



Funding *for the* Future

Creating Lasting Support for Nonprofit Organizations

The Power of An Endowment

Income for life. That's what 252 non-profit organizations with permanent endowment funds at the Oklahoma City Community Foundation can rely upon – a perpetual stream of revenue that provides for current needs as well as future operating expenses.

Thanks to their participation in the Agency Endowment Fund Program and the excellent investment management of the Oklahoma City Community Foundation, these 252 nonprofit organizations received a total of \$3.8 million in distributions in 2004. That is nearly \$4 million that didn't have to be raised by selling raffle tickets or a hosting a golf tournament or any other type of fundraiser. And, most importantly, this is income that will be available in 2005, 2006 and every year into the future.

But what exactly is an endowment fund? It is a permanent fund that

is invested to provide long-term support for a charitable purpose. A portion of the investment earnings is distributed annually to the nonprofit organization and the remaining earnings are retained in the fund so that the endowment and the annual distribution stream both grow over time. But endowments are more than money. They represent the charitable wishes of donors who wanted their support of these nonprofit organizations to continue forever. In addition to our Investment and Distribution Policies outline on page 3, we also provide the agency endowment funds the following services:

Development Assistance

Our staff works continuously to promote the Agency Endowment Fund Program to donors as well as work with the nonprofit organizations' staff and board

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The Van Horns

BUILDING AN ENDOWMENT—ONE GIFT AT A TIME

Lawrence Van Horn had a pattern of staying with things. When he moved from Baxter Springs, Kansas to Oklahoma City to attend college in 1931, he stayed here for more than 70 years. He married his high school sweetheart, Doretha Howerton, and that union lasted for 68 years. In 1935 he started as an order clerk at Capitol Steel and Iron and retired 47 years later as the Chairman of the Board.

The couple started contributing to the Oklahoma City Community Foundation in 1977. Encouraged by their friendship with John E. Kirkpatrick and their own

desire to give back to the community, they made an initial gift of \$1,000 to be divided equally between the endowment funds for Mercy Health Center and World Neighbors. From that point forward, the Van Horns contributed a minimum \$1,000 every year to benefit the two endowment funds. Although Mr. Van Horn died in June of 2003 his wife has continued the couple's tradition with the usual \$1,000 annual contribution. Through June 30, 2004, their gifts to date total \$47,000 equally divided between the Mercy and World Neighbors funds.

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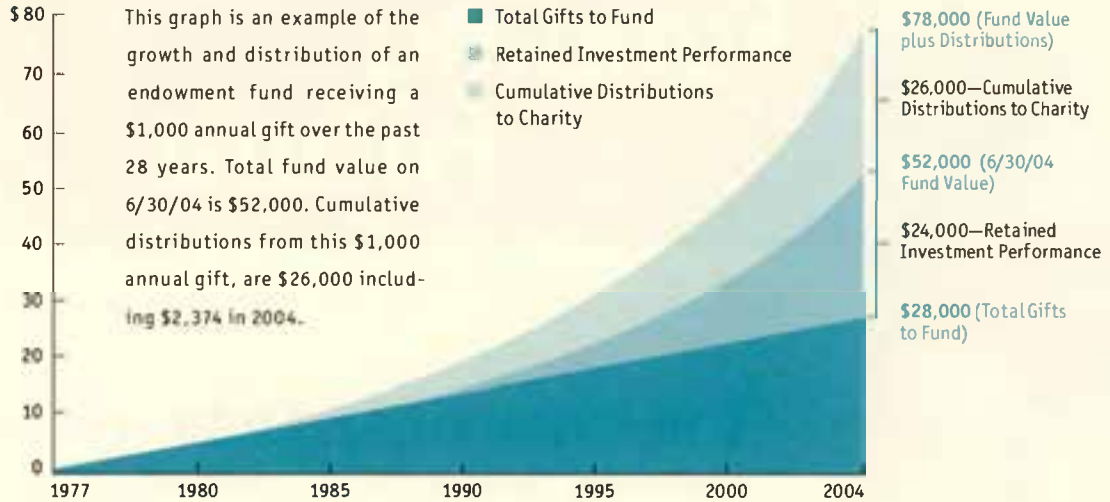


THE VAN HORNS

A gift of \$1,000 may not seem like much of a story. But if you stay with things like the Van Horns, an annual gift of \$1,000 can create a legacy of giving.

thousands

An Illustration of the Power of a Gift



The Power of An Endowment

Continued from page 1

to help encourage the growth of the fund through development efforts. Our Planned Giving Partnership is a program through which our staff works directly with the organization to develop a long-range marketing and organizational plan that encourages planned gifts from donors.

We make it easy and convenient for donors to contribute to these funds year round. Nonprofit organizations can also apply to the Kirkpatrick Family Fund for matching grants to help develop their agency endowment funds.

Administrative and Support Services

Our staff provides all accounting and reporting services for each agency endowment fund and for each major donor. All contributions are acknowledged and we help facilitate non-cash gifts such as stocks or other securities. Due to careful management, economies of scale and support from an administrative endowment, the annual fees for these services are an amazingly low 0.4 percent (40 basis

Agency Endowments Funds* Represent a Variety of Community Interests

Area	# of Agencies	Total Fund Value as of 6/30/04	'04 Distribution Per Area
Education	45	\$14.3 million	\$626,576
Social Services	66	\$10.5 million	\$475,389
Civic	58	\$7.8 million	\$356,239
Cultural	31	\$5.5 million	\$253,766
Health/Medical	28	\$4.7 million	\$237,460
Youth	14	\$3.6 million	\$161,163
Religious	2	\$234 thousand	\$5,252

* Excludes Agency Affiliated Funds

points) with fees scaling down for larger funds.

In addition, a new online fund reporting system – DonorCentral – is now available to all agency endowment funds. Please see page 4 for more information on this service.

Grants and Program Assistance

Through the Agency Capacity Building Program, we provide grant opportunities, training programs, free networking luncheons and other

technical assistance. In addition, all agency endowment funds are profiled on our web site through Central Oklahoma Charities, the region's most comprehensive online nonprofit directory, as well as in the Annual Report that is distributed to donors throughout the year.

For more information on the Agency Endowment Fund Program, please contact Gayle Farley at 405/235-5603 or g.farley@occf.org.

The Van Horns

BUILDING AN ENDOWMENT—ONE GIFT AT A TIME

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The rest of the story is even more interesting with investment performance and retained earnings. The value of that \$47,000 is now \$82,319. And since 1997 the two organizations

have received almost \$40,000 in distributions from the Van Horn gifts. In 2004, the distribution to each organization will be \$1,900, almost four times the annual fund gift of

\$500. Not only have Mercy and World Neighbors already received nearly the full cash value of the Van Horns' gifts, they will receive annual earnings from these gifts well into the future.



Agency Endowment Funds

As of September 1, 2004 the following nonprofit organizations had agency endowment funds at the Oklahoma City Community Foundation. Gifts can be made to any fund at any time in any amount.

ARTS | CULTURE

Allied Arts Foundation
Ambassadors' Concert Choir
Arts Council of Oklahoma City
Ballet Oklahoma
Canterbury Choral Society
Chamber Music in Oklahoma
Cimarron Circuit Opera Company
City Arts Center
Civic Music Association
Fine Arts Institute of Edmond
Guy Fraser Harrison Academy
for the Performing Arts
Individual Artists of Oklahoma |
Linda Jaeger Memorial Fund
International Photography
Hall of Fame & Museum
Jacobson Foundation
Kirkpatrick Center
Ladies Music Club
Lyric Theatre of Oklahoma
Melton Art Reference Library
Jasmine Moran Children's Museum
OK Chorale
Oklahoma Air and Space Museum
Oklahoma Arts Institute
Oklahoma Children's Theatre
Oklahoma City Museum of Art
Oklahoma City Orchestra League
Oklahoma Community Theatre Association
Oklahoma Museums Association
Oklahoma Philharmonic Society
Oklahoma Shakespeare in the Park
Oklahoma Visual Arts Coalition
Oklahoma Youth Symphony
Omniplex Science Museum
Paseo Artists Association
Prairie Dance Theatre
Red Earth Indian Center

COMMUNITY DEVELOPMENT

Association of Fundraising Professionals
Center for Nonprofits
Executive Women International
Jewish Federation of Greater Oklahoma City
Junior Hospitality Club
Junior League of Oklahoma City
Leadership Oklahoma City
League of Women Voters of Oklahoma
Legal Aid Services of Oklahoma
National Society of Colonial Dames
of America in Oklahoma
The Ninety-Nines
Oklahoma City All Sports Association
Oklahoma City Crimestoppers
Oklahoma County Bar Foundation
Oklahoma Lions Service Foundation
Redbud Foundation

Rotary Foundation of Oklahoma City
U.S. Navy E6-A Squadron
U.S.S. Oklahoma City
Women of the South

EDUCATION | COMMUNITY

Institute of International Education
Library Endowment Trust
Friends of the Metropolitan Library System
Friends of the Norman Public Library
Oklahoma City Literacy Council
Oklahoma Humanities Council
Oklahomans for Special Library Services
Payne Education Center

EDUCATION PRE-K-12

Calumet School Foundation
Casady School
CELEBRATIONS! Educational Services
Christ the King Catholic School
Deer Creek Community Enrichment Foundation
Edmond Public Schools Foundation
Heritage Hall School
Erna Krouch Preschool
Bishop McGuinness Catholic High School
Midwest City | Del City Public
Schools Foundation
Moore Public Schools Foundation
for Academic Excellence
Mount Saint Mary High School
Oklahoma City Public Schools Foundation
Oklahoma Foundation for Excellence
Oklahoma School of Science & Mathematics
Positive Tomorrows
Putnam City Public Schools Foundation
Rosary Catholic School
Sacred Heart Catholic School of El Reno
St. Charles Borromeo Catholic School
St. Elizabeth Ann Seton Catholic School
St. James Catholic School
St. John Christian Heritage Academy
St. John's Episcopal School
St. Mary's Episcopal School of Edmond
Special Care
Trinity School
Villa Teresa School
Westminster School

EDUCATION | COLLEGE AND VOCATIONAL

Hillel Foundation | University of Oklahoma
Langston University
Oklahoma Baptist University
Oklahoma Christian University
Oklahoma City Community College
Oklahoma City University
Oklahoma City University Film Institute
Oklahoma City University School of Law
Oklahoma FAA Foundation

Oklahoma State University | School of Civil &
Environmental Engineering
Oklahoma State University | Oklahoma City
Opportunities Industrialization Center
Redlands Community College
Southern Nazarene University
St. Gregory's University
Francis Tuttle Vo-Tech Foundation
United States Air Force Academy
United States Military Academy
United States Naval Academy
University of Central Oklahoma
University of Central Oklahoma
Melton Legacy Collection Fund
University of Central Oklahoma Department
of History and Geography
University of Oklahoma
– Bizzell Memorial Library
University of Oklahoma
– Fred Jones, Jr. Museum of Art
University of Oklahoma
– Marching Band
University of Oklahoma
– Medical College Alumni Association

ELDERLY

Area-wide Aging Agency
Baptist Retirement Center
Daily Living Centers
Edmond Senior Community Foundation
Foundation for Senior Citizens
Mayfair Center
Oklahoma County Senior Nutrition Program
Retired & Senior Volunteer Program
of Central Oklahoma (RSVP)

ENVIRONMENT & ANIMALS

Free to Live
Friends of Martin Park Nature Center
Greater Oklahoma City Tree Bank Foundation
Morris Animal Foundation
Myriad Gardens Foundation
The Nature Conservancy | Oklahoma Chapter
Oklahoma City Beautiful
Oklahoma City Geological Foundation
Oklahoma Horticultural Society
Oklahoma Zoological Society

HEALTH

Alzheimer's Association |
Oklahoma & Arkansas Chapter
American Cancer Society
American Diabetes Association
American Lung Association of Oklahoma
Arthritis Foundation | Oklahoma Chapter
Camp Cavett
The Children's Center

Continued on the Back



Continued from the Front

HEALTH

Children's Medical Research Institute
 Community Health Center | Mary Mahoney
 Memorial Health Center
 Deaconess Hospital Foundation
 Epilepsy Association of Oklahoma
 Integris Baptist Medical Center of Oklahoma
 Integris — James L. Hall, Jr. Center for
 Mind, Body and Spirit
 Integris Southwest Medical Center Foundation
 The Leukemia & Lymphoma Society
 Dean A. McGee Eye Institute
 Mercy Health Center
 National Multiple Sclerosis Society |
 Oklahoma Chapter
 Oklahaven Children's Chiropractic Center
 Oklahoma Lupus Association
 Oklahoma Medical Research Foundation
 Oklahoma Physical Therapy Foundation
 Planned Parenthood of Central Oklahoma
 Prevent Blindness Oklahoma
 Referral Center for Alcohol and Drug Services
 St. Anthony Hospital Foundation
 Southeast Area Health Center
 United Cerebral Palsy
 Variety Health Center

HISTORY

45th Infantry Division Museum
 Arcadia Historical & Preservation Society
 Cleveland County Historical Society
 Edmond Historical Society
 William Fremont Harn Gardens and Homestead
 National Cowboy and Western Heritage Museum
 Oklahoma Archeological Survey
 Oklahoma City-County Historical Society
 Oklahoma Heritage Association
 Oklahoma Historical Society
 Friends of the Oklahoma Historical
 Society Archives
 Oklahoma Railway Museum
 Oklahoma State Firefighter's Museum | OSFA
 Oklahoma Westerners Indian Territory Posse
 Overholser Mansion
 Preservation Oklahoma
 Stillwater Museum Association |
 Sheerar Museum Fund
 Westerners International

NEIGHBORHOOD ASSOCIATIONS

Capitol View Neighborhood Association
 Crown Heights-Edgemere Heights
 Neighborhood Association
 Edgemere Park Preservation Area
 Historic Brookhaven Neighborhood Association
 Mesta Park Neighborhood Association
 Neighborhood Alliance of Oklahoma City
 Oklahoma City Housing Services
 Redevelopment Corp. (Positively Paseo)

Putnam Heights Preservation Area
 Shartel Boulevard Development Authority

RELIGIOUS ORGANIZATIONS

All Souls' Episcopal Church
 Temple B'nai Israel Centennial Fund

SOCIAL SERVICES

A Chance to Change Foundation
 Aid for Individual Development
 American Red Cross of Central Oklahoma
 Catholic Charities of the Archdiocese
 of Oklahoma City
 Central Oklahoma Association
 for the Deaf & Hard of Hearing
 Child Abuse Response and
 Evaluation Center (CARE)
 Citizens Caring for Children
 City Rescue Mission
 Coffee Creek Riding Center
 Consumer Credit Counseling Service
 of Central Oklahoma
 Contact Crisis Helpline
 Drug Recovery, Inc.
 Easter Seals of Oklahoma
 The Education and Employment Ministry (TEAM)
 Employment & Residential Centers (EARC)
 Exchange Club Center for the Prevention
 of Child Abuse
 Firststep | OKC Metro Alliance
 Genesis Project
 Infant Crisis Services
 Jesus House
 Make-A-Wish Foundation of Oklahoma
 Make Promises Happen |
 Central Oklahoma Christian Camp
 McCall's Communities for Life Enrichment
 Meadows Center for Opportunity
 Mental Health Association in Oklahoma County
 Neighbor For Neighbor of Oklahoma City
 Neighborhood Services Organization
 Oklahoma Foundation for the Disabled
 Oklahoma Foundation for the Education
 of Blind Children and Youth
 Oklahoma Goodwill Industries
 Oklahoma Halfway House
 Oklahoma League for the Blind
 Presbyterian Urban Mission
 Rainbow Fleet
 Rebuilding Together-Christmas in April
 Regional Food Bank of Oklahoma
 Reliant Living Centers of Oklahoma
 Dale Rogers Training Center
 The Salvation Army
 Scope Ministries International
 Skyline Urban Ministry
 Special Olympics Oklahoma
 Speck Homes
 Sunbeam Family Services
 Traveler's Aid Society
 United Methodist Boys Ranch

United Way of Central Oklahoma
 Urban League of Greater Oklahoma City
 Willow Springs Boys Ranch
 Work Activity Center
 World Neighbors
 Youth Services for Oklahoma County
 YWCA of Oklahoma City

YOUTH

Big Brothers | Big Sisters
 of Greater Oklahoma City
 Boy Scouts of America | Last Frontier Council
 Boys & Girls Club of Oklahoma County
 Camp Fire USA | Heart of Oklahoma Council
 Fellowship of Christian Athletes
 Girl Scouts | Red Lands Council
 Junior Achievement
 of Greater Oklahoma City
 Kerr-McGee Swim Club
 Oklahoma City Police Athletic League
 Salvation Army Boys and Girls Club
 of Oklahoma City
 Sugar Creek Camp
 YMCA of Greater Oklahoma City
 Youth Leadership Exchange

LAWTON FUNDS

Arts for All
 Boulevard of Lights
 Cache School Scholarship
 Fort Sill Armed Services YMCA |
 Gene Love Endowment
 Giddy Up 'N Go
 Great Plains AMBUCS | Kid's Zone Project
 Robert E. Griener School for the
 Handicapped of Comanche County
 Hackberry Flat Foundation
 Lawton Community Theatre
 Lawton Family YMCA
 Lawton Public School Foundation
 Museum of the Great Plains
 On the Chisholm Trail
 Association Heritage Center
 Percussive Arts Society
 Southwest Oklahoma Genealogical Society
 United Way of Lawton-Fort Sill



**OKLAHOMA CITY
 COMMUNITY FOUNDATION**

Helping you help the community

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Investment & Distribution Policies: Tailored for Agency Endowment Funds

Agency endowment funds are expected to exist in perpetuity and provide support for the nonprofit agency's current and future needs. The balance between generating current income and ensuring growth to protect future income against inflation requires that investment and distribution policies are well coordinated and that a long-term perspective is maintained.

The Oklahoma City Community Foundation Trustees monitor the investment process so that every agency endowment fund receives the best possible professional investment management. In addition, the distribution policies utilized by the Agency Endowment Fund Program are modeled after the nation's largest and most successful endowment programs.

How are the agency endowment funds invested? All agency endowment funds are pooled with other Oklahoma City Community Foundation funds and invested by a team of professional investment managers. Our investment policy calls for a portfolio of stocks and bonds that is highly diversified and of the highest quality. Capital preservation and growth necessary to protect against inflation are the policy's fundamental objectives. Our Investment Committee monitors the performance of these managers and devotes significant time to consideration of issues of asset allocation and appropriate diversification. The Investment Committee is comprised of Trustees and investment professionals in the community and is led by Investment Counsel, James K. Hotchkiss of Hotchkiss and Associates of Chicago, Illinois. This proven investment strategy has resulted in investment performance that has out performed the market benchmark indices for the past 10 years. Detail of the most recent investment performance results are available at www.occf.org. Total investment performance for the fiscal year ended 6/30/04 was 15.03%.

How are the annual distribution amounts determined? Cash distributions from agency endowment funds are based on a spending rule that calls for distributing 5 percent of the market value of the fund, averaged over the previous 8 quarters. Any additional investment return over the 5 percent is left in the fund to increase the fund value and to protect the future income stream against inflation. Historical trends in the marketplace indicate that 5 percent is an appropriate amount to distribute while still maintaining the purchasing power of the fund. This is based on the assumptions that total investment return for a balanced portfolio can reasonably be expected to average at least 8 percent and inflation over time will average 3 percent. Most large endowment funds for colleges and foundations use the 5 percent spending rule because the annual distribution from the fund is predictable and is not tied to current income, asset allocation or shifts in market conditions in any one year. This spending policy also allows investment managers to achieve total return for the entire portfolio that enhances the fund over time. For more information about the investment and distribution policies, please contact Carla Pickrell at 405/235-5603 or c.pickrell@occf.org.

Central Oklahoma Charities — Your Online Directory

Central Oklahoma Charities is the one-stop online directory of nonprofit organizations in the Oklahoma City area. And it's only found at www.occf.org.

Each of the more than 250 nonprofit organizations with agency endowment funds at the Oklahoma City Community Foundation is included in Central Oklahoma Charities listing both alphabetical and categorical. Each listing include the following:

- Telephone and fax numbers
- Address
- Contact name and e-mail link
- Web site address and link
- Description of the organization and the population it serves
- The convenience of online giving via a link to a secure web site.

Visit www.occf.org and discover Central Oklahoma Charities.

We Make Charitable Giving Easy

Providing an easy and simple way for donors to make charitable gifts to their favorite nonprofit organizations is a vital part of our mission and an important service we provide through the Agency Endowment Fund Program. Our professional staff is experienced and knowledgeable about the different giving vehicles and can assist donors and their professional advisors with a gift planning process that meets their charitable goals. Below are gift options and services we provide.

Charitable gifts can provide tax benefits and even annual income. Because the Oklahoma City Community Foundation is a public charity, the tax benefits are the maximum allowed by law.

We are able to issue gift annuity contracts and administer charitable trusts. Visit www.occf.org to review sample trust and annuity agreements.

Charitable bequests are a simple way to include a gift through an estate plan. Visit www.occf.org for sample language for charitable bequests.

The Planned Giving Design Center, accessible through www.occf.org, is a comprehensive online resource on tax planning information and also offers a charitable gift calculator.

We make it easy to accept oil and gas interests, insurance policies, real estate and retirement plan assets.

For donors who want to make one gift and divide it among several nonprofit organizations, the Oklahoma City Community Foundation provides an easy way to make this type of gift.

For donors who prefer the convenience of making gifts online to a nonprofit organization, we offer a secure online giving web site that accepts American Express, MasterCard, VISA and Discover credit cards. Complete instructions on this easy and efficient way to make a contribution are available at www.occf.org.

To discuss gift planning or the gift of any type of asset, please contact Donna McCampbell at 405/235-5603 or d.mccampbell@occf.org.



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COMMUNITY FOUNDATION**

Helping you help the community

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DONORCENTRAL

A NEW SERVICE FOR AGENCY ENDOWMENT FUNDS

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The Oklahoma City Community Foundation is pleased to offer DonorCentral to agency endowment funds. DonorCentral is an easy and convenient online reporting system that is accessed via a secure password and user name through our web site at www.occf.org. DonorCentral offers fund representatives the ability to review their fund balance, gift history to the fund as well as financial statements.

A year ago, DonorCentral was introduced as a service to donors with permanent advised funds.

"We have had a positive response from our donors who utilize DonorCentral to make grants or review their fund and thought

it would be a useful tool for the agency endowment funds as well," says Nancy B. Anthony, executive director. "We believe they will find DonorCentral a convenient and easy way to review their fund balance as well as recent gifts to the fund and a history of distributions."

"We are continually looking for ways to build upon our service to the agency endowment funds and assist them in understanding the importance of their endowment and its impact on the viability of their organization," Anthony adds.

For more information on DonorCentral for agency endowment funds, please contact Gayle Farley at 405/235-5603 or g.farley@occf.org.

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