



2011 ANNUAL REPORT

THE OKLAHOMA UNITED METHODIST FOUNDATION

Weaving our stories together

President's Report

I am inspired by the work of our United Methodist ministries and churches made possible by the Foundation's donors. Reports from ministries like Neighborhood Services Organization, Circle of Care's Pearl's Hope and local churches remind me of our denomination's great Connection and the impact these ministries have on individuals and families. I am also reminded how few people have the opportunity to hear these uplifting reports and the life-changing work happening right here in Oklahoma.



In our churches and even at the Foundation, we do not tell our story often enough; it becomes lost in the day-to-day work. It can be easy to report on the financial aspect of our ministry at the Foundation—the amounts of contributions and distributions and annual returns. However, behind each dollar is a story, a life changed, and possibly a life saved—literally and spiritually. It is vital to tell our story because it is who we are and why we exist.

The cover of the Annual Report is a mosaic of faces. These faces are our story and together make up our United Methodist Connection. *You* are a part of our story just like those before us and those ahead of us.

In our Annual Report you will read five of our stories. I pray you are blessed and encouraged as you read about these donors and ministries. They are everyday people answering the call God has placed upon them to make a difference.

As supporters of the Foundation, thank you for entrusting us with your resources. Together, we are making a difference in ministry. A life is changed, and a soul is saved as God weaves our stories together.

Grace and Peace,

A handwritten signature in blue ink that reads "Bill Junk". The signature is written in a cursive, flowing style.

Bill Junk

Endowments enable ministry

Board of Trustees Chairman's Report

Dr. Robert Long

On behalf of the Oklahoma United Methodist Foundation Board of Trustees, thank you for your partnership with us.

As a clergy in the Oklahoma Annual Conference, I see first hand the impact endowment support has on the local church. In the 1970s, the clergy and laity of St. Luke's United Methodist Church in Oklahoma City had the foresight and dedication to create an endowment program. While the fund was unable to do much at the time, I do not know where St. Luke's would be today without it.

When I was appointed to St. Luke's in 1991, we needed money to repair the roof on our aging building, fix the air conditioning, and maintain the facility. Money from our endowment enabled us to take care of the building without sacrificing ministry.

I am forever grateful for the wisdom of our past leaders who saw a need for permanent endowment funds and acted. I cannot help but wonder what we would do without these funds. Our endowments allow us to continue ministry and continue impacting lives for Jesus Christ.

I know many churches across the Conference face similar situations. Let me assure you, the Oklahoma United Methodist Foundation is *YOUR* Foundation. The staff can help you establish, manage and grow your church's endowment program. I encourage you to take advantage of the services and expertise available.

Endowments are the key to our Church's long-term viability. Make a commitment to establish a fund this year. While you may not see the impact in your lifetime, your children, grandchildren, and the future generations of your church will be able to continue ministry because of your foresight and dedication. This is how you leave the world a little better than you found it. This is how you leave a legacy. Let us help you get started today.



Investment Committee

Bottom Row: Peter Boatright, Dr. Robert Long and Allen Evans. Top Row: Terry Carter, Dr. M. Mouzon Biggs Jr., Gerald Gamble, Glenn Cox, Ed Sutter, Jerry Hudson, Cara Nicklas and G.T. Blankenship.

Ex-Officio Board Members (not pictured)

Rev. Brian Bakeman, Bishop Robert E. Hayes Jr., Linda Petree Lambert and Rev. Craig Stinson.

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Denver Woolsey, Edmond



Planned Giving Committee

Bottom Row: Judy Benson, Richard Small and Rick Riddle.
Top Row: Rev. Darrell Cates, Tom Jones, Leslie LaReau, Dr.
Guy Ames III, John Williford and Rev. David Wiggs. Not
pictured: Barbara Braught, Mary Wheeler Brown and Rev.
Linda Harker.



Operations Committee

Paul Milburn, Dr. Kevin Tully, Denver Woolsey and David
Russell. Not pictured: Harold Armstrong, Frank Davis, Dr.
Tom Harrison and Melinda Miles.

Working to further ministry

Treasurer's Report

Billy Meade, CPA, Controller & Treasurer

It is inspiring to be part of an organization contributing to the life-changing activities of our United Methodist Church. Our work at the Foundation is often measured by the benchmarks of total assets or the investment returns achieved in any given year. Though these numbers are important, the real measures of success are viewed by looking at the ministry of the institutions, churches, and Conference agencies supported by the work of the Foundation. We are honored to be entrusted with our donors' resources given to enhance and further United Methodist churches and ministries.

2011 marked our first full year under the investment guidance of Wespath Investment Management, a division of the General Board of Pension and Health Benefits of The United Methodist Church. It was a challenging and volatile year for equities as the global economic and sovereign debt concerns in Europe weighed heavily on the markets. While our funds were down slightly in 2011, (0.8%); Wespath continues to provide a highly diversified investment strategy, outstanding long-term investment results, transparency in reporting, and socially responsible accountability

and control at a reduced cost over our previous managers. Investment performance is detailed below.

Throughout 2011, the Foundation gratefully received \$12.7 million in total contributions. We distributed more than \$11.2 million during the year, including more than \$10.0 million to United Methodist churches, agencies, institutions and donor-directed charities.

More than \$1.2 million was distributed to donors with life income arrangements such as a charitable gift annuity or charitable remainder trust. Life income gifts provide current charitable contribution deductions, enhanced life income streams, and put in place a future endowment for a United Methodist church or ministry.

Thank you for letting us serve alongside you in ministry. On the next page, you will find our 2011 Summary of Financial Statements. Complete financial statements and auditors' report are available upon request.



2011 Investment Fund Performance

The Diversified Fund seeks long-term capital appreciation and current income with a target asset allocation of 65% equities (including hedge funds and real assets such as real estate and natural resources) and 35% fixed income investments. This fund is used by accounts placed voluntarily at the Foundation for investment management and distributes net income monthly. As of December 31, 2011, the fund held investments valued at \$24.0 million and had an annual total return of 7.7 percent since moving to Wespath on June 1, 2010.

The Endowment Investment Fund invests the assets of our permanent endowments. The fund uses the same investment philosophy and asset allocations as the Diversified Fund, but utilizes a fixed spending policy, currently five percent a year. A fixed spending policy provides a relevant and predictable income stream to aid in ministry budgeting and planning. As of December 31, 2011, the fund had an annual return of 7.7 percent since moving to Wespath on June 1, 2010, and held investments valued at \$98.3 million.

Continued on the next page.

Summary of Financial Statements

December 31, 2011 and 2010

Statement of Financial Position

	<u>2011</u>	<u>2010</u>
Assets		
Cash & cash equivalents	\$12,035,092	\$12,152,517
Certificates of deposit	12,841,041	14,074,000
Investments	140,584,354	140,629,426
Net property & equipment	808,979	816,334
Interest receivable & other assets	<u>13,497</u>	<u>10,318</u>
Total assets	<u>\$166,282,963</u>	<u>\$167,682,595</u>
Liabilities & Net Assets		
Accounts payable	--	\$49,084
Net assets held for benefit of others	<u>141,475,774</u>	<u>146,442,093</u>
Total liabilities	<u>141,475,774</u>	<u>146,491,177</u>
Net assets:		
Unrestricted	16,707,180	11,456,521
Temporarily restricted	279,482	2,007,541
Permanently restricted	<u>7,820,527</u>	<u>7,727,356</u>
Total net assets	<u>24,807,189</u>	<u>21,191,418</u>
Total liabilities & net assets	<u>\$166,282,963</u>	<u>\$167,682,595</u>

Statement of Activities

(Including assets held for the benefit of others)

	<u>2011</u>	<u>2010</u>
Beginning Balance	\$167,633,511	\$164,138,028
Contributions	12,700,759	9,943,525
Investment Income	(1,339,528)	14,505,745
Overhead Reimbursement	1,070,182	1,032,828
Other Fees	50,085	46,754
Distributions, withdrawals, transfers, & expenses	<u>(13,832,046)</u>	<u>(22,033,369)</u>
Ending Balance (excluding payables)	<u>\$166,282,963</u>	<u>\$167,633,511</u>

Independent Auditors' Report Available Upon Request.

The Fixed Income Fund invests 100 percent of its assets in debt securities diversified across U.S. Government, Federal Agency obligations, corporate bonds and sovereign debt of non-U.S. countries. This fund is used by accounts placed voluntarily at the Foundation for investment management. As of December 31, 2011, the investments of this fund were valued at \$871,000 with an annual total return of 6.7 percent since moving to Wespath on June 1, 2010.

The Short-Term Fund is a cash management fund. There are no term requirements for the deposits to this fund. The underlying investments are cash, the Invesco Short Term Treasury Fund, and short-term certificates of deposit. As of December 31, 2011, the fund had an annualized yield of 0.3 percent.

Your values become your legacy

David Battles, CPA, CFRE
Executive Vice President

There is no such thing as an ordinary life. Each of us has a story with the power to inspire, challenge, motivate and guide current and future generations of our families. Our stories hold the origin of our values which lead our life's passions and purpose.

In the novel, *What Matters*, Cam Thornton and Rod Zeeb share the story of Martin Forrestal. It is a moving story of life and death, and more importantly lessons learned along the way as told by a member of the "Greatest Generation."

In the book, Martin Forrestal is dying. From his hospital bed, he plans to share the stories from his life, his greatest legacy to his family. Martin wants his family to know who he was, understand what he believed in, appreciate the ideals he fought for, and see exactly how his values shaped and guided his life.

During a long night of reflection, the 82-year-old Martin identifies the values most important to him. His list begins with the value of leadership. By the time the sun is rising outside his window, Martin lists 14 values, ranging from responsibility to faith and philanthropy. As family and friends come to say their good-byes, Martin records his

thoughts and how he learned specific values from each person.

Martin's involvement with philanthropy was something different, and far more edifying. Once he realized charitable giving meant giving for purposes determined and administered by others, while philanthropy meant discerning a human need and taking the initiative to do something about it, he could not wait to do more.

In reflecting upon the stories and values shared in the novel, I am reminded of the legacy of Duaine Schoneweis of Medford, Oklahoma, who passed away in 2011. Duaine's friends described him as a quiet farmer whose speech was measured and sure, never hesitant. His life was a witness to the values that mattered most to him, and many benefited from his charitable giving and service. While Duaine saw the importance of charitable giving as demonstrated through gifts during his lifetime, these same values also led him to create a legacy of philanthropy. Duaine left his estate to support United Methodist and other charitable causes, making a difference for generations to come.

At the Foundation we are continually humbled and inspired by the example of Oklahoma United Methodists who live out their values, working diligently for causes greater than themselves. Your story creates a legacy of your values and philanthropy.



Perpetuating the local church

A story about Clinton & Mabel Fuhrmann

The United Methodist Church has always been an important part of Clinton “Clint” and Mabel Fuhrmann’s lives.

As a young child in the oil patch community of Healdton, Oklahoma, Mabel would walk to the nearby church on Sunday mornings. Over time, she became involved in the youth and choir, developing strong roots in the Methodist tradition and Connection.

Mabel met Clint at the University of Oklahoma’s Wesley Foundation during their college years. She was studying to be a home economics teacher, while Clint, also a life-long United Methodist from Hennessey, Oklahoma, was a Navy serviceman, stationed at OU studying engineering.

After being discharged from the service, Clint joined Mabel in Bartlesville, where she worked for Phillips Petroleum as an assistant chemist. Clint was an engineer for City Service Petroleum Company also in Bartlesville. They soon married and started their family.

Clint and Mabel became very active in Bartlesville First UMC and later Boston Avenue UMC after moving to Tulsa in the late 1960s. They were involved in numerous church committees, boards and different ministries throughout the years.

Boston Avenue UMC’s endowment program gave Clint and Mabel the idea to establish a fund for Healdton First UMC.

“We thought if a little church like Healdton had an endowment with steady income, it would help perpetuate the church,” said Clint.

“We liked the idea of the fund being permanent,” added Mabel. “They will have it forever and receive income to do with what the church feels necessary.”

Clint and Mabel established the fund as undesignated, meaning it does not have a specific purpose. The church can use the income from the fund for building maintenance, missions or other programs. Mabel hopes church members will add to the fund over time for the church to be able to do more with the income.

“The fund is like continuing our membership in Healdton,” said Mabel. “It was my first church and still means a lot to me.”

Clint and Mabel now live at the Oklahoma Methodist Manor, a senior adult retirement community in Tulsa. While they have slowed down in their retirement years, Clint and Mabel have lived a full and rewarding life.



Mabel & Clint Fuhrmann

Sharing blessings to give back

A story about Elvan & Nancy Lombard

Nancy Lombard calls her husband Elvan a medical miracle. Seventeen years have passed since he was told he had only a few months to live.

Elvan's hospital stays, treatments, and numerous medications once were his way of life. He suffered from kidney disease, Hepatitis B, and a failing liver. Then Elvan received a new kidney and liver through a double transplant in 2003 at the University of Minnesota in Minneapolis.

With a renewed will to live and through advances in medicine, Elvan overcame once debilitating poor health.

"I told God I wasn't finished with him yet," Nancy jokes. "There were people all over the world praying for Elvan, and we believe in the power of prayer."

During that time, Elvan and Nancy's lives were forever changed by the prayers and faithfulness of people, many they will never know or meet. Each of these individuals left a permanent mark on their hearts and lives.



Elvan & Nancy Lombard

"We have been very blessed and given more than we could ever give back," Elvan and Nancy both say. They want to share that blessing with others.

Elvan and Nancy, longtime United Methodists, attend United Methodist Church of the Servant in Oklahoma City and are former members of Grace UMC, also in Oklahoma City.

Over the years, Elvan has taught youth and children's Sunday school, always committed to give of his time and talents. Nancy found she loves women's ministries.

With help from the Foundation, Elvan and Nancy created an endowment that will be funded through a tithe of their estate after their deaths. The fund will support summer youth camp scholarships and college scholarships for "B" students, in addition to Church of the Servant.

"B-average students are great students, too," says Elvan. "They just may not be at the top of their class."

"A 'B' student may have a gift to give; they may not test well but, like the 'A' students, are very deserving of scholarships," says Nancy.

"We also thought it was important to include summer camp scholarships," she continued. "I don't ever want to see a kid not fit in, and camps mean a lot to kids."

When setting up the endowment, the Lombards were very clear on wanting current needs to be met through the fund. They also encourage younger families to take the lead in establishing their own endowment funds to meet ministry needs within the church.

Building up the next generation

A story about Alexandria (Alley) Agee

Alley Agee is a pretty remarkable 20-year-old. In her second year of college at Oklahoma City University (OCU), Alley is realizing her passion for serving and being a voice for the disadvantaged. Alley is a Religion/Philosophy and English double major, hoping to be a novelist who inspires people to make the world a better place by eliminating injustices around the world.

Alley was recently given the opportunity to preach in worship at her home church, Fort Gibson United Methodist Church. Alley wanted to raise awareness about the need to support college students through scholarship funds. She spoke about Jesus's encounter with the woman in Mark 7:25-30.

"In this scripture, Jesus's ministry was expanded from Israel to all people. I challenged our congregation to see where our ministry can go and where God is leading us to go," she said.

Alley spent her adolescent years in the youth group and church choir. She participated in mission trips, camps and learned how to live a Godly life from many influential people in the church.

"My church is good at supporting young people and building them up, helping them be the best they can be," said Alley.

As the oldest of five and the daughter of schoolteachers, Alley knew scholarships would be the only way she could attend college. As an incoming freshman, she was selected as a prestigious Clara Luper Scholar. She received numerous other scholarships, including the George G. Graham Endowed Scholarship held at the Foundation.

The George G. Graham Endowed Scholarship was created in 1982 in memory of Dr. George G.



Alley Agee

Graham, a longtime Oklahoma Conference clergy. The fund was established specifically for students in the Wimberly School of Religion at OCU.

Funds like the George G. Graham Endowed Scholarship allow our United Methodist students to continue their education without a financial hardship.

"Because of my scholarships I will graduate debt-free. That's very important to me. I probably would not be here without these scholarships," said Alley.

This summer Alley will have the opportunity to study abroad at Cambridge University. In her free time she competes on the OCU Debate Team, is in several honor societies, Alpha Chi Omega sorority, and works on campus in the University-Church Relations office.

Many Foundation donors have established scholarship endowments for students at OCU, Saint Paul School of Theology at OCU, and other Oklahoma colleges and universities. These donors are investing in the future clergy and lay leadership of our United Methodist Church.

Building dreams

A story about Moore First United Methodist Church

Building has been on the minds of church members for many years at Moore First United Methodist Church. The dream has always been to have a gym and classroom space, however, one thing or another kept the church from pursuing the project.

“Since I’ve been a member of the church—more than 31 years—we’ve been talking about building,” said Charles Payne, co-chairman of the building campaign.

In the fall of 2009, the church’s dream began to come to fruition. With a lot of excitement and momentum, the church kicked off a capital campaign to build a Christian Life Center.

Before taking on the building project, Moore First UMC helped plant a new church in the area.

Demographic studies showed tremendous growth in southeast Moore, as well as a need for a new congregation.

“I think it was important to us to help start CrossTimbers UMC before we began our campaign,” said Rev. Tish Malloy, the church’s senior pastor.

Prior to meeting with the North and South Oklahoma City Bi-District Board of Church Building and Relocation, members of the capital campaign committee met with Mike Wiley, the Foundation’s senior advisor. Mike assists churches with building projects, debt, budgeting and growth.

“With Mike’s Cash Flow Model, we were able to see how much we could realistically afford,” said Phil Day, also co-chairman of the building campaign. “The Cash Flow Model took into account our construction projections, the church budget, and the church’s growth trends.”

“I think it really helped having someone like Mike come in who is objective and does not have emotional ties to the project. He helped us understand what it would take for us to fund this project,” Charles added.

Moore First UMC embarked on their capital campaign at a time when most would not see it as an opportunity for success. The campaign began during the nation’s economic downturn. Nevertheless, this obstacle did not hinder the campaign, but allowed members to stretch themselves and step out in faith.

Soon the longtime dreams of church members and leaders will become reality. The new Christian Life Center is expected to be completed in the summer of 2012.



Photo by Thomas Maupin

Ally Gossett, Courtney Accord and Bishop Robert E. Hayes Jr. at the Moore First UMC Ground Breaking Ceremony.

Providing tools to survive and succeed

A story about Frederick First United Methodist Church

Eric Snyder, senior pastor of Frederick First United Methodist Church, participated in *Dave Ramsey's Financial Peace University (FPU)* many years ago and personally saw the positive effects of the class in his own life.

Eric learned the Foundation encouraged churches to offer FPU and received information about EQUIP, a program the Foundation offers using FPU. Eric prayed about this opportunity and gathered interested church leaders to participate in the one-day EQUIP training.

"Today, many people lack stewardship education. We live in a culture of spend first, ask later," said Eric.

"Persons and young adults are not given the tools to survive and succeed. We're not taught about money, only about buying," said Jim Ard, the church's FPU coordinator and lay leader.

"We have several young families and families on a tight budget in our congregation," Eric added.

Frederick UMC offered the class in February 2011 with about 30 families attending, four or five from the community. By participation, it was evident the class was needed and appreciated. Participants ranged in age from 20 to 70 and were from all walks of life.

The church also used the teen version of FPU, *Generation Change* at a youth retreat to begin educating teens about spending, saving and giving.

"After participating in FPU, one family now has the security of being able to retire comfortably. When going through the steps of FPU, retirement becomes a goal you can achieve," said Jim.

"Another family decided they would vacation locally instead of going to an elaborate resort because of what they could afford," added Eric.



Each FPU class is broken into two parts: the first is a one-hour video lesson, and the second hour is small group discussion.

"The small groups proved to be a very important part of the class. They allowed participants to talk about personal needs and what was relevant in their lives," said Jim.

"The church needs to be proactive in helping members and the community with stewardship education. Anytime you can be a vital, proactive part of your community, it's a good thing," he continued.

The Foundation began encouraging churches to offer personal financial literacy classes several years ago at the request of church leaders and pastors who saw the need in the local church. EQUIP goes a step further and encourages churches to offer FPU to their members and communities. The program combines the 13-week personal finance class, a five-week sermon series, Sunday school curriculum, as well as prayer and promotion teams.

For more information about FPU and EQUIP, visit our website at www.okumf.org or contact Kristin at the Foundation.

The Oklahoma United Methodist Foundation Staff



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