the distribution from market fluctuations.

## Investing in the future through charitable giving

Altus high school graduate Preston Gunkel always knew he wanted to enter the medical field. Thanks in part to the Lawton Community Foundation Scholar award he received in 2006, he is one step closer to realizing his dream. Preston graduated from the University of Oklahoma in 2010 with a bachelor's degree in business administration and is currently employed as a pharmacy buyer at Jackson County Memorial Hospital in Altus while he is applying to attend medical school.



Preston Gunkel

Recipients are selected by the Lawton Community Foundation scholarship committee with the assistance of high school counselors and a committee at each school.

"The scholarship was a big help with the extra expenses I incurred as a freshman," says Preston. "It definitely made it easier on my parents and allowed me to focus on school without worrying about my finances."

"I've always felt like the medical profession was my calling in life," says Preston. "I hope to be able to come back to rural Oklahoma and serve my community with their medical needs."

Since its establishment in 2001, the Lawton Community Foundation's scholarship program has awarded nearly \$110,000 in scholarships to area high school seniors.

A scholarship fund is one type of fund that can be established at the Lawton Community Foundation. Advised funds are another fund option, offering donors a simple and flexible way to accomplish their charitable goals. For more information on the types of funds available through the Lawton Community Foundation, visit [www.LawtonCF.org](http://www.LawtonCF.org) or call us at 580/353-4747.

# The Lawton

Community Foundation

The Lawton Community Foundation  
is an affiliate of the Oklahoma City  
Community Foundation

P.O. Box 6033 • Lawton, OK 73506

## Give Online, Anytime

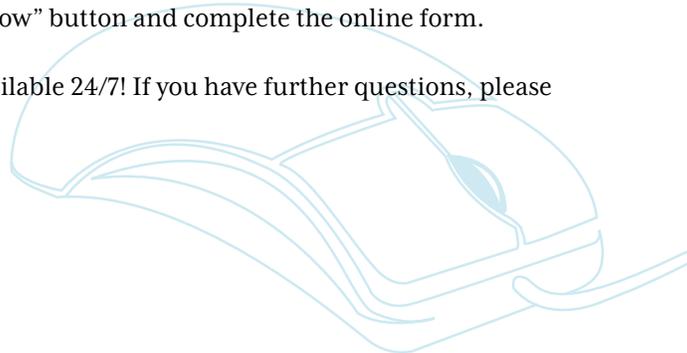
Thanks to the secure online giving service at [www.LawtonCF.org](http://www.LawtonCF.org), you can make a gift to any endowment fund administered by the Lawton Community Foundation using a major credit card at any time from any place.

Once you complete your online transaction using either a Visa, MasterCard or American Express credit card, you will receive an immediate e-mail confirmation of the gift that also serves as your record for tax purposes.

There are two simple options to make an online gift:

- 1) Visit [www.LawtonCF.org](http://www.LawtonCF.org) and select the “Click here to make an online gift” button on right side of page. Follow the easy instructions listed.
- 2) Go to [www.LawtonCF.org](http://www.LawtonCF.org) and select Lawton Charitable Organizations under the Nonprofit Services tab. Find the specific endowment you’d like to make a gift to, click on the “Donate Now” button and complete the online form.

It’s easy, convenient and available 24/7! If you have further questions, please contact us at 580/353-4747.



### Board of Trustees

(As of November 2010)

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The  
**Lawton**  
Community Foundation

580/353-4747 | [info@lawtoncf.org](mailto:info@lawtoncf.org)

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