

The dream of our founders

In our amazement, we discover the dream our founders had. Because they dared to dream of possibilities in a Conference Foundation, we witness what we do today as accomplishments and growing services. Like them, we cannot foretell all of the church's scope of service 25 to 50 years from now. The future is still bright with promise of enrichment for our people and encouragement with added support for the work of our Church.

—Written in 1986 by Dr. Elwyn Thurston,
Foundation Executive Director 1981-1988



Bill Junk and Dr. Robert Long

Since our creation in 1944, The Oklahoma United Methodist Foundation continues to live out the dream of our founders to strengthen the local church. The dream comes to life with faithful donors, who allow the Foundation to be the instrument expressing their stewardship after they are gone, as well as the wise and faithful leadership of our board of trustees and staff.

Attracting permanent endowment funds through bequests, trusts, and deferred gifts are at the heart of the Foundation's work. We spend most of our time and energy helping faithful United Methodists direct their estates or portions thereof to support the ministries of our Church they feel are important or made a significant impact on their lives. We know lives are touched and changed and many who would not otherwise know the gospel message hear about the great news of Jesus Christ; all because generous and faithful donors place their trust and assets in the Foundation's care.

It is wonderful to see the faces of people when they catch the vision of what their future gifts can mean to the ministry of our Church. It is also very gratifying when we are able to notify a local church or charity of an estate or planned gift that has been given and see the dreams and possibilities of a ministry unfold because resources are now available.

This brief annual report highlights some of the Foundation's significant milestones for 2012. Though the year held many great accomplishments, it is yet another mark on the path laid before us by our founders. We have not reached the end of the road; much work is still to be done, and we are excited to be in service for the great ministry of our Church.

As Dr. Thurston said in 1986, we do not know what the future holds, but we do know we will continue to do everything in our power to strengthen the ministry of the local church and the ministries of our Conference.

On behalf of the Foundation staff and board of trustees, thank you. We consider it a privilege and honor to serve you.

Grace and Peace,



Bill Junk, President



Dr. Robert Long, Board of Trustees Chairman

How is the Foundation *transforming lives?*

From college scholarships to mission trips here and around the world, the work of the Foundation transforms lives. Every dollar distributed from the Foundation is linked to a person, church or ministry. Without these life-giving funds, homeless would not be fed, children would not hear about the grace of Jesus, and many would not experience the love of Christ.

The ministry of the Foundation is directly connected to the local church and our United Methodist ministries. Without them, we would not exist. Our purpose is to empower the ministry of the local church to make disciples for Jesus Christ. We do this through many areas including: assisting individuals in making planned gifts to their church, helping churches and families establish permanent endowment funds for ministry, administering grants to needed programs, providing scholarships for undergraduate, graduate and seminary students, and consulting with churches on stewardship, building and growth needs.

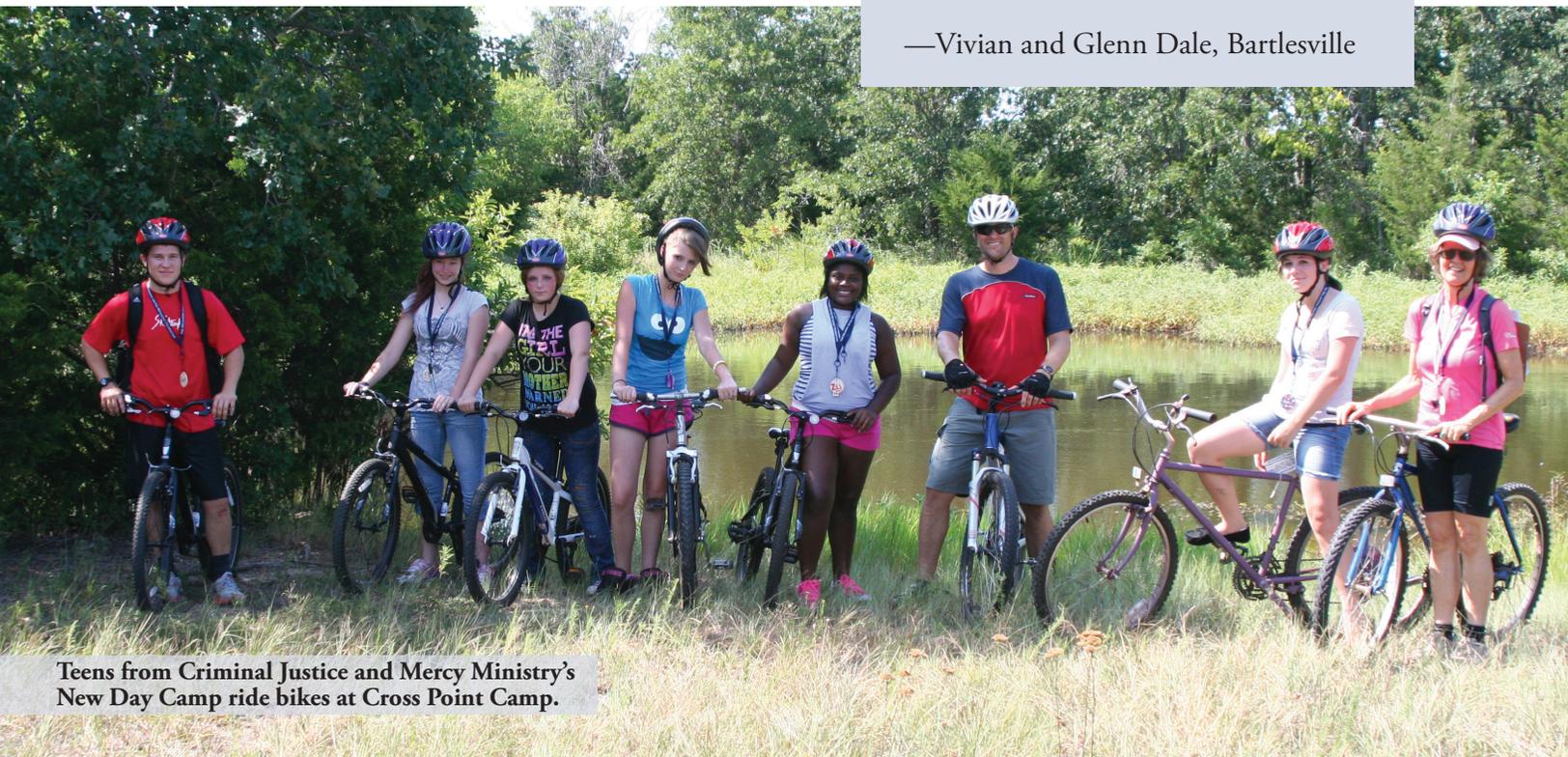
As funds from the Foundation are distributed, lives are touched and changed for the better.

PLANNED GIVING

Our planned giving program enables individuals and families to support their church and loved United Methodist causes with their life's resources. Bequests, life income gifts, gifts of life insurance, real estate, securities and cash can fulfill a donor's charitable giving goals through the Foundation. Many times these gifts fund endowments for a specific ministry, program or church. Through planned giving, a family's legacy is remembered as their endowment supports ministry well after they are gone.

“If you stop and look at people, really look beyond the facade; you'll see a real person with real needs. I didn't grow up with much and learned the importance of helping people. We established a charitable gift annuity with the Foundation to provide steady income during retirement, but after we are gone, the remainder will create an endowment for missions at our church.”

—Vivian and Glenn Dale, Bartlesville



Teens from Criminal Justice and Mercy Ministry's New Day Camp ride bikes at Cross Point Camp.

A volunteer from Lawton Heights UMC's *Kids Night Out* teaches about gardening.



have received more than \$1.6 million in grants. These ministries are made possible and lives are touched because someone had the foresight to fund future ministry needs.

“Twice a month we host *Kids Night Out* for neighborhood children. We provide dinner, games, crafts and a Bible lesson. This summer, the kids even planted a community garden to take fresh vegetables to neighborhood residents. *Kids Night Out* would not be possible without the Foundation and the Petree Grant. Our church now has a renewed passion for ministry.”

—Rev. Michelle McCarty, Lawton Heights UMC

PERMANENT ENDOWMENT FUNDS

Permanent endowment funds are the essence of the Foundation. When a donor gives to a permanent endowment fund or a church establishes a permanent endowment fund, the church or ministry receives income from the fund forever. These funds support vital programs and ministries around our conference. The greatest benefit of a permanent endowment fund is the continued support the ministry will receive for generations to come.

“Dan and Dottie Kemp had a special heart for missions. When Dan passed away, Dottie established an endowment in his memory. Dottie said the fund would never be large, but would help short-term lay missionaries. Over the years, the fund has been able to send individuals and families on Volunteers in Mission trips to Estonia and Mexico.”

—Mary Ann Smith, Tulsa Asbury UMC

GRANTS

We are forever grateful to those who give gifts for the purpose of grants. These funds allow new, innovative, and otherwise unfunded ministries, programs or projects to become a reality. Since the Petree Grant Fund was established in 1996, churches and conference agencies

SCHOLARSHIPS

Many students could not attend college without the help of scholarships. It is uplifting to see donors establish a scholarship endowment to benefit youth in their church or community. We also feel it is important to invest in the education of future pastors by providing seminary scholarships. The cost of seminary often overwhelms those who feel called to full-time pastoral ministry. Scholarships at any stage in a student's education provide hope and security for the future leaders of our state, nation and United Methodist Church.

“When my father passed away, I wasn't sure I would be able to continue my college education. Attending Oklahoma City University was a stretch for my family since I am the oldest of five children. I've had a job ever since I was sixteen, but even the money I earned from working didn't seem to be enough to pay for school. With my scholarship, I am able to pursue my dreams without having a load of debt dragging behind me.”

—Danielle Kilhoffer, OCU Music Composition major

A year in review

2012 financial report

The ministry of the Foundation is more than our total assets or number of accounts. We strive to strengthen the local church and make a difference through our work. Below are some of our significant achievements for 2012. Behind each number is a donor with a love and passion for ministry, people of all ages who need the loving hand of Christ, and local churches and United Methodist ministries working to make a difference in their communities.

- ◆ The Foundation distributed approximately \$11.1 million in 2012, including more than \$8.7 million from permanent endowment and managed funds, primarily to Oklahoma United Methodist churches and ministries in the following areas:
 - ◆ More than \$1.0 million in support for children, youth, and families through residential and foster care ministries.
 - ◆ The Oklahoma Annual Conference and related ministries received more than \$2.0 million in support.
 - ◆ We distributed more than \$2.6 million in student scholarships and funding to United Methodist higher education institutions.
 - ◆ Local churches received \$3.1 million in distributions.
 - ◆ Local churches, community outreach centers

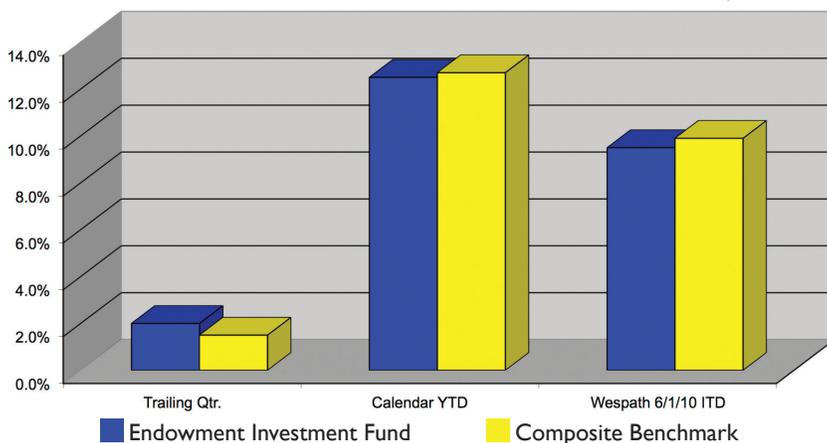
and conference ministries received \$1.4 million in grants, including \$766,000 to donor-directed charities through donor advised funds.

- ◆ More than \$1 million was distributed to donors with life income gifts such as a charitable gift annuity and charitable remainder trust.
- ◆ The Foundation received \$51 million in gifts during 2012. These gifts include life income funds, donor advised funds, permanent endowments and managed funds.
 - ◆ The Foundation forged a partnership with Oklahoma City University to manage their endowment funds. These funds, approximately \$40.1 million and included in our total contributions, are largely scholarship endowments. We are thankful to partner with OCU and look forward to the bright future ahead.
- ◆ As of December 31, 2012, the Foundation's total assets under management were approximately \$224.8 million. We are grateful for our churches, donors, and conference agencies and institutions who entrust the Foundation with the care of their donations and assets.
- ◆ The Foundation's Endowment Investment Fund had an annual return of 12.5% for 2012. Our

investments are managed by Wespeth Investment Management, a division of the General Board of Pension and Health Benefits of the United Methodist Church. Wespeth provides a highly diversified investment strategy, outstanding long-term investment results, and socially responsible accountability and control over the funds.

The Foundation believes in a long-term, diversified, and disciplined investment strategy to provide a steady source of income and growth. A full audit report is available upon request, please contact Billy Meade, Foundation Controller and Treasurer, at 800-259-6863.

Portfolio Performance as of December 31, 2012



*Historical returns are time-weighted and net of all fees. Returns greater than one year are annualized. Past performance is no guarantee of future returns.