



**THE OKLAHOMA UNITED METHODIST FOUNDATION
2009 ANNUAL REPORT**

On the Cover: *Ahead of the Storm* by Rodney C. Murrow

A farmer works to harvest the wheat crop ahead of the next approaching Oklahoma thunderstorm. The seeds were planted; the crop was tended through the long winter and spring months, and now harvest day has come! The patient and dilligent farmer is reaping where he has previously sown.

The Oklahoma United Methodist Foundation has sown seeds with faithful givers over many years. Today we see the results of that planting. The harvest is the financial resources that cause real ministry to happen in our Conference and around the world. We know there will be another storm, but because people remember the ministries of our church in their estate plans, we are able to continue providing shelter and grace through all times for the children of God.

Native Oklahoman Rodney C. Murrow is the associate dean of graduate studies at Northwestern Oklahoma State University. His wife, Rev. Carolyn S. Murrow, retired from the Oklahoma Annual Conference in 2009. They own Murrow's FrameArt, a custom picture framing shop in Alva and currently reside in Dacoma, Oklahoma.

Ensuring ministry now and in the future

The ministry of the Oklahoma United Methodist Foundation is continually growing and evolving as the ministry and needs of our church change. While enriching the ministries and churches of the Oklahoma Annual Conference is at the heart of our mission, how we do this takes on many different faces.

Endowment formation and planned giving continue to be the Foundation's main focus. I am in awe of our faithful United Methodists who continue their stewardship through a bequest or other planned giving vehicles. On pages 6-8 you will read about two great people who saw beyond themselves and gave to continue ministry for future generations. They are leaving a legacy of their service, generosity and faithfulness to our church.

Through a donor's desire to support our clergy, the Foundation was presented with an opportunity to help foster the ministry of our churches and clergy. Gary West gave the Foundation a retreat property in Eastern Oklahoma to realize his vision to provide a place for clergy respites and retreats. He knew his family's property would be a place to find serenity and peace in the outdoors. Riverbend, as the property is called, opened in the fall of 2009 and gives us the opportunity to fulfill a donor's wishes and cultivate spiritual respite for clergy families and small groups within our Conference.

Another part of our mission includes encouraging stewardship in the local church. In 2009 I had the opportunity to learn about a ministry I feel

addresses an issue we have not given proper attention as a church for many years. EQUIP teaches the spiritual

discipline of stewardship in a captivating way and is applicable to nearly anyone or any family. It is not about giving or pledging to the church, rather it is about handling money and possessions God's way. This ministry addresses everything from our members' spending, savings, giving and debt to our churches' budgets. EQUIP speaks to the pull of our culture to spend more than we make and encourages God's way of handling our most focused asset: our money. I look forward to sharing next year how families and churches have been changed because of this ministry.

The Foundation would not be where we are today if it were not for the vision of our early founders and supporters. They may not have dreamed the Foundation would expand to offer the many services we do today, but we continue to adapt to the Oklahoma Annual Conference's ministry needs and will continue to grow as new generations lead us into the future.

Bill Junk
President



Bill Junk

Working hard to strengthen ministry

I am inspired by the work of the Oklahoma United Methodist Foundation and how we work to meet the needs of the Oklahoma Annual Conference. From investments to planned giving and stewardship to endowment promotion, the Foundation works hard to strengthen Oklahoma United Methodist churches and ministries.

While an economic recovery is far from complete, the financial markets rebounded significantly in 2009. The Foundation's disciplined approach to investing the hard earned resources of our churches and ministries was rewarded with solid investment returns outlined on pages 4-5. These returns provide income and asset protection for the endowments entrusted to us for the work of the church.

These endowments are an important component of ministry, but become even more critical today as some ministries experience a decline in financial resources. The Foundation distributed more than \$10.2 million to churches, ministries, agencies, and donor directed charities. This amount is more than a number; each dollar represents lives impacted on behalf of Jesus Christ.

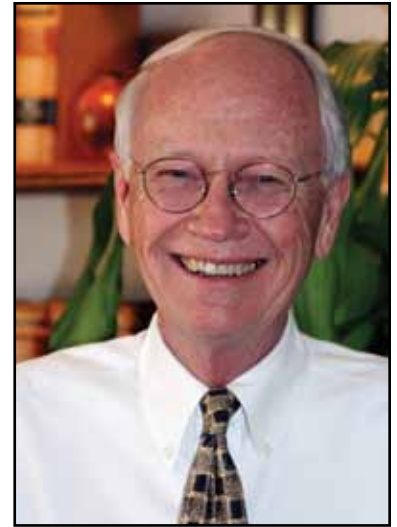
We continue to grow our Trustees Endowment Fund. This special fund, honoring the work of our Board of Trustees and the Foundation, was established

as a way to continue ministry within the Conference through grants to worthy causes. The fund extended its first grant in 2009 to the Cookson Hills Center in Eastern Oklahoma. Cookson Hills is ministering to countless individuals, and I am thankful we are able to be a part of this connection.

We unfortunately said goodbye to a longtime Foundation trustee who had a true passion for helping others establish their estate plan. Dave Blakeburn of Muskogee served on the Board of Trustees for 20 years and lent his expertise to the Investment Committee. On behalf of the Foundation Board of Trustees, I am grateful for Dave's service and commitment to the Foundation.

I want to thank each of our trustees, donors, supporters and staff. Because of your generosity of time, expertise and resources, the Foundation is able to grow and move into the future.

Allen Evans
Board of Trustees Chairman



Allen Evans

2009 Board of Trustees

Allen Evans, Chair, *Oklahoma City*

Dr. Robert Long, Vice Chair, *Oklahoma City*

Harold Armstrong, Secretary, *Oklahoma City*

Peter Boatright, Investment Committee Chair, *Oklahoma City*

Judy Benson, Planned Giving Committee Chair, *Frederick*

Hon. David Russell, Operations Committee Chair, *Oklahoma City*

Dr. Guy Ames III, *Ardmore*

Rev. Brian Bakeman,
Oklahoma City

Dr. M. Mouzon Biggs Jr., *Tulsa*

G.T. Blankenship,
Oklahoma City

Barbara Braught, *Duncan*

Mary Wheeler Brown, *Tulsa*

Terry Carter, *Tulsa*

Rev. Darrell Cates, *McAlester*

Glenn Cox, *Bartlesville*

Frank Davis, *Guthrie*

Gerald Gamble,
Oklahoma City

Rev. Linda Harker, *Muskogee*

Dr. Tom Harrison, *Tulsa*

Bishop Robert E. Hayes Jr.,
Oklahoma City

Jerry Hudson, *Tulsa*

Tom Jones Jr., *Duncan*

Linda Petree Lambert,
Oklahoma City

Leslie LaReau, *Norman*

Paul Milburn, *Shawnee*

Melinda Miles, *Geary*

Bishop Ray Owen,
Oklahoma City

Rick Riddle, *Tulsa*

Richard Small, *Tulsa*

Rev. Craig Stinson,
Oklahoma City

Ed Sutter, *Alva*

Dr. Kevin Tully, *Bartlesville*

Rev. David Wiggs, *Enid*

John Williford, *Bartlesville*

Denver Woolsey, *Edmond*



The difference a year can make

At this time last year, the U.S. equity markets were experiencing their worst declines since the 1930s. As stated in last year's report, we could not predict when the market recovery would begin, but history has shown previous down markets of 2008's magnitude are generally followed by robust investment returns. In March 2009, the negative markets began to reverse course. The strong rebound continued through the remainder of the year, resulting in our best absolute investment returns in more than 10 years. Investment fund performance is detailed below.

The investment committee continues to work closely with our investment consultant, Hammond Associates, to monitor the diversified asset allocations, individual manager performance, and keep us well positioned to participate in further market recoveries.

During the year, the Foundation received more than \$5.5 million in total contributions and established 32 new accounts. These gifts are a testament to the commitment and faithfulness of our United Methodist supporters in a time when resources for many may

be diminishing and overall ministry need is increasing.

We distributed more than \$11.5 million during the year; including more than \$10.2 million to United Methodist churches, agencies, institutions and donor-directed charities. More than \$1.3 million was distributed to donors with a life income fund 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 beloved United Methodist ministry.

On the next page, you will find our 2009 Summary of Financial Statements. Complete financial statements and auditors' report are available upon request.

Billy Meade, CPA
Controller & Treasurer



Billy Meade

2009 Investment Fund Performance

The Diversified Fund seeks long-term capital appreciation and current income with a target asset allocation of 45% equities, 28% fixed income investments, and 27% alternative investments (hedge funds and real assets including real estate and natural resources). This fund is used by accounts placed voluntarily at the Foundation for investment management. As of December 31, 2009, the fund held investments valued at \$26.9 million and had a total return of 13.4%.

The Endowment Investment Fund seeks long-term capital appreciation and current income with a target asset allocation of 45% equities, 30% fixed income investments and 25% alternative investments (hedge funds and real assets including real estate and natural resources). This fund invests the assets of our permanent endowment funds. As of December 31, 2009, the fund had a total return of 16.1% and held investments valued at \$86.5 million.

The Fixed Income Fund invests 100% of its assets in debt securities diversified across U.S. Government, Federal Agency obligations, corporate bonds, sovereign debt of non-U.S. countries, and mutual funds whose underlying assets are primarily fixed income securities. This fund is used by accounts placed voluntarily at the Foundation for investment management. As of December 31, 2009, the investments of this fund were valued at \$1,030,000 with a total return of 11.1%.

The Short-Term Fund is a cash management fund. There are no term requirements for the deposits to this fund. The investments are the AIM Group Prime Portfolio and short-term certificates of deposit. As of December 31, 2009, the fund had a yield of 0.4%.

Important Note: These summaries are for informational purposes only and are not intended to provide complete disclosure. Additional disclosure information, including past performance, associated fees and advisors is available upon request.

The Oklahoma United Methodist Foundation

2009 Summary of Financial Statements

Statement of Financial Position

	<u>2009</u>	<u>2008</u>
Assets		
Cash & cash equivalents	\$35,930,700	\$33,412,365
Investments:		
U.S. Government obligations	18,660,613	10,397,671
Equity securities	61,518,429	61,285,903
Corporate debt obligations	10,913,636	2,773,224
Municipal bonds	259,301	294,220
Notes receivable	2,470,622	2,486,884
Real estate	1,006,015	7,070,554
Mineral interests	6,942,150	13,034,114
Alternative investments	25,287,344	25,488,556
Other	<u>321,716</u>	<u>290,696</u>
Total Investments	<u>127,379,826</u>	<u>123,121,822</u>
Net property & equipment	827,377	827,061
Interest receivable & other	<u>3,052</u>	<u>47,836</u>
Total assets	<u>\$164,140,955</u>	<u>\$157,409,084</u>
Liabilities & Net Assets		
Accounts payable	2,927	--
Net assets held for benefit of others	<u>143,560,610</u>	<u>139,341,207</u>
Total liabilities	<u>143,563,537</u>	<u>139,341,207</u>
Net assets:		
Unrestricted	11,432,685	9,128,969
Temporarily restricted	1,751,732	2,248,421
Permanently restricted	<u>7,393,001</u>	<u>6,690,487</u>
Total net assets	<u>20,577,418</u>	<u>18,067,877</u>
Total liabilities & net assets	<u>\$164,140,955</u>	<u>\$157,409,084</u>

Statement of Activities

(Including assets held for the benefit of others)

	<u>2009</u>	<u>2008</u>
Beginning Balance	\$157,409,084	\$191,441,799
Contributions	5,540,614	15,929,363
Income	6,516,816	9,026,475
Investment gains (losses)		
Real estate & mineral interests	(4,043,437)	4,376,269
Other investments	12,335,253	(46,273,870)
Distributions, withdrawals, transfers, & expenses	<u>(13,620,302)</u>	<u>(17,090,952)</u>
Ending Balance (excluding payables)	<u>\$164,138,028</u>	<u>\$157,409,084</u>

Independent Auditor's Report Available Upon Request.



David Battles

Planned Giving Report

Living well and leaving a legacy

“Retiring? No! I’m re-firing. There’s no mention of retirement in the Bible, as far as I can tell. In fact, except for Jesus and David, nobody had much of an impact until they were at least sixty, and most of them were in their nineties before they did their best work.”

- Zig Ziglar in *Finishing Well* by Bob Buford

Retirement is not what it used to be. It is not an ending; it is a new beginning—the start of a new season in life’s journey. If planned well, this new season offers opportunities that may literally transform our beliefs about ourselves, give us a deeper understanding of our gifts, reframe our perceptions of how we are called to serve, fuel our passions, invigorate our thinking, refocus our feelings, clarify our decisions, and give us significance and purpose.

Retirement means different things to different people. For some it means a continuation and extension of the happiness and fulfillment found working in their present position or even a completely different position. They do not foresee forfeiting any sense of personal accomplishment while pursuing a creative retirement lifestyle. For others retirement may mean starting a business; taking educational courses; teaching; consulting; volunteering; learning a new skill such as woodcarving; raising alpacas; planting and cultivating a vineyard; running a bed and breakfast, and the list goes on.

There is no one pattern for retirement that fits everyone; however, it will take personal life planning to accomplish your retirement goals and your vision of the future. Perhaps the best way to plan for retirement is not to consider it a far off event, but

something we can do here and now to make lives better today and in the future.

Planning your legacy is an important component of your retirement life plan. We all want to be remembered when we pass from this life. A very tangible way to extend our values and influence is to establish an endowment fund. An endowment fund allows our children, grandchildren and friends the opportunity to know something about our values and generosity. A bequest to the Oklahoma United Methodist Foundation for the benefit of the United Methodist ministries that made an impact on your life is an effective way to accomplish your philanthropic goals. The Foundation will establish and manage an endowment in your name under the guidelines you outline. Another method of accomplishing both your financial and philanthropic goals is to establish a deferred gift annuity.

Both of these charitable techniques are discussed in the following pages along with the stories of Lulu Norvill and Phil Deschner. These two individuals have lived well and are leaving a legacy of their generosity and faithfulness.

David Battles

Executive Vice President



Living life to the fullest

Lulu Norvill is a woman of rich history and family legacy. Around her home you will find her great grandmother's bedroom suite, her mother's hall tree, and pictures from her childhood. She can tell you the history of each meaningful item in her home, and it is obvious they all hold many precious memories of family and loved ones.

Lulu is a life-long Methodist. She was baptized in the same church as her older brother and mother. Lulu and her late husband Fred's

membership at Asbury United Methodist Church in Tulsa spans 40 years. She is still a part of a United Methodist Women's Circle at Asbury, but is now only able to attend occasionally and for special events.

Lulu and Fred moved to the Oklahoma Methodist Manor in the mid 1980s. They moved into one of the first garden apartments, and the Manor quickly became their home.

"We already knew several couples living at the Manor. After moving, Fred was happier than he had ever been. We were away from the stress of work and taking care of the lawn," said Lulu.

Fred and Lulu started the first bridge club at the Manor. The club began in their home with three or four tables of players one evening a week. Lulu also started a women's bridge club.

Staying active and involved in many activities, Lulu and Fred were never too busy to plan for the future. Before Fred passed away, they established the *Fred and Lulu Norvill Living Trust* and appointed the Foundation as successor trustee. The trust will ultimately benefit the place they called home: the Oklahoma Methodist Manor in Tulsa.

Wills & Bequests

You do not have to be wealthy to consider an estate plan. An estate plan will provide for the transfer of any property or assets you own upon your death. Having a will or trust allows you to decide who will receive these items rather than leaving the choice to state law.

Our *Guide to Wills & Trusts* will help you answer many questions about creating a will and prepare you to speak with your attorney. Having a will allows you to choose a personal representative who will carry out your wishes. A will also provides a way to remember persons you care about who would not otherwise benefit and remember United Methodist causes. It is a way to continue your stewardship and provide for ministries you believe are important.

Call the Foundation today to request your copy of the *Guide to Wills & Trusts*.

Deferred Gift Annuity

A deferred gift annuity can be established by transferring cash, real estate or appreciated assets to the Foundation. In return you will receive fixed payments for the remainder of your life based on the start date you choose. It could be one year from now, or five, ten or even thirty years; you choose. The longer the delay (or deferral period), the higher your payment rate will be, based on your age. Like an “immediate” gift annuity, a deferred gift annuity will give you an income tax deduction for the value of your future gift, plus the satisfaction of ensuring the ministries of future generations.

After a lifetime of payments, the remaining funds in the deferred gift annuity will establish a ministry endowment in your name as a legacy to you and your family.

In his spare time, Phil enjoyed adventures with Mary, including traveling and sports. He played table tennis, bowling and pool, and competed in many tournaments.

Phil moved to a retirement community in 2001 after his home of more than 30 years became too much to maintain. He heard he could give his home to the Foundation to establish a gift annuity and receive steady income during his retirement years.

After cleaning out his belongings, the Foundation took care of the rest, even selling the house for more than expected. Phil now receives regular payments from the annuity.

“A gift annuity was an easy way to dispose of my house,” said Phil. “I always intended to give a good part of my estate to the church and this was an easy way to do that.”

After Phil is gone, the remainder of his gift annuity will go to an endowment fund to benefit the Oklahoma Methodist Manor in Tulsa. He has also left bequests to several United Methodist causes special to him. Phil’s legacy will inspire future generations by continuing to support ministry after he is gone.

Continuing a family’s legacy

Being a lifelong Methodist and growing up in a clergy family, Phil Deschner’s parents instilled in him the value of doing the right thing. This is evident in Phil’s faithfulness to his church and denomination, loyalty to his career, and love for his family.

Phil was born in New Orleans where his father pastored the city’s largest Methodist Episcopal church. In his youth, Phil was involved in the Epworth League, the teen and young adult ministry, and attended summer institutes (camps) at Guthrie and Oklahoma City University.

Phil met his wife Mary at church in Enid just after high school; they were married for 55 years before she passed away in 1995. They moved to Ponca City when Phil began his 32-year career in accounting at Conoco Phillips.

Members of Ponca City First United Methodist Church, Phil and Mary served in many areas of the church. Phil helped keep the financial books, served on the church board and the board of trustees.



The Oklahoma United Methodist Foundation Staff



Bill Junk
President



David Battles, CPA
Executive Vice President



Billy Meade, CPA
Controller &
Treasurer



Janet Battles, CPA
Director of Accounting



Loyce Gandy
Secretary



Barbara Gayle
Administrative Assistant



Cindy Jones
Systems Analyst



Pamela Morton
Receptionist



Andy Oden, APR
Director of Foundation
Relations



Jane Stewart
Secretary



Kristin Van Nort
Communications
Coordinator



Mike Wiley
Senior Advisor



THE OKLAHOMA UNITED METHODIST FOUNDATION

4201 Classen Boulevard, Oklahoma City, OK 73118

800-259-6863 www.okumf.org

© Copyright 2010

Kristin E. Van Nort, Editor