



# 2016 ANNUAL REPORT



THE BAPTIST  
FOUNDATION  
OF OKLAHOMA



## LETTER FROM THE PRESIDENT

Many of our parents told us that life isn't fair – or easy. I prefer to think of it as a challenge.

The book of James instructs Christ-followers to expect challenges and to embrace them with joy. Challenges lead us to spiritual maturity, and in an earthly sense, they inspire innovation.

Today's market environment is no different. Low interest rates and sluggish growth have limited investment returns to single digits, which negatively impacts the ability of Christian organizations to sustain Kingdom work. Such challenges constantly drive the Foundation to seek out new, innovative ways to provide ministries and churches with the financial support they need.

In November, we debuted a ground-breaking charitable giving app called "MustardSeed." We believe it has the potential to dramatically impact ministry by tapping into our digitally dominated world to engage a new generation of givers.

The idea is simple. MustardSeed rounds up your everyday credit, debit and checking purchases to the nearest dollar, and then sends that change to the ministry or church of your choice.

This means that when you shop for groceries, fill up your gas tank or grab lunch with friends, you are simultaneously supporting Kingdom causes. A few cents here and there may not seem like much, but when your gifts join thousands of others, you become part of something bigger.

When we began our 25x25 initiative four years ago, we committed to distributing \$25 million annually to Southern Baptist and like-minded ministries by the year 2025. And while an uncertain market makes that goal more challenging, it will also make meeting it even more rewarding. We believe that MustardSeed will prove to be part of that success.

As Jesus told his disciples, with faith the size of a mustard seed, nothing is impossible.

Sign up today at [MustardSeedApp.org](http://MustardSeedApp.org).

Robert Kellogg, President & CEO



## BENEFICIARY SERVICES

On our path to 25x25, the Foundation distributed \$18.57 million in 2016, \$11.36 million of which comprised our Annual Distribution. These funds were sent to more than 400 charitable beneficiaries. In total, the Foundation manages 2,411 accounts, including endowments, charitable remainder trusts, charitable gift annuities and Ministry Funds Management accounts.

## 2016 ANNUAL DISTRIBUTION



**\$1,149,702**

BAPTIST GENERAL CONVENTION OF OKLAHOMA

10.1%



**\$371,700**

BAPTIST VILLAGE COMMUNITIES

3.3%



**\$3,002,673**

OKLAHOMA BAPTIST HOMES FOR CHILDREN

26.4%



**\$4,181,767**

OKLAHOMA BAPTIST UNIVERSITY

36.9%



**\$875,337**

CHURCHES AND ASSOCIATIONS

7.7%



**\$501,681**

SOUTHERN BAPTIST CONVENTION

4.4%



**\$1,274,934**

OTHER

11.2%

**TOTAL \$11,357,794**



## CHURCH SERVICES

The Foundation acts as a resource to churches by providing building loans and helping congregations make the most of their assets with Ministry Funds Management.

### CHURCH BUILDING LOANS

In 2016, the Foundation made 45 loans in the amount of \$15.54 million to multiple Southern Baptist organizations. The Foundation collected \$4.07 million in interest in 2016 and has collected more than \$37 million during the past 10 years. This interest was distributed to ministries throughout the state, across the nation and around the world.



Church Building Loan Interest

### MINISTRY FUNDS MANAGEMENT

The Foundation oversees 246 Ministry Funds Management accounts valued at \$40.06 million. Through the Foundation's Ministry Funds Management program, Southern Baptist churches and organizations have access to a variety of investment options designed to help them achieve their financial objectives. The most popular investment option continues to be CBL Term Investments, a CD-like instrument with interest rates as high as 3.5 percent.



Ministry Funds Management Portfolio Balance

## DONOR SERVICES

In 2016, Oklahoma Baptist families pledged more than \$22.29 million through their estate plans to provide future charitable gifts to ministry. The Foundation also received more than \$6.4 million through a variety of planned giving arrangements, such as Giving Funds, charitable remainder trusts, charitable gift annuities and endowments.

### 2016 PLANNED GIFTS



**\$1,705,215**  
GIVING FUNDS  
26.7%



**\$14,315**  
CHARITABLE REMAINDER TRUSTS  
.2%



**\$469,345**  
CHARITABLE GIFT ANNUITIES  
7.3%



**\$4,202,199**  
ENDOWMENTS  
65.8%

**TOTAL \$6,391,074**

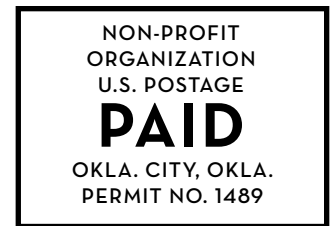


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OKLAHOMA CITY, OK 73112



bfok.org



**CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION**

Assets	Dec 31, 2016	Dec 31, 2015
Cash & cash equivalents	\$ 14,562,204	\$ 11,056,297
Investments		
Pooled investments - at market		
Domestic equities	39,282,354	30,811,000
International equities	41,567,678	40,193,056
Fixed income	97,399,362	90,083,356
Alternative investments	162,693,002	171,555,661
Other investments	30,357,183	27,482,929
TOTAL INVESTMENTS	<u>371,299,579</u>	<u>360,126,002</u>
Other assets	653,212	1,132,019
Property and equipment, net	1,255,938	1,103,012
<b>TOTAL ASSETS</b>	<b>\$ 387,770,933</b>	<b>\$ 373,417,330</b>
<b>Liabilities &amp; Net Assets</b>		
Accounts payable & accrued expenses	\$ 526,353	\$ 389,841
Accrued post-retirement benefits	411,516	471,755
Notes receivable participations sold	3,566,793	2,787,566
Liabilities to beneficial owners	362,457,207	349,587,812
Net assets		
Unrestricted	6,547,184	6,171,523
Temporarily restricted	3,060,649	3,003,315
Permanently restricted	11,201,231	11,005,518
Total net assets	<u>20,809,064</u>	<u>20,180,356</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 387,770,933</b>	<b>\$ 373,417,330</b>

**CONSOLIDATED STATEMENTS OF ACTIVITIES  
AND CHANGES IN NET ASSETS**

Revenues, Gains & Other Support	Dec 31, 2016	Dec 31, 2015
Fees for asset management & trust administration	\$ 3,973,394	\$ 4,148,240
Investment earnings		
Interest and dividends	1,989,575	2,003,257
Net gains (losses) on investments	639,227	(85,347)
Cooperative Program allocations	24,634	23,748
Contributions	288,123	196,570
Other support and revenue	18,713	20,187
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>\$ 6,933,666</b>	<b>\$ 6,306,655</b>
<b>Expenses &amp; Distributions</b>		
Program services		
Estate planning, trust, investment & lending services	\$ 3,780,256	\$ 3,767,545
Distributions to students, elderly & charitable causes	460,478	428,374
Management and general	2,099,668	1,635,228
<b>TOTAL EXPENSES &amp; DISTRIBUTIONS</b>	<b>\$ 6,340,402</b>	<b>\$ 5,831,147</b>
Other pension-related changes	35,444	28,631
Change in net assets	628,708	504,139
Net assets at beginning of year	20,180,356	19,676,217
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 20,809,064</b>	<b>\$ 20,180,356</b>

This information was derived from the Foundation's consolidated annual financial statements for 2016 which were audited by the independent accounting firm of Grant Thornton LLP. A complete picture of the Foundation's financial position and results of operations can only be obtained by reviewing the consolidated annual financial statements in their entirety. Please contact the Foundation office if you would like a copy of the complete financial statements.



A Member in Good Standing of the Evangelical Council for Financial Accountability for 30 years.



An affiliate of the Baptist General Convention of Oklahoma and beneficiary of the Cooperative Program.



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