MMBB Financial Services **2024 Annual Report**

MMBB

A Financial Services Ministry™

# Rooted in Legacy, Rising to Change.

“Finally, brothers and sisters, whatever is true, whatever is noble, whatever is right, whatever is pure, whatever is lovely, whatever is admirable—if anything is excellent or praiseworthy—think about such things.”

Philippians 4:8 (NIV)

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**Rooted in Legacy**

Author Maya Angelou once described legacy as "a mark on the world that can't be erased." It is the imprint we leave on future generations—a testament to our time on the planet. It encompasses the stories shared about us after we transition from earthly life to eternal life and the ways we've helped other people in our wake. For an organization, a legacy is defined by how that organization has enriched the lives of its constituents and contributed to society.

Our steadfast commitment to excellence and innovation has not only driven our success but has also generated a culture of positivity, mutual respect and kindness. Philippians 4:8 encapsulates an important part of our culture. Paul writes to the church in Philippi to emphasize that even when there is strife and chaos causing the future to appear uncertain, one should lean into what is good in this world. By concentrating on these positive qualities, we can find strength and hope. Seek out what is excellent and praiseworthy, and let these thoughts guide us through challenging times. Paul's approach encourages us to shift our focus from fear and negativity to all that is possible when we honor each person's humanity. It can help foster a sense of calm and resilience, reminding us that even in difficult times, there are still things worth celebrating.

MMBB is a constant during periods of uncertainty because we have built a solid foundation that has withstood the winds of change. We continually evolve and innovate with both the times and the needs of the church.

**MMBB Re-Think, Re-Invest Financial Conference**

In line with our commitment to continuous growth and support for our community, we recently hosted the first-ever MMBB Re-Think, Re-Invest Financial Conference. MMBB members, friends, colleagues, staff and board members attended the conference from March 10-13, 2024, where they connected, exchanged ideas, garnered valuable insights and worshiped together amidst great excitement at the Sheraton Philadelphia Downtown.

A natural extension of the dynamic work of financial wellness and literacy that is central to MMBB's mission, the event featured insightful panel discussions, informative workshops, and uplifting musical performances and worship. Attendees received practical, straightforward guidance and recommendations on financial wellness for clergy and how to reach their financial goals. The conference featured two dynamic keynote speakers, the Rev. Dr. DeForest B. Soaries, Jr. and Jill Schlesinger. MMBB CEO Louis Barbarin reflected on his personal journey with money, sharing how he learned to navigate the tension between meeting immediate needs and preparing for the future, aiming to stay grounded in the present while being mindful of what lies ahead.

Attendees told our staff that they came to increase their knowledge about their finances. The workshop presenters made sure they left with increased financial literacy on a variety of topics tailored to ministers and lay personnel. Workshops included "A Candid Conversation about Clergy Compensation," "The Financially Free Pastor," "Understanding the Markets: Making Your Investments Work for You," "Clergy Taxes Don't Have to Be Taxing" and "Women & Finances: Financial Success with Less Stress."

The ancient Greeks used two concepts to describe their understanding of time. Chronos, refers to sequential time, and kairos, embraces the idea of the opportune moment or God's timing. With increased reports of heightened clergy stress, we believed the conference was the propitious time to launch a new program, MMBB Cares, aimed at helping to address clergy mental health and vocational wellness needs. MMBB understands that being in ministry can be stressful and is often compounded by financial concerns, burnout and family issues. We also recognize the importance of professional development. This program aims to give clergy the resources to thrive in ministry by helping to remove obstacles to getting the help they need. MMBB has partnered with three providers: the National Employee Assistance Program (NEAP), the Center for Career Development and Ministry (CCDM) and the Ministry Development Network (MDN).

One of the most popular events was the opportunity to engage with MMBB's Certified Financial Planners™ in a panel discussion titled, "Ask the MMBB Financial Planning Team: What Keeps You Up At Night?" During the vigorous and enthusiastic Q&A, audience members raised some of their most pressing financial concerns ranging from taxes to interest rates along with foundational investing and saving questions.

To round out the conference offerings, a second panel "The Church: Where We've Been, Where We Are Now and Where Do We Go from Here" proved to be a spirited and engaging discussion by three pastors on how they brought their churches back after the pandemic.

**Lilly Endowment Inc. Initiatives**

Our Lilly Endowment-funded programs continuously demonstrate the direct impact of our mission on our members. The Strategic Pastoral Excellence Program (SPEP) has successfully continued beyond the sustainability grant term, which ended in December 2022. Here is a programmatic update. SPEP has graduated nine cohorts, totaling 124 pastoral leaders. Upon completing the program, participants have, on average, saved $32,280 and reduced debt by $28,863. Additionally, 84% of participants now have a budget, 86% established an emergency fund, and 75% have implemented a financial stewardship program at their churches. Currently, there are three active cohorts.

Another Lilly Endowment-funded program, the Financial Wellness Program (FWP), concluded its final cohort (FWP 2023), which included three lay leaders. The FWP has graduated three cohorts totaling 27 pastoral leaders. The end-of-program survey provided data to measure the success of the program. Cumulatively, the participants have paid off over $180,000 in debt and saved over $267,000 during their time in the program. Individually on average this translates to nearly $26,000 paid off in debt and over $28,000 saved per pastor. Prior to the program, only 41% of participants followed a budget; after completing the program this number rose to 88%. Participants saw an average of a 35-point rise in their credit score and the amount of people who now had an emergency fund nearly doubled, going from 51% to 97%.  Over half the participants have received a raise, and half have implemented stewardship campaigns. Significantly, 92% of cohort graduates now have a retirement plan at MMBB versus 68% prior to starting the program.

The Financial Foundations program is the financial education module in the COVID-19 Emergency Assistance program, which provides direct financial assistance to pastoral leaders most harshly affected by the coronavirus pandemic, and who remain largely underserved. Pastors approved for this emergency assistance grant are automatically enrolled in the "Financial Foundations Webinar series," a six-month virtual financial literacy program beginning in March and ending in August. The courses, developed from the same curricula used for other Lilly Endowment-funded programs, include Budgeting, Planning for the Future, Your Money Story, Managing Debt Effectively, God and Money, and Clergy Taxes. The Financial Wellness Director and other MMBB professionals facilitate the webinars. These courses help pastors develop a solid personal financial management foundation and strengthen financial decision-making skills.

In 2024, the program had 19 participants, five of whom had completed all the modules and received a completion award of $1,550 for their Retirement Only accounts. All remaining participants will be able to complete their remaining courses in 2025.

Feedback from Financial Foundations program participants revealed that, for many pastors, guiding their congregations through the challenges of pandemic and post-pandemic stewardship often came at the cost of attending to their own financial well-being. They eagerly communicated thoughts and takeaways on how they would begin to deal with money and pastoral challenges. Participants have shared the blessing of this program and that the long-term impact and retirement incentives will benefit them in the coming years.

The Bridges: Colloquia for Cultivating Ministry had a successful 2024, featuring five engaging online colloquia meetings. This program continues to bring pastors together, fostering higher levels of well-being and organically creating ongoing relationships that can also serve as mentorships. Here are the participants' perspectives:

*"...having a space to share and grow, far away from the typical pastoral life, is of great benefit to pastors burdened with their pastoral tasks."*

*"I thank God for these types of events that are necessary for the development of our ministerial life, and the camaraderie with other colleagues."*

**Member Satisfaction is Our Mission**

At MMBB, our Member Relations Team is committed to providing prompt, effective support to our members, resolving inquiries and issues with responsiveness and care. We remain focused on meeting members' expectations; continuously enhancing their experience through seamless communication across all platforms—phone, email, website or printed correspondence. This dedication to excellence is reflected in our consistently strong Member Satisfaction Loyalty scores, demonstrating the high quality of service we deliver.

In the first quarter of 2024, call volume decreased 29% compared to the same period in 2023, reflecting the success of our ongoing efforts to streamline member interactions. This decline can be attributed in part to our strengthened partnership with Fidelity. MMBB members are benefiting from that partnership in many ways, including access to the best-in-class NetBenefits portal and mobile app, the addition of the Target Retirement 2070 Fund to the Plans, the Roth 403(b) option for employers with the infrastructure to support it, and the launch of MMBB's Member Portal. The Member Portal, enabled by our relationship with Fidelity, offers a convenient self-service option, reducing the need for direct phone support. As more members utilize these self-service options, our Member Relations Team can dedicate their time to fostering deeper, more meaningful connections with both individual members and churches.  This shift enables us to provide personalized support and address complex issues in ways that truly enhance their experience and satisfaction. While the Member Relations Team continues to provide exceptional support, we are seeing a positive shift towards more efficient, digital engagement.

In 2024 MMBB demonstrated its commitment to supporting its members in times of need by providing over $828,000 in emergency assistance grants. These one-time, tax-free grants are a tangible expression of God's provision, offering timely support to MMBB families in moments of need. Whether used for medical or dental expenses, utility bills, housing costs, or recovering from a crisis, these grants help ease burdens and remind recipients that they are not alone.

The sincere expressions of gratitude from members highlight the significant and positive impact these grants have on the lives of members. Some reflections sent are:

*"Received the email regarding MMBB approving assistance to our family. I begin by telling you, thank you. Two sincere words from my wife and me."*

*"When I thought, I am pushed to a corner of want, I prayed. The Lord gave me the thought you might be the source He was leading me to. I was hesitant at first. What a big surprise!! You were the source of God's blessing."*

*"My wife and I prayed for you, thanking Jesus for His unfailing personal love for you and for His faithful work in & through each of you. He is life's Light! Thanks for the work you do."*

"If you're going to live, leave a legacy. Make a mark on the world that can't be erased."[1]

– Maya Angelou

Feedback like this reaffirms the importance and impact of MMBB's mission. By offering essential financial help, MMBB not only alleviates immediate financial burdens but also fosters a strong sense of care and connection within the community we serve.

**Committed to Providing Exceptionable Financial Guidance**

Our Financial Planning staff remains informed about the economy, global markets, financial trends, finance and tax laws, and how these laws and the investment landscape affect MMBB members. This expertise allows the Financial Planning Team to anticipate members' financial needs and guide them in meeting their current and future financial goals.

Our Financial Planning team added one financial planner in 2024. Each Financial Planning Specialist has at least three designations, including the CERTIFIED FINANCIAL PLANNER™ (CFP®) certification. Our Financial Planning Specialists continue to help members improve their financial wellness through a series of interconnected activities including:

- Providing one-on-one financial guidance to 1,479 members, including 193 SPEP and FWP participants
- Receiving good or excellent feedback on 100% of member surveys about financial planning specialist interaction.
- Contributing content to promote MMBB's expertise on social media and relevant posts across all platforms, including Facebook, Instagram and LinkedIn, MMBB's *Tomorrow* newsletter, and *Church Executive* magazine.
- Participating in SPEP and FWP meetings covering topics ranging from clergy taxes to investing and retirement planning to debt management.
- Conducting 35 one-on-one financial planning sessions with members at the MMBB Financial Conference in addition to presenting workshops and a panel discussion.

The sincere expressions of gratitude from members highlight the impact the CFPs have on the lives of members:

*"My MMBB financial planner has been a great help to us at two life intersections: developing a retirement income strategy that included choosing the timing and type of our MMBB annuity payout (2021) and deciding whether/how to convert our Traditional IRA to a Roth (2024). I exceeded a secure, fulfilling retirement. His ministry has been a vital part of God's provision for us through the ABC. Thank you, thank you!"*

*"My MMBB financial planner is excellent! For years I have been afraid to really figure out what my needs for retirement would be and how I should prepare for my retirement. She put me at ease and dived right in, educating me all along the way. I am not only more prepared to secure my retirement financially but also excited about proactively taking charge of my financial future."*

**Mission Conscious**

The Strategic Growth team has demonstrated dedication and effectiveness, achieving 100 percent retention of new

1. "80 Maya Angelou Quotes (and Their Meanings)" Inspiration Daily, January 20, 2024

employers registered for MMBB's retirement plans for a year or less. This success is a testament to the team's commitment to both our existing employers and our newer employers, offering new hope for retiring with dignity and grace.

Last year, MMBB's Retirement Benefits Consultants showcased their compassion and dedication by bringing 97 percent of churches and members who had missed their premium payments back into the fold. This effort ensures that individuals facing hardship, churches encountering challenges or those who may not fully understand the value of their benefits can continue to receive the vital retirement, disability, and insurance benefits offered by our plans.

Behind this delinquency statistic lies the heart of MMBB's ministry. We take the time to educate our constituents, offering options to prevent the loss of benefits in times of crisis, such as natural disasters or financial difficulties. Our existing churches are just as important to us as the newer churches, and they all appreciate our genuine care for their futures. This legacy of support is passed on to their successors, ensuring that MMBB remains a trusted partner in their journey.

**"Carry each other's burdens, and in this way, you will fulfill the law of Christ."**

Galatians 6:2 (NIV)

**Financial Wisdom and Digital Growth**

MMBB continued to establish itself as a thought leader in financial wellness, consistently delivering content that resonates with our audience and supports their financial well-being. Our innovative approach to content delivery has solidified our reputation as a trusted source of financial guidance and education.

In 2024, we strengthened our online presence and social media efforts to better connect with and serve our audience. By focusing on practical and relevant content, we provided valuable guidance on a wide range of topics, including debt management, saving strategies, scam prevention, frugal spending, retirement planning, financial technology, and interest rates. Our efforts resulted in the publication of over 50 insightful articles throughout the year. These articles not only offer practical advice but also reflect our commitment to addressing the diverse financial needs of our readers.

MMBB continued to build its authority in 2024 by sharing our financial expertise with *Church Executive* magazine's national audience. We published eight articles in our monthly series, "Your Financial Wellness," which is aimed at clergy and church leaders." Moreover, two of our articles were named among the top 10 most read articles in *Church Executive* magazine for the fourth year in a row. The article, "Using Technology to Manage Your Finances" ranked number three, and the article, "Scams are on the Rise: How to Stay Safe" ranked number eight. Both were also among our most read articles on the MMBB website and on social media.

By December 2024, our expanded marketing strategy had successfully attracted more than 19,000 followers across our social media platforms and garnered over 192,000 visitors to our website. This growth in our online presence via social media and our website underscores the effectiveness of our ministry and the value of the content we provide to help our members create financial wellness for themselves and their families.

The MMBB homepage received a redesigned look in June 2024, featuring colorful visuals and an increased amount of photo and video content. With content updated frequently, visitors have access to more insightful articles, news, and other engaging resources. The mobile-friendly design retains familiar navigation and accessibility.

**Fundraising (Advancement)**

In 2024, MMBB raised $833,608 in total gift revenue through annual giving, legacy gifts, and sponsorships.

Donors contributed $194,800 in outright cash gifts to the *Heritage of Sharing* annual appeal, which provides emergency assistance to MMBB members in need, and other pastoral wellness offerings. An additional $43,361 in restricted legacy gifts designated for *Heritage of Sharing* was also received.

Donors contributed $4,395 in outright cash gifts for the MMBB Legacy Fund/Endowment. An additional $161,800 in unrestricted legacy gifts for the MMBB Legacy Fund/ Endowment was also received.

MMBB elected to direct $400,000 from a single estate gift designated for emergency assistance to create the Heritage of Sharing Legacy Fund. This principal and all subsequent gifts will be retained and invested. An annual drawdown based on MMBB spending policy will be used toward emergency assistance for eligible MMBB members.

MMBB provided $2,581,951 in non-contractual benevolence support to members through the annual drawdown from the MMBB Legacy Fund/Endowment. An additional

# Report of the **Chief Executive Officer**

$143,286 of the drawdown was directed toward financial education programs. Generous sponsors provided $11,500 in support for the MMBB Re-Think, Re-Invest Financial Conference, which took place March 10 to 13, 2024 in Philadelphia, Pennsylvania and $17,750 in support for MMBB to attend the ABCUSA Biennial Mission Summit in Omaha, Nebraska in July 2025.

The theme for the 2024 Retired Ministers and Missionaries Offering, a collaborative effort between MMBB and ABCUSA, was "Together, we remember," derived from 1 Chronicles 16:12. Please see page 10 for details.

**Rising Through Change**
The MMBB Member Portal has been updated with enhanced features, allowing MMBB members to easily update their contact information and assign beneficiaries across all their accounts, including annuities.

For our employers, we have initiated the development of a new Employer Portal designed to provide self-service capabilities to thousands of customers. This portal will eliminate the need for paper and electronic forms, enhancing the speed and accuracy of premium delivery into member accounts. The Employer Portal is expected to launch in the third quarter of 2025.

> "And do not forget to do good and to share with others, for with such sacrifices God is pleased."
>
> Hebrews 13:16 (NIV)

As the use of artificial intelligence (AI) grows, we are exploring its potential to boost staff productivity, enhance operational efficiency, and improve service delivery to our members and employers. Following a successful proof-of-concept project in early 2024, we have progressed to a pilot project and anticipate results by the end of 2025.

MMBB remains committed to securing all aspects of our operations and safeguarding the personal and financial data of our members. In 2024, we adopted Zscaler, a leading Zero Trust Network Access product, as a key component of our multilayer cybersecurity platform. Additionally, MMBB continues to comply with New York State's Department of Financial Services cybersecurity regulations.

**Investment Strategy**
The U.S. economy remained resilient in 2024, despite the Federal Reserve maintaining elevated interest rates for much of the year. Consumer spending was strong, in part supported by positive real wage growth. While labor market indicators softened during the year, overall employment conditions remained sound. Inflationary pressures eased but inflation remained above the Fed's 2 percent target.

U.S. equity market returns stood out relative to other regions, with the S&P 500 Index posting two consecutive years of more than 20 percent gains. This strong performance was driven by solid corporate earnings growth, particularly in the technology sector, and sustained investor optimism regarding artificial intelligence. The U.S. fixed income market delivered a modest gain as long-term interest rates rose over the course of the year. MMBB's investment results for its funds were reflective of the market environment, and all investment options experienced gains in 2024. The Investment Review on page 12 details MMBB's 2024 fund performance.

MMBB continues our long-term investment and balanced approach on behalf of our members. Members have access to MMBB's Target Date Funds, which has been the default option on the investment platform since 2021. We also offer additional multi-asset investment options, including the Balanced Fund, the New Horizons Fund, and the Fossil Fuel Free Balanced Fund. For members interested in equity investments, options that are available include the U.S. Equity Index Fund, the International Equity Index Fund, and the Social Awareness Fund. MMBB also offers the U.S. Bond Index Fund and the Money Market Fund for members seeking fixed income options.

In closing, we understand how Paul's wisdom and the enduring values he writes about can sustain us and are a reminder of the strength and stability that MMBB's ministry provides. Through times of uncertainty and change, MMBB remains a steadfast partner, dedicated to evolving and innovating to meet the needs of the church and its servants. Our mission and ministry, deeply rooted in a legacy of over a century, continue to guide us in offering benefit plans for any size church, wise guidance, and retirement pathways for clergy and church staff. As we move forward together we can navigate challenging times with resilience and a deep sense of purpose, celebrating the good and striving for excellence in all that we do.

Louis P. Barbarin

## The benefit plans and programs discussed below are flexible in design, allowing us to tailor our products to meet the unique needs of a wide range of faith-based employers. Our MMBB staff remains committed to educating our employers and members.

MMBB Financial Services retirement plans are available to every employee of an eligible employer, whether ordained or lay, full-time or part-time. Any church that is congregational or independent in polity, including all Baptist churches and most evangelical and Pentecostal churches, is eligible to participate in MMBB's benefit plans. Institutions related to these churches, such as schools, community development corporations, hospitals and nursing homes, are also eligible. Ordained individuals who qualify as "wandering ministers" under the Internal Revenue Service (IRS) code can also participate in our plans based on their ministerial income.

MMBB plans provide a variety of benefit options to meet the budgetary needs of both the church worker and the church.

Each plan, established under IRS Code Section 403(b)(9), offers:

- tax-deferred contributions;
- tax-deferred investment returns;
- a range of professionally managed investment choices;
- loan and withdrawal features; and
- variable annuity options upon retirement.

MMBB retirement plans give church workers access to sophisticated investment vehicles that have demonstrated success in meeting the retirement needs of thousands of people over many years. Contributions to these plans buy accumulation units in the investment vehicles of the member's choice at a price that changes each day based on investment performance. Members who choose not to direct the allocation of their investment accounts are automatically placed in the MMBB Target Date Fund based on their expected or assumed retirement age.

A target date investment fund offers the simplicity of a complete portfolio in a single investment option.

Unlike commercial retirement plans, an IRS private letter ruling allows MMBB to designate the monthly annuity income for retired or disabled clergy as eligible for the housing allowance designation. This valuable tax exemption is equal to the lesser of the fair rental value of the furnished home, plus utilities, or the actual annual housing expense. For more information on the clergy housing allowance, please visit **www.mmbb.org**.

At retirement, members convert part or all of their accounts to monthly income through establishing variable annuities. They purchase a fixed number of annuity units determined by the dollar amount converted, the current annuity unit price and the specifics of the annuity chosen (single-life or joint and survivorship annuity, period-certain guarantee and the member's age at retirement). Each annuity also includes a guarantee to provide the annuitant with a softer landing in the event of a significant market downturn.

**The Comprehensive Plan**

The Comprehensive Plan, an employer-funded plan, is MMBB's most comprehensive benefit program. The program includes three benefits—retirement, death and disability—working in concert to increase the financial security of members and their families.

Employers pay Comprehensive Plan premiums equal to a percentage of employee compensation. Members invest the portion directed to their retirement accounts among the diverse range of MMBB investment choices. During a participant's working years, the plan builds retirement assets for members.

The Comprehensive Plan also offers disability income protection. Disability benefits include monthly income up to two-thirds of working income when combined with government benefits, child allowances, subsidized Comprehensive Plan premiums and, if eligible, health insurance premiums.

The Death Benefit Plan is the second component of the Comprehensive Plan. This plan pays survivors from one and a half to five times the insured's annual pay (up to an annual salary of $250,000), up to two years of health insurance premiums, if eligible, and a guaranteed minimum for surviving spouses.

In 2024, there were 31 deaths of preretired members, and MMBB paid $2,639,000 in lump-sum benefits to survivors.

In retirement, the Comprehensive Plan provides:

- retirement benefits as described above; and
- an $8,000 benefit upon the death of a member who retired as a premium-paying Comprehensive Plan member with at least 15 years of membership.

In 2024, there were 136 deaths of retired members, totaling $735,000 in benefits paid for current and prior years.

**Retirement Only Plan—Employer**
The Retirement Only Plan, also known as Tax-Deferred Annuity, is an employer-funded plan that:

- supplements employees' other sources of retirement income;
- helps pastors who live in parsonages build assets for housing in retirement (sometimes called an "equity" allowance, subject to plan provisions);
- accumulates tax-deferred retirement savings; and
- says "thank you" for loyal service.

Some employers use this plan to encourage retirement savings by matching employee contributions to the Member Contribution Plan (see below). Unlike the Comprehensive Plan, the Retirement Only Plan does not include disability income protection and death benefits.

**Member Contribution Plan—Employee**
The Member Contribution Plan, also known as The Annuity Supplement, is an employee-funded plan that allows participants to make contributions to their retirement account through payroll deductions. It allows participants to:

- increase their retirement security;
- reduce their taxable income;
- start or stop contributions at any time;
- change the amount they contribute as often as they wish; and
- save as little as $10 per month or as much as the IRS allows.

Pre-tax member contributions reduce current federal, state and local income taxes. They are also excluded from Social Security and Medicare taxes for ordained ministers. Pre-tax contributions can be made through convenient payroll deductions. After-tax contributions can also be a payroll deduction.

**Rollovers to MMBB**
Before or after retirement, members with retirement accounts in multiple places can roll over qualified funds, tax-free, to a Member Contribution account at MMBB. Employees of participating employers and wandering ministers may be eligible for a rollover. MMBB can accept assets from:

- traditional IRAs;
- 457(b) governmental plans; and
- 403(a), 403(b), 401(a) and 401(k) plans.

When a member has an investment direction on file, their rollover funds will follow that election. If they do not have an investment direction on file, the funds will be invested in the MMBB default fund (Target Date Funds).

For more information about MMBB benefits and services, call a Senior Benefits Specialist at 800.986.6222, send an email to service@mmbb.org or visit www.mmbb.org.

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# Retired Ministers and Missionaries **Offering**

Since 1935, American Baptists have contributed to special offerings received in their churches for retired American Baptist ministers and missionaries or their widowed spouses. The Retired Ministers and Missionaries Offering (RMMO) was established in 1977. The theme last year for RMMO was "Together, We Remember."

The 2024 offering receipts totaled $932,122, a decrease of 3.5% when compared with the 2023 receipts of $965,568. Of this amount, $354,206 was made available to meet immediate emergency and special financial needs. The balance of the receipts was distributed by MMBB on behalf of American Baptists in the form of Thank You checks; 3,331 checks were distributed in 2024 ranging from $50 to $275. The average check was $174. Since 1980, eligible retired ABC lay employees have received comparable Thank You checks from MMBB's legacy funds. In 2024, a total of $113,503 was distributed to 859 recipients for this purpose. MMBB receives an administrative fee to partially offset the cost of administering the offering.

# Selected **Data**

## Selected Data

The table below highlights the important aspects of MMBB's operations. For comparison purposes, data has been provided for the prior year and for 2014. *Dollar amounts in thousands except for accumulation unit value* and average compensation.*

| | 2024 | 2023 | 2014 | Percent Change 2023–2024 | Percent Change 2014–2024 |
|---|---|---|---|---|---|
| **Managing the Resources** | | | | | |
| Market Value of Total Net Assets | $2,813,792 | $2,701,861 | $2,553,371 | 4.14% | 10.20% |
| **Meeting the Obligations** | | | | | |
| **Comprehensive Plan** | | | | | |
| Assets | $2,105,857 | $2,034,280 | $1,966,522 | 3.52% | 7.09% |
| Benefits Paid | $ 137,371 | $ 136,934 | $ 124,358 | .32% | 10.46% |
| Accounts Receiving Deposits | 4,017 | 4,175 | 5,094 | (3.78%) | (21.14%) |
| Annuities | 7,137 | 7,109 | 5,957 | .39% | 19.81% |
| Accumulation Unit Value* | $82.69 | $75.70 | $50.05 | 9.23% | 65.21% |
| **Retirement Only Plan** | | | | | |
| Assets | $ 115,784 | $ 103,771 | $ 51,551 | 11.58% | 124.60% |
| Benefits Paid | $ 5,195 | $ 4,475 | $ 2,450 | 16.09% | 112.04% |
| Accounts Receiving Deposits | 2,546 | 2,404 | 1,889 | 5.91% | 34.78% |
| Annuities | 496 | 460 | 165 | 7.83% | 200.61% |
| **Member Contribution Plan** | | | | | |
| Assets | $ 289,251 | $ 276,917 | $ 234,701 | 4.45% | 23.24% |
| Benefits Paid | $ 24,021 | $ 15,819 | $ 13,657 | 51.85% | 75.89% |
| Accounts Receiving Deposits | 2,199 | 2,122 | 2,187 | 3.63% | .55% |
| Annuities | 1,367 | 1,380 | 1,137 | (.94%) | 20.23% |
| **Deductible Employee Contribution Account** | | | | | |
| Assets | $ 1,360 | $ 1,343 | $ 1,592 | 1.27% | (14.57% |
| Benefits Paid | $ – | $ _ | $ 111 | .00% | (100.00%) |
| Annuities | 19 | 23 | 32 | (17.39%) | (40.63%) |
| **MMBB Death Benefit Plan** | | | | | |
| Reserve | $ 32,100 | $ 30,730 | $ 30,488 | 4.46% | 5.29% |
| Benefits Paid | $ 3,389 | $ 3,814 | $ 3,215 | (11.14%) | 5.41% |
| **MMBB Special Benefits Fund** | | | | | |
| Reserve | $ 83,485 | $ 76,893 | $ 111,753 | 8.57% | (25.30%) |
| Benefits Paid | $ 1,189 | $ 1,498 | $ 4,008 | (20.63%) | (70.33%) |
| **Assisting Ministers, Missionaries and Lay Employees** | | | | | |
| Assistance to Ministers and Missionaries | $ 2,701 | $ 2,495 | $ 3,362 | 8.26% | (19.66%) |
| Benefits Paid to Lay Employees | $ 192 | $ 203 | $ 352 | (5.42%) | (45.45%) |
| Strategic Pastoral Excellence Program and Other | $ 302 | $ 332 | $ – | (9.04%) | 100.00% |
| **Fund Balance of Legacy Funds** | **$ 185,364** | **$ 176,851** | **$ 160,432** | **4.81%** | **15.54%** |
| **Average Compensation/Ministers** | **$ 61,906** | **$ 67,323** | **$ 54,666** | **(8.05%)** | **13.24%** |
| **Average Compensation/Lay** | **$ 48,696** | **$ 49,417** | **$ 39,280** | **(1.46%)** | **23.97%** |

*Parentheses indicate decrease.*

* Balanced Fund.

# Investment **Review**

The U.S. economy continued to show resilience in 2024, despite the Federal Reserve maintaining a restrictive monetary policy stance for much of the year. As inflation risks moderated, the Fed began balancing its focus between price stability and maximum employment. In September, the Fed initiated three interest rate cuts totaling 100 basis points by year-end, although uncertainty remains regarding the pace and long-term impact.

The combination of steady economic growth, a solid labor market, and cooling inflation supported strong U.S. equity market gains. The S&P 500 Index delivered two consecutive years of 20+ percent returns, a rare occurrence that has happened only four other times since 1900. However, market concentration deepened, with a handful of mega-cap technology stocks continuing to drive a disproportionate share of index returns. This raises concerns about diversification risks, the justification of high valuations, and the market's increased vulnerability to corrections.

U.S. equities outperformed global markets, supported by resilient consumer spending, strong corporate earnings, a healthy labor market, and U.S. dollar strength. The broad U.S. equity market, as measured by the Russell 3000 Index, returned 23.8 percent in 2024, while the large-cap S&P 500 Index gained 25.0 percent. In contrast, non-U.S. markets underperformed, weighed down by weaker economic conditions. Non-U.S. developed markets, as measured by the MSCI EAFE Index, gained 3.8 percent for the year, while emerging markets returned 7.5 percent, as measured by the MSCI Emerging Market Index. Despite the Fed's rate cuts, fixed income markets delivered only a modest gain as long-term interest rates rose over the course of the year, with the Bloomberg U.S. Aggregate Bond Index returning 1.3 percent.

Investment results of MMBB's funds in 2024 were in line with the markets that they invest in. The Social Awareness Fund was the top performing option with a return of 25.3 percent. The U.S. Equity Index Fund gained 22.5 percent for the year and the International Equity Index Fund returned 2.5 percent. The U.S. Bond Index Fund posted a gain of 0.7 percent in 2024. MMBB's Balanced Fund returned 9.2 percent, and the fund remains the largest investment option with close to $830 million in assets at year-end.

The New Horizons Fund shares investments with MMBB's Annuity Fund. It is more diversified than the Balanced Fund, incorporating not only public market investments, namely, stocks and bonds as the Balanced Fund does, but also investments in hedge funds and private markets. The private markets assets are illiquid and include investments in areas such as real estate, timber, private equity, private debt, and infrastructure. These investments are difficult for many individuals to access, and an important component of institutional portfolios, offering attractive risk-adjusted returns and diversification benefits. The New Horizons/Annuity Funds returned 6.9 percent in 2024. As information, for the 12 months ending September 30, 2024, the New Horizons/Annuity Funds returned 13.4 percent. Results for the New Horizons/Annuity Funds were not as strong as the Balanced Fund in 2024 because the performance of private markets lagged those in public markets. However, private markets investments are long-term contractual commitments, therefore investors need to maintain a long-term perspective to fully realize these advantages.

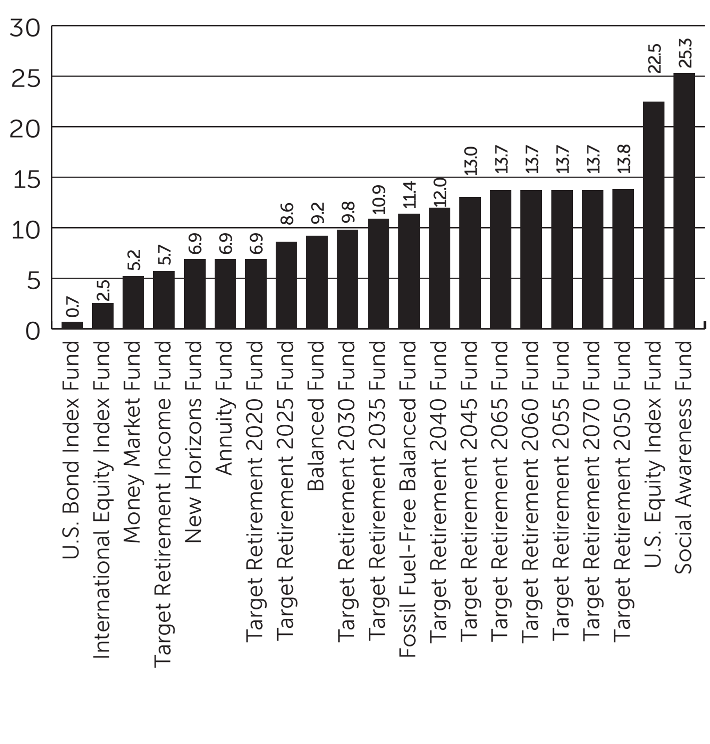
As a reminder, MMBB's default investment option is the target date funds (TDFs). There are currently 12 TDFs available, ranging from the Target Retirement 2070 Fund, which is generally meant for our youngest members, to the Target Retirement Income Fund for members already in retirement. Assets in the TDFs totaled approximately $210 million as of the end of 2024, making it the second largest MMBB investment option. A TDF offers the simplicity of a complete portfolio in a single investment option. Each TDF comprises five broadly diversified index funds. As the year in a specific TDF's name draws near, its investment mix becomes more conservative. That way, a single TDF is meant to serve each member throughout their career and retirement.

It is important to remember that we manage our investments with discipline and focus, which has served our members well over the years. Further, keep in mind that positive returns in some years and negative returns in others are a normal part of long-term investing. MMBB's investments are overseen by a professional Investment department as well as an Investment Committee, comprised of seasoned institutional investors, which meets regularly.

**MMBB Investment Fund Performance (%)**

**January 1 – December 31, 2024**

*(net of fees and expenses)*



# Investments **Under Management**

## Investments Under Management

*Market Value of Assets for the Year Ended December 31*
*Dollar amounts in thousands*

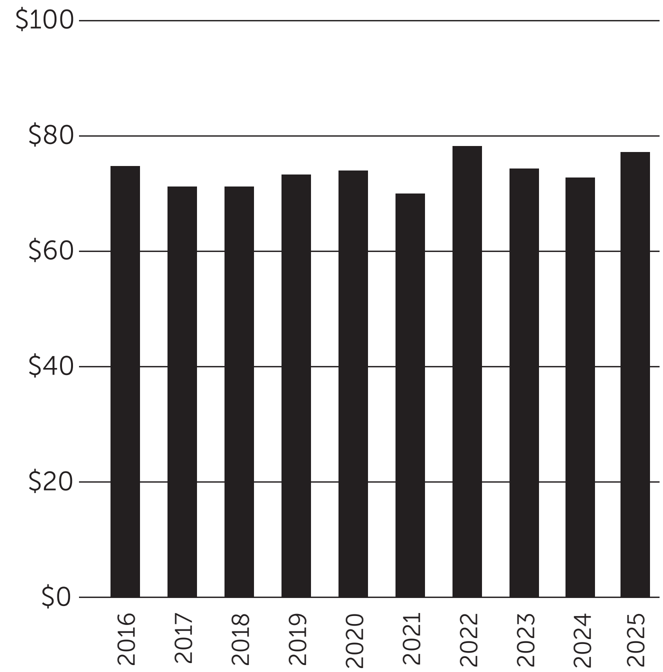
| | 2024 | Percentage of Market Value | 2023 | Percentage of Market Value | 2014 | Percentage of Market Value |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| **Cash and Cash Equivalents** | | | | | | |
| U.S. Cash and Cash Equivalents | **$ 81,864** | **2.92%** | $ 83,002 | 3.09% | $ 96,286 | 3.81% |
| Non-U.S. Cash and Cash Equivalents | **–** | **0.00%** | – | 0.00% | – | 0.00% |
| **Total Cash and Cash Equivalents** | **81,864** | **2.92%** | 83,002 | 3.09% | 96,286 | 3.81% |
| **Debt Obligations** | | | | | | |
| U.S. Treasury Obligations & Government Agency | **96,696** | **3.45%** | 100,928 | 3.75% | 134,553 | 5.32% |
| Mortgage Related | **175,246** | **6.26%** | 118,453 | 4.40% | 131,504 | 5.20% |
| Asset-Backed | **25,932** | **0.93%** | 18,286 | 0.68% | 48,427 | 1.91% |
| Corporate Bonds | **190,672** | **6.81%** | 157,605 | 5.86% | 338,681 | 13.39% |
| International Bonds | **22,466** | **0.80%** | 16,821 | 0.63% | 59,041 | 2.33% |
| Other Bonds | **1,460** | **0.05%** | 1,232 | 0.05% | 5,018 | 0.20% |
| **Total Debt Obligations** | **512,472** | **18.30%** | 413,325 | 15.37% | 717,224 | 28.35% |
| **Equities** | | | | | | |
| U.S. Common Stock | **239,594** | **8.56%** | 786,773 | 29.26% | 623,838 | 24.66% |
| Non-U.S. Common Stock | **90,852** | **3.25%** | 171,032 | 6.36% | 607,868 | 24.03% |
| Non-U.S. Preferred Stock | **–** | **0.00%** | – | 0.00% | – | 0.00% |
| **Total Equities** | **330,446** | **11.80%** | 957,805 | 35.62% | 1,231,706 | 48.69% |
| Interest/Dividends Receivable | **3,246** | **0.12%** | 2,662 | 0.10% | 2,205 | 0.09% |
| Pooled Funds | **1,872,465** | **66.88%** | 1,235,864 | 45.95% | 483,454 | 19.11% |
| Receivables for Securities Transactions | **3,198** | **0.11%** | – | 0.00% | 307 | 0.01% |
| Forward Currency Contracts | **–** | **0.00%** | – | 0.00% | 95,374 | 3.77% |
| Futures Contracts | – | **0.00%** | – | 0.00% | 4,866 | 0.19% |
| Securities Lending Collateral | **–** | **0.00%** | – | 0.00% | 38,093 | 1.51% |
| **Total Assets** | **2,803,691** | **100.14%** | 2,692,658 | 100.13% | 2,669,515 | 105.53% |
| **Liabilities** | | | | | | |
| Securities Sold, But Not Yet Purchased | **–** | **0.00%** | – | 0.00% | – | 0.00% |
| Payables for Securities Transactions | **3,743** | **0.13%** | 3,221 | 0.12% | 511 | 0.02% |
| Written Options | **–** | **0.00%** | – | 0.00% | 76 | 0.00% |
| Foreign Tax Dividend | **–** | **0.00%** | – | 0.00% | 2 | 0.00% |
| Forward Currency Contracts | **–** | **0.00%** | – | 0.00% | 95,775 | 3.79% |
| Management, Advisory and Services Fees | **286** | **0.01%** | 268 | 0.01% | 1,763 | 0.07% |
| Investment Choices Liabilities | **–** | **0.00%** | – | 0.00% | 3,605 | 0.14% |
| Securities Lending Liability | **–** | **0.00%** | – | 0.00% | 38,093 | 1.51% |
| **Total Liabilities** | **4,029** | **0.14%** | 3,489 | 0.13% | 139,825 | 5.53% |
| **Net Assets** | **$ 2,799,662** | **100.00%** | $2,689,169 | 100.00% | $2,529,690 | 100.00% |

## Annuity Unit Payout Value

When a member chooses to annuitize all or a portion of his or her retirement account(s), that portion is transferred to the Annuity Fund. The annuity unit price on the date of this transfer is the price at which the member purchases units and determines the number of units that the member is able to buy with his or her accumulated assets. Each year, the member's number of annuity units and the annuity payout value determine the member's annual annuity. The annuity unit payout value for 2025 is $77.42.

The annuity unit payout values for 2016–2025 are shown on the graph to the right. Retired members experienced increases in their annuities six times during this period.

### Annuity Payout Values 2016–2025




## Legacy Funds (The Endowment)

On December 31, 2024, the value of MMBB's legacy funds (the endowment) was $185,364.

Income generated by the endowment is used to fund services to plan members. Those services include benefits seminars, retirement and financial planning, member publications and annual visits with eligible retired members. Endowment resources also support other costs of administrating the plans.

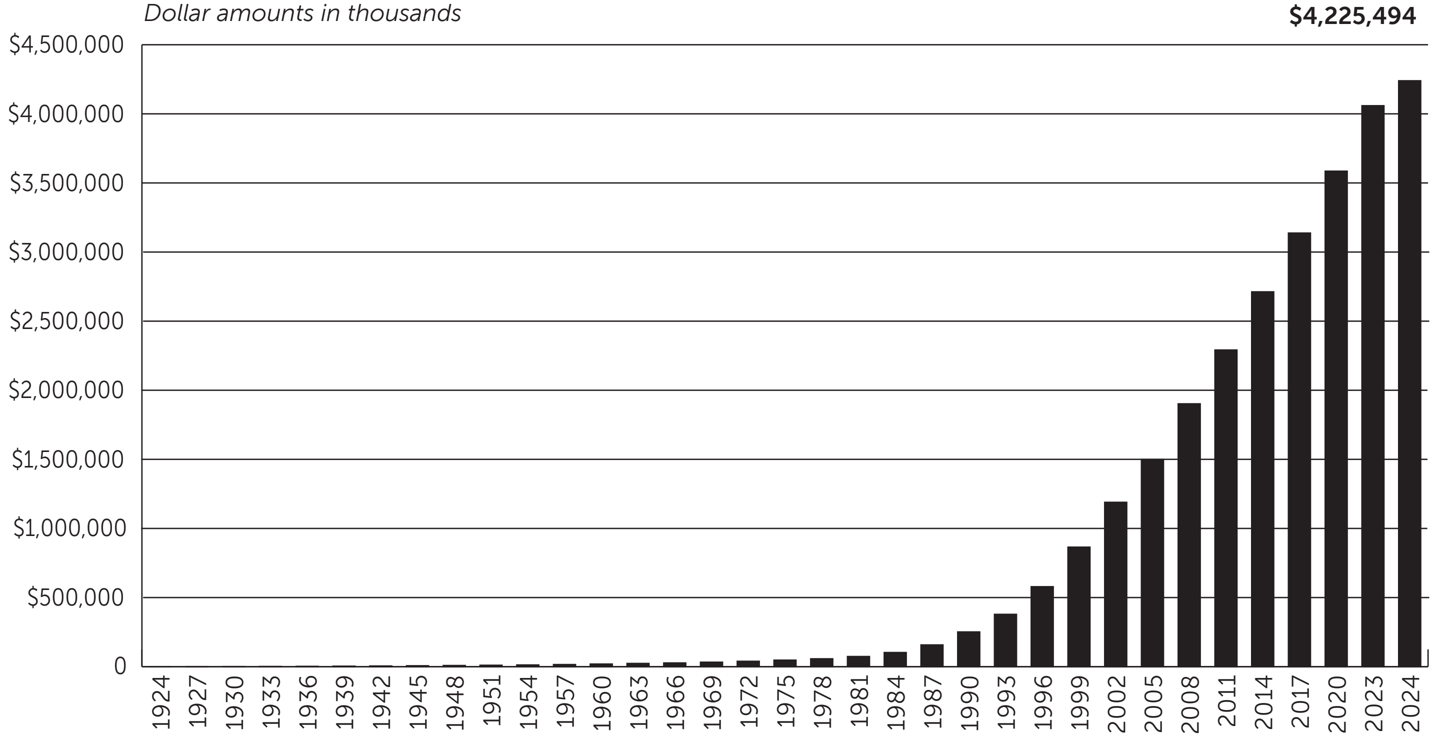
Resources from the endowment also provide benefits for plan members over and above contractual plan benefits. These include strategic premium assistance, educational grants, emergency financial assistance and a subsidy to help eligible annuitants purchase medical coverage.

### Legacy Funds

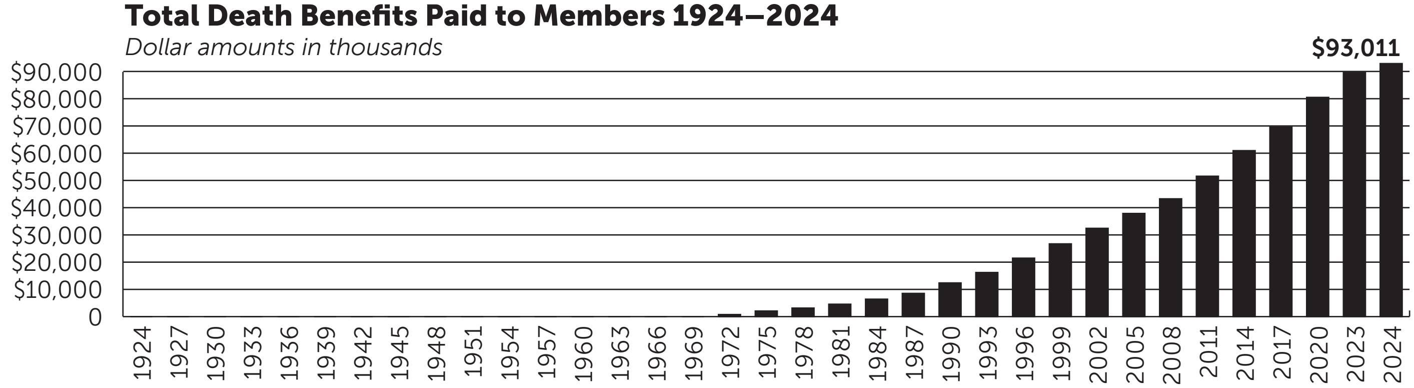
*Dollar amounts in thousands*

| | **2024** | 2023 | 2014 |
|---|---|---|---|
| **Balance, December 31** | **$185,364** | $176,851 | $160,432 |
| **Number of Beneficiaries** | | | |
| Annual Grants | 40 | 43 | 69 |
| Emergency Assistance | 205 | 167 | 239 |
| Gift | 20 | 20 | 47 |
| Lay Employees Retirement Allowance | 1 | 1 | 11 |
| Premium Aid, including Strategic Premium Assistance | 18 | 20 | 19 |
| Lay Thank You Checks | 859 | 825 | 721 |
| Medicare Supplement | 421 | 488 | 1,053 |

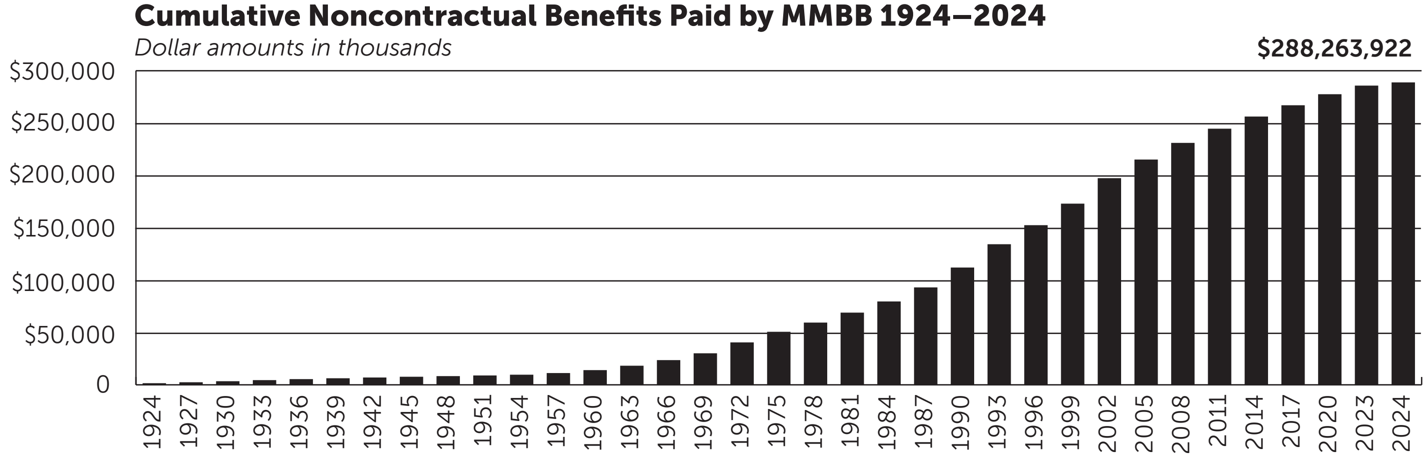
**Total Retirement Benefits Paid to Members 1924–2024**
*Dollar amounts in thousands*




**Total Death Benefits Paid to Members 1924–2024**
*Dollar amounts in thousands*




**Cumulative Noncontractual Benefits Paid by MMBB 1924–2024**
*Dollar amounts in thousands*



# Independent Auditor's **Report**

**To The American Baptist Churches Retirement Plans**
**New York, New York**

## Report on the Audit of the Combined Financial Statements

### *Opinion*

We have audited the combined financial statements of The American Baptist Churches Retirement Plans (the "Retirement Plans"), which comprise the combined statement of net assets available for benefits as of December 31, 2024, and the related combined statement of changes in net assets available for benefits for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined net assets available for benefits of the Retirement Plans as of December 31, 2024, and the changes in its combined net assets available for benefits for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Retirement Plans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Combined Financial Statements*

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Retirement Plans' ability to continue as a going concern within one year after the date that the combined financial statements are issued or available to be issued.

### *Auditor's Responsibilities for the Audit of the Combined Financial Statements*

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Retirement Plans' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Retirement Plans' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### Other Matters

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining schedule of changes in net assets available for benefits presented on page 36 of this report is presented for purposes of additional analysis and is not a required part of the combined financial statements. The combining schedule of changes in net assets available for benefits is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The combining schedule of changes in net assets available for benefits has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining schedule of changes in net assets available for benefits is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

### *Other Information Included in the Annual Report*

Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis but does not include the combined financial statements and our auditor's report thereon. Our opinion on the combined financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the combined financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the combined financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BDO USA, P.C.

New York, New York
April 29, 2025

# Independent Auditor's **Report**

**To The Ministers and Missionaries Benefit Board of American Baptist Churches New York, New York**

## Report on the Audit of the Consolidated Financial Statements

### *Opinion*

We have audited the consolidated financial statements of The Ministers and Missionaries Benefit Board of American Baptist Churches ("MMBB"), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of MMBB as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of MMBB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MMBB's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

# Independent Auditor's **Report**

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MMBB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MMBB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

## Other Matters

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on those consolidated statements as a whole. The accompanying consolidating schedule of activities presented on page 37 of this report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating schedule of activities is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating schedule of activities has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the consolidating schedule of activities is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### *Other Information Included in the Annual Report*

Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BDO USA, P.C.

New York, New York
April 29, 2025

# American Baptist Churches Retirement Plans **Financial Statements**

## Combined Statement of Net Assets Available for Benefits

*As of December 31, 2024 (in thousands)*

| | |
|---|---|
| **Assets** | |
| Receivables, Net | $ 12,370 |
| Investments Under Management | 2,485,136 |
| Due from MMBB | 15,094 |
| **Total Assets** | **$ 2,512,600** |
| **Liabilities** | |
| Accounts Payable and Accrued Expenses | $ 348 |
| **Total Liabilities** | **348** |
| **Commitments and Contingencies** | |
| **Net Assets** | |
| Retirement Plan | $ 2,105,857 |
| Tax-Deferred Annuity | 115,784 |
| The Annuity Supplement | 289,251 |
| Deductible Employee Contribution Account | 1,360 |
| **Total Net Assets Available for Benefits** | **2,512,252** |
| **Total Liabilities and Net Assets Available for Benefits** | **$ 2,512,600** |

*See Accompanying Notes to Financial Statements.*

## Combined Statement of Changes in Net Assets Available for Benefits

*For the year ended December 31, 2024 (in thousands)*

| | |
|---|---|
| **Additions** | |
| Premiums | $ 49,715 |
| Net Investment Income from Investments Under Management | 233,159 |
| Transfer from MMBB | 925 |
| **Total Additions** | **283,799** |
| **Deductions** | |
| Benefits | 166,587 |
| Investment Management Fees | 21,271 |
| **Total Deductions** | **187,858** |
| **Net Increase** | **95,941** |
| **Net Assets Available for Benefits, Beginning of Year** | **2,416,311** |
| **Net Assets Available for Benefits, End of Year** | **$ 2,512,252** |

*See Accompanying Notes to Financial Statements.*

# The Ministers and Missionaries Benefit Board of American Baptist Churches
# **Financial Statements**

## Consolidated Statement of Financial Position

*As of December 31, 2024 (in thousands)*

| | |
|---|---|
| **Assets** | |
| Cash and Cash Equivalents | $ 1,420 |
| Receivables | 4,276 |
| Investments Under Management | 314,527 |
| Other Assets | 2,900 |
| Mortgages Receivable | 689 |
| Fixed Assets, Net | 1,996 |
| Right-of-Use Assets - Operating Leases | 3,757 |
| **Total Assets** | **$329,565** |
| **Liabilities** | |
| Accounts Payable and Accrued Expenses | $ 1,188 |
| Due to Retirement Plans | 15,094 |
| Retired Ministers and Missionaries Offering | 323 |
| Accrued Postretirement Benefits | 7,624 |
| Operating Lease Liabilities | 3,796 |
| **Total Liabilities** | **28,025** |
| **Commitments and Contingencies** | |
| **Net Assets** | |
| Without Donor Restrictions: | |
| Legacy Funds | $ 184,296 |
| Death Benefit Plan | 32,100 |
| Special Benefits Fund | 83,485 |
| **Total Without Donor Restrictions** | **299,881** |
| **With Donor Restrictions** | **1,659** |
| **Total Net Assets** | **301,540** |
| **Total Liabilities and Net Assets** | **$329,565** |

*See Accompanying Notes to Financial Statements.*

## Consolidated Statement of Activities

*For the year ended December 31, 2024 (in thousands)*

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| **Revenues (Reductions)** | | | |
| Premiums | $ 6,656 | $ – | $ 6,656 |
| Contributions | 1,701 | – | 1,701 |
| Kewa Rental Income | 1,894 | – | 1,894 |
| Net Investment Income | 25,357 | 92 | 25,449 |
| Net Assets Released from Restrictions Upon Satisfaction of Donor-Imposed Stipulations | 530 | (530) | – |
| **Total Revenues (Reductions)** | **36,138** | **(438)** | **35,700** |
| **Expenses** | | | |
| Program Activities | 14,197 | – | 14,197 |
| Supporting Activities | 5,493 | – | 5,493 |
| **Total Expenses** | **19,690** | **–** | **19,690** |
| **Change in Net Assets Before Change in Postretirement Benefits Obligation** | **16,448** | **(438)** | **16,010** |
| **Change in Postretirement Benefits Obligation** | **(20)** | **–** | **(20)** |
| **Change in Net Assets** | **16,428** | **(438)** | **15,990** |
| **Net Assets, Beginning of Year** | **283,453** | **2,097** | **285,550** |
| **Net Assets, End of Year** | **$299,881** | **$1,659** | **$301,540** |

*See Accompanying Notes to Financial Statements.*

# The Ministers and Missionaries Benefit Board of American Baptist Churches
# **Financial Statements**

## Consolidated Statement of Cash Flows
*Year ended December 31, 2024 (in thousands)*

| | |
|---|---|
| **Cash Flows from Operating Activities:** | |
| Change in Net Assets | $15,990 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities: | |
| Depreciation and Amortization | 529 |
| Net Gain on Investments | (25,449) |
| Noncash Lease Expenses | 775 |
| Benefit Obligation | 20 |
| (Increase) Decrease in Assets: | |
| Receivables | (472) |
| Mortgages Receivable | 36 |
| (Increase) Decrease in Liabilities: | |
| Accounts Payable and Accrued Expenses | (64) |
| Due to Retirement Plans | 667 |
| Retired Ministers and Missionaries Offering | (52) |
| Accrued Postretirement Benefits | (1,084) |
| Principal Reduction in Operating Lease Liabilities | (748) |
| **Net Cash Used in Operating Activities** | **(9,852)** |
| **Cash Flows from Investing Activities:** | |
| Purchases of Fixed Assets | (213) |
| Proceeds from Sale of Investments | 48,308 |
| Purchases of Investments | (39,076) |
| **Net Cash Provided by Investing Activities** | **9,019** |
| **Net Decrease in Cash and Cash Equivalents** | **(833)** |
| **Cash and Cash Equivalents, Beginning of Year** | **2,253** |
| **Cash and Cash Equivalents, End of Year** | **$ 1,420** |
| **Supplemental Disclosure of Cash Flow Information:** | |
| Cash Paid for Taxes | $6 |

*See Accompanying Notes to Financial Statements.*

# Notes to **Financial Statements**

*Dollar amounts are presented in thousands*

## 1. General

### Organization

The Ministers and Missionaries Benefit Board of American Baptist Churches ("MMBB") and the American Baptist Churches Retirement Plans (the "Retirement Plans") (collectively, the "Board") provide retirement, death, disability and other benefits for ordained ministers, commissioned missionaries and lay employees of churches and organizations related to the American Baptist Churches through the administration of retirement and other benefit plans. All amounts in the notes to the financial statements are presented in thousands unless stated otherwise.

### Retirement Plans

The Retirement Plans are church retirement income accounts, other retirement plans, and related trusts exempt from federal income tax. The Retirement Plans include the 1965, 1976 and 1980 Retirement Plan, Tax-Deferred Annuity, The Annuity Fund, The Annuity Supplement, the Deductible Employee Contribution Account and the MMBB Puerto Rico Plan. The plans are composed of accumulation and annuity units, and the assets are held in a trust. Premiums are used to purchase accumulation units based on the unit value as of the day on which premiums are received. A premium equal to a percentage of the member's compensation is paid by employers into the Retirement Plan accumulation fund. Employers and plan members may contribute additional premiums to the Tax-Deferred Annuity and The Annuity Supplement, subject to certain limitations, to increase these retirement benefits. At retirement, accumulation units held are converted to annuity units using actuarial tables. Annuitants receive payments based upon the number of annuity units held and the annuity unit payout value as determined annually. The Retirement Plan, Tax-Deferred Annuity, The Annuity Supplement and the Deductible Employee Contribution Account (together, the "Plans") are Internal Revenue Code 403(b)(9) exempt retirement programs maintained by MMBB.

The MMBB Puerto Rico Plan began accepting contributions effective January 1, 2012. This plan is solely for certain residents of Puerto Rico and is intended to incorporate all of the design features and administrative provisions of MMBB's U.S. 403(b)(9) defined contribution plans into one separate plan, and to comply with the qualification requirements of the Internal Revenue Code of Puerto Rico.

The Retirement Plans and/or any account maintained by the Board to manage or hold assets of the Retirement Plans, and any interest in such Retirement Plans or account (including any funds maintained by the Board), are not subject to the registrations, regulation or reporting provisions of the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code or state securities laws. Therefore, participants and beneficiaries under the Retirement Plans will not be afforded the protection of those provisions. MMBB's employees also participate in the Retirement Plans. MMBB makes contributions on behalf of employees equal to 13% of each individual employee's compensation. In 2024, MMBB's contribution was $1,225.

### MMBB

MMBB, a not-for-profit religious organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, is comprised of the Legacy Funds, General Fund, Death Benefit Plan, Special Benefits Fund, the Lilly Endowment and the MMBB Financial Planners, LLC. MMBB's consolidated financial statements include the statement of financial position and results of operations of Kewa, Inc., a wholly owned subsidiary that owns an apartment building in New York City. The Legacy Funds and Lilly Endowment are administered in accordance with the terms of the donor-imposed stipulation. Disbursements for operating costs, as well as assistance to ministers and lay employees, are paid out of the General Fund. A premium equal to 1% of the member's compensation is received by the General Fund for assistance to ministers, missionaries and lay employees. The Death Benefit Plan provides group term life insurance for preretired members during their working careers and for retired members. Premiums of 1% of compensation are paid by the employers on behalf of the members. The Special Benefits Fund provides disability and other benefits to qualifying plan members. Premiums equal to 1% of compensation are paid by the employers on behalf of the members. The associated investment income earned on these contributions is available for services provided by the Board as well as benefit payments. This income is also available for operating expenses of the Retirement Plans, the Death Benefit Plan and the Special Benefits Fund.

# Notes to **Financial Statements**

*Dollar amounts are presented in thousands*

## 2. Summary of Significant Accounting Policies

### Basis of Presentation

The combined financial statements of the Retirement Plans and the consolidated financial statements of MMBB are prepared on the accrual basis of accounting and conform to the accounting principles generally accepted in the United States of America (GAAP). MMBB's net assets and its revenue and expenses are based on the existence or absence of donor-imposed restrictions. The amounts are classified in either of the two classes of net assets defined below and displayed in the consolidated statement of financial position, and the amounts of change in each of those classes of net assets are displayed in the consolidated statement of activities.

Without Donor Restrictions—This class consists of net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of MMBB. Revenues are reported as increases in net assets without donor restrictions, unless their use is limited by donor-imposed restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by donors or by law. Expenses are reported as decreases in net assets without donor restrictions.

With Donor Restrictions—This class consists of net assets with donor restrictions whose use is limited by donor-imposed, time and/or purpose restrictions. MMBB reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restriction and reported in the consolidated statement of activities as net assets released from restrictions. Net assets resulting from contributions and other inflows of assets whose use by MMBB is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of MMBB are classified as net assets with donor restrictions—perpetual in nature.

In order to ensure observance of limitations and restrictions placed on the use of resources available, the accounts of MMBB are maintained in accordance with the cost centers as presented on the supplemental consolidating schedule of activities. For the Retirement Plans, as presented on the combining schedule of changes in net assets available for benefits, the annuity funds of American Baptist Churches and all affiliated entities were consolidated into one annuity reserve (the Annuity Fund). There are recurring net asset transfers each year between the Retirement Plan, Tax-Deferred Annuity, The Annuity Supplement and Deductible Employee Contribution Account. The transfers represent conversion of members' preretired account values into annuitized values.

### Principles of Combination and Consolidation

The Retirement Plans' combined financial statements consist of the Retirement Plan, Tax-Deferred Annuity Plan, The Annuity Supplement and the Deductible Employee Contribution Account. MMBB's consolidated financial statements consist of the Legacy Funds, General Fund, Death Benefit Plan, Special Benefits Fund, the Lilly Endowment and the MMBB Financial Planners, LLC. All material interfund and intercompany balances and transactions have been eliminated in combination and consolidation.

### Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses recognized during the reporting period. Actual results could differ from these estimates.

### Revenue Recognition

Premiums and MMBB's Ministry Support, as discussed below, are recognized when earned. Grants and contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions are considered to be available without donor restrictions, unless specifically restricted by the donor. Conditional promises to give are not recognized until they become unconditional—that is, when the conditions on which they depend are substantially met. Premiums, grants and contributions are nonexchange transactions in which no commensurate value is exchanged. Therefore, premiums, grants and contributions fall under the purview of Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 958, "Not-for-Profit Entities." Transfers to pay benefits are recognized when earned. Rental income is recognized when earned. Advance receipts of rental income are deferred and classified as prepaid rent liability until earned. MMBB's Ministry Support, as discussed below, is reported at the amount that reflects the consideration to which MMBB is entitled in exchange for providing services. The transaction price is based on the agreed upon Ministry Support between MMBB and the applicable investment funds under the Board's management. Since MMBB's performance obligations are satisfied when the service has been provided, and MMBB does not believe it is required to provide additional services, all of MMBB's revenue in connection with its Ministry Support are recognized at a point in time. There are no changes to the Ministry Support during the year or from year to year, nor are there any unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

*Dollar amounts are presented in thousands*

As a practical expedient, MMBB utilizes the portfolio approach for analyzing the Ministry Support in accordance with *Revenue from Contracts with Customers (Topic 606)*. MMBB accounts for the agreed upon Ministry Support within each portfolio collectively, rather than individually. MMBB considers the similar nature and characteristics of the applicable investment funds in using the portfolio approach. MMBB believes that the use of the portfolio approach to analyze agreed upon Ministry Support will not differ materially than if the agreed upon Ministry Support were analyzed individually.The following table shows MMBB's Ministry Support by payor:

| | |
|---|---|
| Retirement Plan | $ 10,200 |
| Tax-Deferred Annuity Plan | 560 |
| The Annuity Supplement | 1,336 |
| Deductible Employee Contribution Account | 6 |
| Death Benefit Plan | 142 |
| Special Benefit Fund | 367 |
| **Total** | **$ 12,611** |

**Investments Under Management**

The Investment Committee of the Board of Managers (the "Committee") has general supervision of the Board's investments. The investment objective of the Board is to achieve a maximum total rate of return for its investments, taking into consideration the safety of principal, potential for market appreciation and income. The Committee has selected professional managers to select and monitor the assets comprising Investments Under Management. Pursuant to management agreements, the Board pays each of its investment managers a management fee based on the net assets under their management. The Board also pays certain managers an incentive fee based on the performance of the assets under management. For the year ended December 31, 2024, the incentive fees were $3,394. MMBB charges a Ministry Support of up to an annualized 50 basis points (0.5%). The Ministry Support applies to all funds under the Board's management except for the Legacy Funds, Lilly Endowment and Money Market Fund. This ministry support is charged in addition to the investment management fee that applies to each fund. Currently, the Board has implemented a Ministry Support that is assessed pro rata daily across all applicable funds. For the year ended December 31, 2024, MMBB charged a Ministry Support to the funds of $12,611. Subject to investment policies and guidelines prescribed by the Committee, the investment managers are given authority to invest in a broad range of securities, including, but not limited to, equity securities of U.S. and foreign companies, debt securities of the U.S. government and its agencies, debt securities of other U.S. and non-U.S. issuers, investment funds, commercial paper and other types of investments. The Committee has amended these investment policies and guidelines to allow certain investment managers to have the flexibility of directing a portion of Investments Under Management in financial forwards, futures, option contracts and similar investments for the purpose of adjusting the degree of risk in the Board's portfolio. The Board pays unrelated business income tax on income arising from its debt-financed investments. The Board has requested and received from the Commodity Futures Trading Commission a "no-action" letter, which effectively exempts the Board from certain "commodity pool operator" registration requirements of the Commodity Exchange Act and the regulations promulgated thereunder. The "no-action" letter also relieves the Board from the operation criteria of Regulation 4.5 of the Commodity Exchange Act thereby permitting investment of a portion of its assets in financial futures, options and similar investments without complying with such operation criteria. The use of such investments must be consistent with the Committee's investment policies and guidelines.

**Securities and Portfolio Valuation**

Financial instruments are carried at fair value. FASB ASC 820-10, "Fair Value Measurement," defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements. ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities.

These inputs can be readily observable, market-corroborated or unobservable. ASC 820-10 establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability, and may affect the valuation of the asset or liability and its placement within the fair value hierarchy. The Board classifies fair value balances based on the fair value hierarchy defined by ASC 820-10 as follows:

**Level 1—**Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments.

**Level 2—**Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**Level 3—**Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

A description of the valuation techniques applied to the Board's major categories of assets and liabilities measured at fair value is as follows:

**Equities:** For its investments with asset managers that hold public common and preferred stocks and collateralized securities, the Board has position-level transparency into individual holdings. These investments are priced by the Board's custodian using a nationally recognized pricing service based on observable market data and are classified as Level 1 of the fair value hierarchy.

**Fixed Income:** The Board also has investments with several fixed income managers, and the Board's custodian prices these investments using a nationally recognized pricing service. The Board's fixed income investments include U.S. Treasury securities, corporate bonds, high-yield bonds, municipal bonds, asset-backed securities and collateralized securities. In the normal trading of fixed income securities, pricing is determined using relevant market information, benchmark curves, benchmarking of similar securities, sector groupings and matrix pricing. These investments are classified as Level 2 of the fair value hierarchy. U.S. Treasury securities are valued using quoted market prices and are categorized as Level 1 of the fair value hierarchy.

**Hedge Funds:** The Board invests with several hedge fund managers. For these investments, the Board has access to underlying managers, but not to the individual positions of each manager. The role of the hedge fund allocation is to provide an alternative source of returns capable of diversifying traditional risks while not compromising on return potential. The allocation seeks attractive risk-adjusted returns relative to traditional assets with limited downside risk. The hedge fund managers follow an event-driven or relative value multi-strategy approach with a strong focus on risk management, and are selected to complement each other from a correlation and strategy diversification perspective.

The fair value of these investments is valued at net assets value ("NAV") or its equivalent as a practical expedient and is determined by each manager using either an in-house valuation team or a third-party administrative service. As part of its due diligence process, MMBB has surveyed each investment manager and reviewed their valuation policies and the controls surrounding the valuation process in accordance with ASC 820-10. The financial statements of the investees are audited annually by independent auditors. In accordance with Accounting Standards Update ("ASU") 2015-07, "Disclosures for Investments in Certain Entities That Calculate Net Assets Value per Share (or Its Equivalent)," these investments are not presented as part of the fair value hierarchy table and are disclosed separately in the footnotes.

**Private Equity:** Private equity comprises approximately 17% of the Board's investments and consists of investments in infrastructure, energy, secondary equity and timber. These investments are long-term investments, which require a commitment of capital for several years and do not have readily observable fair values. The fair value of these investments is valued at NAV or its equivalent, as a practical expedient and determined by each manager using either an in-house valuation team or a third-party administrative service. As part of its due diligence process, MMBB surveyed each investment manager and reviewed their valuation policies and controls surrounding the valuation process in accordance with ASC 820-10. The financial statements of the investees are audited annually by independent auditors. These investments are not classified as part of the fair value hierarchy table in accordance with ASU 2015- 07 and are disclosed separately in the footnotes.

**Commingled Funds:** The Board invests with several commingled fund managers. For these investments, the Board has ownership interest in the commingled fund but not in the individual positions of each manager. A significant amount of the Board's commingled funds invests in liquid, publicly traded securities. The commingled funds are valued at NAV or equivalent as a practical expedient. NAV is based on the fair value of the underlying assets of the commingled funds.

**Futures Contracts:** The Board invests in futures contracts to maintain its exposure to asset classes in accordance with the targets. The Board does not use futures contracts to hedge its risk exposure. Its investment in futures contracts consists of domestic and international equity index futures, treasury index futures and corporate fixed income futures. Futures contracts are liquid instruments, usually with a 90-day settlement period, and their prices are observable daily on a nationally recognized exchange. Upon entering into a contract, the Board deposits and maintains as collateral an initial margin balance as may be required. During the period the futures contract is open, changes in the value of the contract are recognized on a daily basis to reflect the fair value at the end of each day's trading. Variation margin payments are received or made, depending upon whether unrealized gains or losses are incurred. When futures contracts are closed, the Board realizes a gain or loss equal to the difference between the proceeds from the closing transaction and the basis in futures contracts. Cash collateral on deposit with brokers relating to futures contracts was $0 as of December 31, 2024. As part of its due diligence process, MMBB surveyed its investment managers, which achieves the futures exposure for the Board, and reviewed its valuation policy and controls surrounding the valuation process in accordance with ASC 820-10. These investments are classified as Level 2 of the fair value hierarchy.

Purchases and sales of securities are reflected on a trade date basis. Gains or losses on sales of securities are based on the average cost of each individual security sold. Unrealized gains and losses are determined by comparison of cost determined by the average cost method with the fair value and are included in the statement of changes in net assets. Dividend income is recorded on the ex-dividend date. Interest from other investments is recorded as earned.

*Dollar amounts are presented in thousands*

Net investment return is reported in the consolidated statement of activities for MMBB and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses. The Retirement Plans present in the combined statement of changes in net assets available for benefits its net investment return from its interest in Investments Under Management, which includes its interest in the appreciation or depreciation in the fair value of Investments Under Management and interest and dividend income.

### Foreign Currency

The Board has investments in several international equity securities. Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Board does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Net gain resulting from foreign investment transactions and the translation of foreign denominated investments amounted to approximately $9,808 for MMBB and for the Retirement Plans for the year ended December 31, 2024.

### Securities Sold, Not Yet Purchased

Investments Under Management and securities sold, not yet purchased are carried at fair value. Securities that are not readily marketable are carried at estimated fair value as determined by the individual investment manager. Fair value is based on the recorded sales price on the last business day of the year or, in the absence of a reported sale, on the bid price for investments and the ask price for securities sold, not yet purchased. The fair value of investments traded in foreign currencies is determined at the exchange rate on the last business day of the year.

### Total Return Allocation

Effective June 1, 1986, a "total return allocation" was adopted for spending from the Legacy Funds. The transfer of investment yield from the Legacy Funds to the General Fund is based on the average fair value of the Legacy Funds' pro rata share of Investments Under Management. For the year ended December 31, 2024, the target spending rate for the General Fund was pursuant to this policy. The actual spending rate for this time period was 4.36%.

### Cash Equivalents

The Board considers all investments with an original maturity of three months or less to be cash equivalents. At times, the amounts on deposit at various financial institutions exceeded the $250 insured limit by the Federal Deposit Insurance Corporation. The Board has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash and cash equivalent accounts. The funds maintained with brokers are insured up to $500 by the Securities Investors Protection Corporation ("SIPC"). The Investments Under Management include cash and cash equivalents amounting to $81,000.

### Brokerage Agreements

The individual investment managers employed by the Board have prime brokerage agreements with various brokerage firms to carry their accounts as customers. The brokers or individual managers have custody of the Board's individual securities and, from time to time, cash balances, which may be due to these brokers. These securities and/or cash positions serve as collateral for any amounts due to the brokers. The securities and/or cash positions also serve as collateral for potential defaults of the Board.

### Receivables

Loans receivable represent amounts borrowed by members from their retirement plan accounts.

Loans receivable are reported at carrying value and are presented as part of receivables in the Retirement Plans' combined statement of net assets available for benefits.

The Retirement Plans recognize impairment on loans receivable when it is probable that it will not be able to collect all the amounts due according to the contractual terms of the loan agreement. Loans receivable are considered in default if they are at least 180 days past due. At December 31, 2024, there was no allowance for doubtful accounts. Loans receivable, as stated in the combined financial statements, are deemed by management to be fully collectible.

The amount and age of net loans receivable that are outstanding at December 31, 2024, are as follows:

| 1–29 Days Past Due | 30–59 Days Past Due | 60–89 Days Past Due | 90 Days or More Past Due | Total Current | Total Loans |
|---|---|---|---|---|---|
| **$ –** | **$ –** | **$ –** | **$ –** | **$7,407** | **$7,407** |

The Board monitors the credit quality of its loans receivable every year based on payment activity. The following table discloses the recorded loans by credit quality indicator as of December 31, 2024:

| | Loans Receivable | Date on Which the Information Was Updated for the Credit Quality Indicator |
|---|---|---|
| **Performing** | **$7,407** | **12/31/2024** |
| **Nonperforming** | **–** | **12/31/2024** |

The remaining receivables amounting to $4,963 for the Retirement Plans pertains to the premium receivables. The receivable as reported in MMBB's consolidated statement of financial position is mainly comprised of the Ministry Support from the Retirement Plans.

*Dollar amounts are presented in thousands*

**Mortgages Receivable**

The mortgages receivable of MMBB represent amounts from employees for the purchase of their personal residences and are secured by the related properties. This benefit was discontinued in prior years. Mortgages receivable are reported at carrying value. MMBB recognizes impairment on mortgages receivable when it is probable that MMBB will not be able to collect all amounts due according to the contractual terms of the mortgage agreement. MMBB measures expected credit losses based on reviews of all outstanding receivables and determines collectability of its receivables based on past experience and current conditions with employees, reasonable and supportable forecasts, and revision to history or the fair value of the collateral. There were no credit losses for the year ended December 31, 2024. If a mortgage receivable is in default, management will assess the ultimate collectability of principal and interest on the mortgage receivable.

The amount and age of mortgages receivable that are outstanding at December 31, 2024, are as follows:

| 1–29 Days Past Due | 30–59 Days Past Due | 60–89 Days Past Due | 90 Days or More Past Due | Total Current | Total Loans |
|---|---|---|---|---|---|
| $ – | $ – | $ – | $ – | $689 | $689 |

The Board monitors the credit quality of its mortgages receivable every year based on payment activity. The following table discloses the mortgages receivable by credit quality indicator as of December 31, 2024:

| | Mortgages Receivable | Date on Which the Information Was Updated for the Credit Quality Indicator |
|---|---|---|
| Performing | $689 | 12/31/2024 |
| Nonperforming | – | 12/31/2024 |

**Fixed Assets, Net**

Fixed assets are stated at cost, less accumulated depreciation. MMBB capitalizes certain expenses that extend the useful life of fixed assets. Routine repairs and maintenance are expensed as incurred. MMBB calculates depreciation and amortization on fixed assets on a straight-line basis over the estimated lives of the assets. For the year ended December 31, 2024, depreciation and amortization was approximately $529.

| | |
|---|---|
| **Estimated Useful Lives (in Years)** | |
| Leasehold Improvements | 10–20 |
| Furnishings | 10 |
| Equipment and Computer Software | 3–5 |
| Buildings and Building Improvements | 27.5 |
| **At December 31, 2024, Fixed Assets, Net Comprised of** | |
| Leasehold Improvements | $ 5,797 |
| Furnishings | 2,411 |
| Equipment and Computer Software | 15,633 |
| Buildings | 6,128 |
| | **29,969** |
| **Less: Accumulated Depreciation and Amortization** | **(27,973)** |
| | **$ 1,996** |

**Impairment of Long-Lived Assets**

MMBB reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of December 31, 2024, there have been no such losses.

**Payment of Benefits**

Benefits are recorded when paid.

**Functional Allocation of Expenses**

All expenses of the Special Benefits Fund, Death Benefit Plan, Non-Contractual benefits and expenses relating to the Retired Ministers and Missionaries Offering are mission-based and classified as program activities. Grants that are restricted in purpose, including the Lilly Endowment and the Ives Fund, are classified as program activities. Salary, professional fees and rent expenses are allocated based on actual time spent between program and supporting activities. All other expenses are considered supporting activities.

*Dollar amounts are presented in thousands*

A summary of MMBB's functional allocation of expenses is as follows:

| | |
|---|---|
| **Program Activities:** | |
| Salaries and Benefits | $ 5,562 |
| RMMO | 40 |
| Non-Contractual Benefits | 3,195 |
| Benefits | 3,495 |
| Professional Fees | 218 |
| Rent and Utilities | 350 |
| Administrative Expenses | 306 |
| Payments to the Retirement Plan | 925 |
| Financial Wellness | 106 |
| **Total Program Activities** | **$14,197** |
| **Supporting Activities:** | |
| Salaries and Benefits | $ 8,285 |
| Sponsorships | 8 |
| Professional Services and Other Expenses | 5,016 |
| Publications and Printing | 958 |
| Travel, Biennial Mission Summit | 896 |
| Rent and Utilities | 663 |
| Hardware/Software | 226 |
| Outreach | 73 |
| Depreciation and Amortization | 529 |
| Kewa Operations | 1,450 |
| Ministry Support | (12,611) |
| **Total Supporting Activities** | **5,493** |
| **Total Expenses** | **$19,690** |

### Applicability of the New York Prudent Management of Institutional Funds Act

On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). This law, which is a modified version of The Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), made significant changes to the rules governing how New York not-for-profit organizations may manage, invest and spend their endowment funds. The law is designed to allow organizations to manage more easily the fluctuations in the value of their endowments and to afford them greater access to funds needed to support their programs and services in difficult financial times.

### Accounting for Uncertainty in Income Taxes

Under ASC 740-10, "Income Taxes," an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will be sustained upon examination by a taxing authority. The Board does not believe there are any material uncertain tax positions taken, or to be taken, for the tax year ended December 31, 2024, and accordingly, they have not recognized any liability for unrecognized tax benefits under ASC 740-10. The Board filed Internal Revenue Service Form 990-T tax returns, as required, and all other applicable returns in jurisdictions where it is required.

## 3. Liquidity and Availability of Resources

The following table reflects MMBB's financial assets as of December 31, 2024, reduced by amounts not available for general operating expenses within one year. Financial assets are considered available when illiquid or not convertible to cash within one year or assets held for a specific purpose.

| | **December 31, 2024** |
|---|---|
| Cash and Cash Equivalents | $ 1,420 |
| Receivables | 4,276 |
| Investments Under Management | 314,527 |
| **Total Financial Assets Available Within One Year** | **320,223** |
| Less: | |
| Amounts Unavailable for General Expenditures Within One Year, Due to Purpose Restrictions | 113,532 |
| **Total Financial Assets Available to Management for General Expenditure Within One Year** | **$206,691** |

### General Operating Expenses

Benefits are part of MMBB's liquidity management; it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. To help manage unanticipated liquidity needs, MMBB also has a committed line of credit in the amount of $5,000, which was undrawn at December 31, 2024. Funding for general operating activities of MMBB mainly comes from fees, premiums and other sources with the shortfall funded by income generated by Investments Under Management.

### Benefits Expenses

Benefits are funded through premiums and investment income. Any shortfall in premiums to pay benefits is funded by investment returns from Investments Under Management.

## 4. Investments Under Management

*(Dollar amounts are presented in millions for Note 4)*

The Board's Investments Under Management for the year ended December 31, 2024, are in a Master Trust. MMBB and the Retirement Plans have an undivided interest in the Master Trust. At December 31, 2024, MMBB's and the Retirement Plans' interest in the net assets of the Master Trust was $314 (11%) and $2,486 (89%), respectively.

Investment income and administrative expenses relating to the Master Trust are allocated to MMBB and the Retirement Plans based upon the amount of time their assets were invested in the Master Trust.

The following table presents the net assets of the Master Trust and MMBB and the Retirement Plans' corresponding interest in the underlying investments of the Master Trust as of December 31, 2024:

| | | Interest in Master Trust: | |
|---|---|---|---|
| | **Master Trust Balances** | **Retirement Plans** | **MMBB** |
| Equities | $ 330 | $ 305 | $ 25 |
| Fixed Income | 516 | 474 | 42 |
| Hedge Fund of Funds | 89 | 76 | 13 |
| Private Equity | 465 | 408 | 57 |
| Commingled Funds | 1,315 | 1,148 | 167 |
| Commodities | 4 | – | 4 |
| U.S. Cash and Cash Equivalents | 81 | 75 | 6 |
| | **$2,800** | **$2,486** | **$314** |

The following table presents the changes in the net assets of the Master Trust for the year ended December 31, 2024:

| | |
|---|---|
| Net Appreciation in Fair Value of Investments | $ 254 |
| Net Transfers | (136) |
| Administrative Expenses | (7) |
| **Net Increase in Net Assets** | **111** |
| **Net Assets, Beginning of Year** | **2,689** |
| **Net Assets, End of Year** | **$2,800** |

At December 31, 2024, the cost basis and fair value of Investments Under Management for the Board were $1,663 and $2,800, respectively. The following table presents the level within the fair value hierarchy at which the Board's financial assets and financial liabilities are measured on a recurring basis at December 31, 2024.

The amounts below represent the total investment assets and liabilities under management as of December 31, 2024.

| | Quoted prices in active markets for identical assets **Level 1** | Significant observable inputs **Level 2** | Significant unobservable inputs **Level 3** | **Total** |
|---|---|---|---|---|
| **Assets** | | | | |
| **Equities:** | | | | |
| Domestic | $240 | $ – | $ – | $240 |
| International Developed | 60 | – | – | 60 |
| Emerging Markets | 30 | – | – | 30 |
| **Fixed Income:** | | | | |
| U.S. Treasury | – | 75 | – | 75 |
| U.S. Government Agency | – | 21 | – | 21 |
| Mortgage-Related | – | 175 | – | 175 |
| Asset-Backed | – | 26 | – | 26 |
| Investment Grade Corporate | 51 | 114 | – | 165 |
| High Yield Corporate | – | 26 | – | 26 |
| Inflation-Linked | 9 | – | – | 9 |
| International Developed | 22 | – | – | 22 |
| Emerging Markets | – | 1 | – | 1 |
| | **$412** | **$438** | **$ –** | **$850** |

# Notes to **Financial Statements**

*Dollar amounts are presented in thousands*

| | |
|---|---|
| **Other Investments at NAV or Equivalent:**[(1)] | |
| Hedge Fund of Funds | $ 89 |
| Private Equity | 465 |
| Commingled Funds | 1,315 |
| Commodities | 4 |
| | 1,873 |
| **U.S. Cash and Cash Equivalents**[(2)] | **81** |
| **Total Assets** | **$2,804** |

| | Quoted prices in active markets for identical assets Level 1 | Significant observable inputs Level 2 | Significant unobservable inputs Level 3 | Total |
|---|---|---|---|---|
| **Liabilities** | | | | |
| Fixed Income | $ – | $ 4 | $ – | $ 4 |
| **Total Liabilities** | **$ –** | **$ 4** | **$ –** | **$ 4** |
| **Total Investments Under Management** | | | | **$2,800** |

*[(1)]Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy table. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy table to the amounts presented in the combined statement of net assets available for benefits and consolidated statement of financial position.*

*[(2)]U.S. cash and cash equivalents have not been classified in the fair value hierarchy table. The fair value amount presented in this table is intended to permit reconciliation of the fair value hierarchy table to the Investments Under Management amounts presented in the combined statement of net assets available for benefits and consolidated statement of financial position.*

The Board had no financial assets or financial liabilities that were measured at fair value on a nonrecurring basis for the year ended December 31, 2024. In addition, there were no transfers between levels during the year ended December 31, 2024.

The fair value of futures contracts is included in Investments Under Management on the combined statement of net assets available for benefits. The following table sets forth the fair value of futures contracts held with investment managers as of December 31, 2024, and lists the net realized gain/(loss) and net change in unrealized gain/(loss), as included in the net investment income from Investments Under Management in the combined statement of changes in net assets available for benefits of the trust for the year ended December 31, 2024.

The below notional amounts which are representative of fair value are presented as of December 31, 2024, and are indicative of the volume of activity during the year then ended.

| | Assets Fair Value | (Liabilities) in Fair Value | Net Realized Gains (Losses) | Net Change in Unrealized Gains (Losses) |
|---|---|---|---|---|
| **Futures Contracts** | **$18** | **$–** | **$–** | **$1** |

The following table sets forth a summary of the categories of the Board's investment measured at NAV per share (or its equivalent) as a practical expedient and its related fair value, unfunded commitments, redemption frequency and redemption notice period for the year ended December 31, 2024:

| Investment Category | Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|---|---|---|---|---|
| **Hedge Fund of Funds:**[(a)] | $ 89 | $ – | Quarterly | 45–90 days |
| **Private Equity**[(b)] | 465 | 140 | No Redemptions Allowed | |
| **Commingled Funds**[(c)] | 1,315 | – | Daily | Less than 15 days notice |
| **Commodities**[(d)] | 4 | – | Quarterly | 45–90 days |
| **Total** | **$1,873** | **$140** | | |

*[(a)]This class includes investments in funds of hedge funds that invest primarily in long and short domestic and international common stocks. The underlying hedge funds maintain long positions in securities expected to rise in value and short positions in those expected to decline in value. Management of the hedge funds also has the ability to shift from small to large capitalization stocks across industry sectors and countries, as well as from a net short to a net long position.*

*[(b)]This class consists primarily of private equity funds that invest in infrastructure, natural resources and other various private equity funds. The private equity funds are typically limited partnerships with a fixed term.*

*[(c)]This class includes various commingled funds in international equity, emerging markets and fixed income asset classes.*

*[(d)]This class includes a multi-manager commodities fund. The fund invests in a diversified portfolio of commodities, including energy, agriculture, metals and livestock, both domestically and internationally. Each manager in the fund pursues a dedicated strategy, actively managing commodities in their markets.*

*Dollar amounts are presented in thousands*

## 5. Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Board enters into transactions in various financial instruments with off-balance sheet risk. Market risk represents the potential loss that can be caused by a change in the fair value of the financial instrument. Liquidity risk represents the possibility that the Board may not be able to rapidly adjust the size of its positions in times of high volatility and financial stress at a reasonable price. The Board is exposed to risks that the exchange rate of the U.S. dollar relative to other currencies may change in a manner that has an adverse effect on the reported value of the Board's assets and liabilities denominated in currencies other than the U.S. dollar. All deposits and securities owned by the Board are held by its custodian or by custodians engaged by certain investment managers. The Board is subject to credit risk should the broker-dealers be unable to repay amounts owed or if the custodians are unable to fulfill their obligations to the Board. This risk is mitigated by the fact that the Board's accounts are carried by the broker-dealers as customer accounts, as defined, and are therefore subject to Securities and Exchange Commission rules with regard thereto, and under the SIPC's insurance program and supplemental insurance programs maintained by such brokers. As of July 1, 2013, most derivatives trade on a central clearing exchange. This process eliminates credit risk, among other things. These derivative investments are subject to various risks, similar to non-derivative investments, including market, credit and liquidity risks. The investment manager manages these risks on an aggregate basis along with the risks associated with the Board's investing activities as part of its overall risk management policy. Debt obligations are subject to interest rate risk. Interest rate risk is the risk that the Board may incur losses due to adverse changes in interest rates. Fluctuations in interest rates have a direct impact on the market valuation of debt obligations. Securities sold, not yet purchased by the Board may give rise to off-balance sheet risk. The Board may sell a security it does not own in anticipation of a decline in the fair value of that security. When the Board sells a security short, it must borrow the security sold short. A gain, limited to the price at which the Board sold the security short, or a loss, unlimited in amount, will be recognized upon the termination of a short sale. The Board has recorded this obligation in the financial statements at December 31, 2024, using the fair value of these securities. There is an element of market risk in that, if the securities increase in value, it will be necessary to purchase the securities at a cost in excess of the price reflected in the combined statement of net assets available for benefits.

## 6. Employee Benefits

MMBB accrues the expected cost of its employees' postretirement benefits during the years that the employees render the necessary service. The plan is funded on a pay-as-you-go basis. Effective January 1, 2014, MMBB elected to curtail the postretirement benefits under the Medical Plan and cease benefits accrual for any current employee who did not meet the benefits eligibility as of December 31, 2014. The following sets forth the plan's funded status reconciled with amounts reported in MMBB's consolidated statement of financial position at December 31, 2024. The assumed health care cost trend rates for pre-Medicare and post-Medicare were 7.75% and 7.00%, respectively, for 2024. The assumed health care cost trend rates will gradually decline to 4.75% (the ultimate trend rate) in the year 2033. A weighted-average discount rate of 5.42% was used to determine the postretirement benefit obligation and net periodic postretirement benefit cost.

A summary of the assets, obligations and net periodic postretirement benefit cost is as follows:

| | |
|---|---|
| **Change in Postretirement Benefit Obligation (PBO)** | |
| PBO at Beginning of Year | $8,688 |
| Interest Cost | 362 |
| Actuarial Gain | (1,038) |
| Benefits Paid | (388) |
| **PBO at End of Year** | **$7,624** |
| **PBO Breakout** | |
| Retirees and Surviving Spouses | $7,326 |
| Preretired Fully Eligible | 298 |
| **Total PBO** | **$7,624** |
| **Change in Plan Assets:** | |
| Fair Value of Plan Assets at Beginning of Year | $ – |
| Employer Contribution | 388 |
| Benefits Paid | (388) |
| **Fair Value of Plan Assets at End of Year** | **$ –** |
| **Reconciliation of Funded Status at End of Year:** | |
| Unfunded Status | $7,624 |
| **Amount Recognized** | **$7,624** |
| **Amounts Recognized in the Consolidated Statement of Financial Position Consist of:** | |
| Current Liabilities | $ 495 |
| Noncurrent Liabilities | 7,129 |
| **Accrued Postretirement Benefits** | **$7,624** |

*Dollar amounts are presented in thousands*

**Amounts Recognized in Other Changes in the Consolidated Statement of Activities Consist of:**

| | |
|---|---|
| Actuarial Gain | $(1,038) |
| Recognized Prior Service Credit | 68 |
| Recognized Actuarial Gain | 990 |
| **Total Amount Recognized** | **$ 20** |

**Components of Net Periodic Postretirement Benefit Cost for the Year**

| | |
|---|---|
| Interest Cost | $ 362 |
| Recognized Prior Service Credit | (68) |
| Recognized Actuarial Gain | (990) |
| **Net Periodic Cost** | **$ (696)** |

**Amounts Expected To Be Recognized in Net Periodic Cost in the Coming Year**

| | |
|---|---|
| Prior Service Credit Recognition | $ (68) |

**Gross Estimated Future Benefit Payments Are as Follows:**

*Year ending December 31,*

| | |
|---|---|
| 2025 | $ 509 |
| 2026 | 535 |
| 2027 | 526 |
| 2028 | 544 |
| 2029 | 562 |
| 2030–2034 | 2,807 |
| **Total for the Next 10 Years** | **$5,483** |

## 7. Net Assets with Donor Restrictions

For MMBB, net assets with donor restrictions are available subject to purpose restrictions as follows:

**Subject to Expenditure for Specified Purpose:**

| | **2024** |
|---|---|
| Ives Estate Fund | $1,068 |
| Planning Grant for MMBB Financial Wellness | 26 |
| MMBB Financial Wellness Project for Pastoral Leaders and Their Congregations-Phase III | 205 |
| Bridges: Colloquia for Cultivating Ministry-Phase II | 360 |
| **Total Net Assets with Donor Restrictions** | **$1,659** |

## 8. Donor-Restricted Endowment Assets

MMBB maintains a donor-restricted endowment fund (the "endowment fund"), which consists of monies bequeathed to it and which must be held in perpetuity in the Ives Fund. The Ives Fund consists of contributions received from the Last Will and Testament of a donor for the purpose of Baptist ministers and missionaries in need and their families in the states of New York, New Jersey and Connecticut. MMBB is a New York State organization and is subject to the provisions of NYPMIFA. Under the provisions of the law, MMBB must exercise a prudent standard of care when spending funds belonging to the endowment. NYPMIFA also allows MMBB to appropriate endowment funds, including the principal, as it finds prudent, while taking into account the uses, benefits, purposes and duration for which the fund was established. In exercising the prudent standard of care, MMBB must consult the following factors, among others, that might be relevant when considering the purpose for which endowment funds will be spent:

a. The duration and preservation of the endowment fund

b. Purpose of the fund

c. General economic conditions

d. Possible effect of inflation or deflation

e. Expected total return from income and appreciation of investments

f. Other resources available to MMBB

g. MMBB's investment policy

h. Alternatives to spending from the endowment and possible effects of those alternatives

For the year ended December 31, 2024, all invested assets at fair value that are included in MMBB's Ives Fund are as follows:

| **Asset Class** | **Total** |
|---|---|
| U.S. Equity | $ 38 |
| International Equity | 35 |
| Global Equity | 18 |
| Fixed Income | 26 |
| Hedge Fund of Funds | 10 |
| Private Equity Funds | 54 |
| Commodities | 4 |
| Cash | 3 |
| **Total** | **$188** |

*Dollar amounts are presented in thousands*

The following table provides a reconciliation of the change in MMBB's Ives Fund net assets for the year ended December 31, 2024:

| | **With Donor Restrictions** |
|---|---|
| Endowment Net Assets, Beginning of Year | $188 |
| **End of Year** | **$188** |

MMBB has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while maintaining the original historical value of those assets donated in perpetuity. Under this policy, as approved by the Board of Managers, the endowment assets are invested to achieve a total maximum rate of return at a level consistent with prudent management, taking into consideration the safety of principal, potential for market appreciation and income. To achieve its long-term rate-of-return objectives, MMBB relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). MMBB invests in a diversified portfolio of assets that places greater emphasis on equity-based investments to achieve its long-term return objects with prudent risk constraints. MMBB measures performance of the endowment funds according to a custom blended benchmark.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires MMBB to retain as a fund of perpetual duration. There were no deficiencies as of December 31, 2024.

MMBB's spending policy related to donor-restricted assets is limited to spending amounts prescribed by the donors. MMBB expects the current spending policy to allow its endowment funds to maintain their purchasing power as well as to provide additional real growth through investment return.

## 9. Leases

MMBB leases office space and equipment under operating leases. Leases are classified as operating leases based on the underlying terms of the agreement and certain criteria, such as the term of the lease related to the useful life of the asset and the total lease payments to be made as compared to the fair value of the asset, amongst other criteria.

For leases with initial terms greater than a year (or greater than one year remaining under the lease at the date of adoption of ASU 2016-02, "Accounting for Leases (Topic 842)", MMBB records the related right-of-use assets and liabilities at the present value of the lease payments to be paid over the life of the related lease. Variable lease payments are excluded from the amounts used to determine the right-of-use assets and liabilities unless the variable lease payments depend on an index or rate or are in substance fixed payments. Lease payments related to periods subject to renewal options are also excluded from the amounts used to determine the right-of-use assets and liabilities unless MMBB is reasonably certain to exercise the option to extend the lease. The present value of lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which this rate is not readily available, MMBB has elected to use a risk-free discount rate determined using a period comparable with that of the lease term. MMBB has made an accounting policy election not to separate lease components from nonlease components in contracts when determining its lease payments for all of its asset classes, as permitted by ASU 2016-02. As such, MMBB accounts for the applicable nonlease components together with the related lease components when determining the right-of-use assets and liabilities.

MMBB has made an accounting policy election not to record leases with an initial term of less than a year as right-of-use assets and liabilities.

*Dollar amounts are presented in thousands*

The following table summarized information related to the lease assets and liabilities as of and for the year ended December 31, 2024:

| *Year ended December 31, 2024* | |
|---|---|
| Operating Lease Cost: | |
| Amortization of Right-of-Use Assets | $ 756 |
| Interest on Lease Liabilities | 64 |
| **Total lease cost** | **$820** |

| *As of December 31, 2024* | |
|---|---|
| Right-of-Use Assets and Liabilities: | |
| Right-of-Use Assets – Operating Leases | $ 3,757 |
| Operating Lease Liabilities | 3,796 |

| *Year ended December 31, 2024* | |
|---|---|
| Other Information: | |
| Cash Paid for Accounts Included in the Measurement of Lease Liabilities: | |
| Operating Cash Flows from Operating Leases | $ 812 |

| | |
|---|---|
| Weighted-Average Remaining Lease Term – Operating Leases | 4.75 years |
| Weighted-Average Discount Rate – Operating Leases | 1.55% |

Right-of-use assets–operating leases and operating lease liabilities are recorded in the accompanying consolidated statement of financial position.

The following table reconciles the undiscounted operating lease payments to the lease liabilities recorded on the accompanying consolidated statement of financial position at December 31, 2024.

| *Year ending December 31,* | |
|---|---|
| 2025 | $ 828 |
| 2026 | 828 |
| 2027 | 828 |
| 2028 | 828 |
| 2029 | 622 |
| Total Lease Payments | 3,934 |
| Less: amounts representing interest | (138) |
| **Total operating lease liabilities** | **$ 3,796** |

Rent expense under these leases for 2024 was $812, which is included in MMBB consolidating schedule of activities.

## 10. Commitments and Contingencies

MMBB has entered into an application service provider agreement for application services. At December 31, 2024, the aggregate future minimum payments for these commitments were as follows:

| *Year ending December 31,* | |
|---|---|
| 2025 | $1,300 |
| 2026 | 116 |

As of December 31, 2024, the Board was committed to contributing approximately $140,000 of additional capital to certain limited partnerships and an asset management firm based on the term of the investment period, as defined in each partnership and investment management agreement. Of these commitments, $28,000 is expected to be drawn down in 2025, $28,000 in 2026, $21,000 in 2027, $ 21,000 in 2028, $14,000 in 2029, $14,000 in 2030, $7,000 in 2031 and $7,000 in 2032. These funds may be drawn after the commitment period ends for fees and prior commitments before the end of the period. Additionally, the Board may receive income in the form of distributions from its investment with these managers.

MMBB has a line of credit for $5,000 with a bank that expires on June 1, 2025. Interest at December 31, 2024 was 8.44%. As of December 31, 2024, this line of credit remained undrawn.

## 11. Subsequent Events

The Board's management has performed subsequent event procedures through April 29, 2025, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.

### American Baptist Churches Retirement Plans Combining Schedule of Changes in Net Assets Available for Benefits

*For the year ended December 31, 2024 (in thousands)*

| | Retirement Plan | Tax-Deferred Annuity Plan | The Annuity Supplement | Deductible Employee Contribution Account | Total |
|---|---|---|---|---|---|
| **Additions** | | | | | |
| Premiums | $ 28,675 | $ 8,373 | $ 12,667 | $ – | $ 49,715 |
| Net Investment Income from Investments Under Management | 190,030 | 12,281 | 30,822 | 26 | 233,159 |
| Transfer from MMBB | 925 | – | – | – | 925 |
| **Total Additions** | **219,630** | **20,654** | **43,489** | **26** | **283,799** |
| **Deductions** | | | | | |
| Benefits | 137,371 | 5,195 | 24,021 | – | 166,587 |
| Investment Management Fees | 18,083 | 940 | 2,239 | 9 | 21,271 |
| **Total Deductions** | **155,454** | **6,135** | **26,260** | **9** | **187,858** |
| **Net Increase Before Transfer of Net Assets** | **64,176** | **14,519** | **17,229** | **17** | **95,941** |
| **Transfer of Net Assets** | **7,401** | **(2,506)** | **(4,895)** | **–** | **–** |
| **Net Increase** | **71,577** | **12,013** | **12,334** | **17** | **95,941** |
| **Net Assets Available for Benefits, Beginning of Year** | **2,034,280** | **103,771** | **276,917** | **1,343** | **2,416,311** |
| **Net Assets Available for Benefits, End of Year** | **$2,105,857** | **$115,784** | **$289,251** | **$1,360** | **$2,512,252** |

# Supplementary **Information**

## The Ministers and Missionaries Benefit Board of American Baptist Churches Consolidating Schedule of Activities

*For the year ended December 31, 2024 (in thousands)*

| | Legacy Funds | Death Benefit Plan | Special Benefits Fund | Lilly Endowment | MMBB Financial Planners, LLC | General Fund | Total |
|---|---|---|---|---|---|---|---|
| **Revenues (Reductions)** | | | | | | | |
| Premiums | $ – | $ 2,227 | $ 2,240 | $ – | $ – | $2,189 | $ 6,656 |
| Contributions | 575 | – | – | – | – | 1,126 | 1,701 |
| Kewa Rental Income | 1,894 | – | – | – | – | – | 1,894 |
| Net Investment Income (Loss) | 16,967 | 2,532 | 6,558 | – | – | (608) | 25,449 |
| **Total Revenues** | **19,436** | **4,759** | **8,798** | **–** | **–** | **2,707** | **35,700** |
| **Expenses (Additions)** | | | | | | | |
| **Program Activities** | | | | | | | |
| Salaries and Benefits | – | – | – | – | – | 5,562 | 5,562 |
| RMMO | – | – | – | – | – | 40 | 40 |
| Non-Contractual Benefits | – | – | – | – | – | 3,195 | 3,195 |
| Benefits | (1,083) | 3,389 | 1,189 | – | – | – | 3,495 |
| Professional Fees | – | – | 92 | – | – | 126 | 218 |
| Rent and Utilities | – | – | – | – | – | 350 | 350 |
| Administrative Expenses | – | – | – | 306 | – | – | 306 |
| Payments to the Retirement Plans | – | – | 925 | – | – | – | 925 |
| Financial Wellness | – | – | – | – | – | 106 | 106 |
| **Total Program Activities** | **(1,083)** | **3,389** | **2,206** | **306** | **–** | **9,379** | **14,197** |
| **Supporting Activities** | | | | | | | |
| Salaries and Benefits | – | – | – | 179 | 918 | 7,188 | 8,285 |
| Sponsorships | – | – | – | – | – | 8 | 8 |
| Professional Services and Other | – | – | – | – | – | 5,016 | 5,016 |
| Publications and Printing | – | – | – | – | – | 958 | 958 |
| Travel, Biennial Mission Summit | – | – | – | – | – | 896 | 896 |
| Rent and Utilities | – | – | – | – | – | 663 | 663 |
| Hardware/Software | – | – | – | – | – | 226 | 226 |
| Outreach | – | – | – | – | – | 73 | 73 |
| Depreciation and Amortization | 529 | – | – | – | – | – | 529 |
| Kewa Operations | 1,450 | – | – | – | – | – | 1,450 |
| Ministry Support | – | – | – | – | – | (12,611) | (12,611) |
| **Total Supporting Activities** | **1,979** | **–** | **–** | **179** | **918** | **2,417** | **5,493** |
| **Total Expenses** | **896** | **3,389** | **2,206** | **485** | **918** | **11,796** | **19,690** |
| **Change in Net Assets Before Change in Postretirement Benefits Obligation and Transfer of Net Assets** | **18,540** | **1,370** | **6,592** | **(485)** | **(918)** | **(9,089)** | **16,010** |
| **Change in Postretirement Benefits Obligation** | **(20)** | **–** | **–** | **–** | **–** | **–** | **(20)** |
| **Change in Net Assets Before Transfer of Net Assets** | **18,520** | **1,370** | **6,592** | **(485)** | **(918)** | **(9,089)** | **15,990**** |
| **Transfer of Net Assets** | **(10,007)** | **–** | **–** | **–** | **918** | **9,089** | **–** |
| **Change in Net Assets** | **8,513** | **1,370** | **6,592** | **(485)** | **–** | **–** | **15,990**** |
| **Net Assets, Beginning of Year** | **176,851** | **30,730** | **76,893** | **1,076** | **–** | **–** | **285,550** |
| **Net Assets, End of Year** | **$185,364** | **$32,100** | **$ 83,485** | **$ 591** | **$ –** | **$ –** | **$301,540*** |

** Total net assets at year-end consist of Without Donor Restrictions $299,881, and With Donor Restrictions $1,659.*

*** Change in net assets for the year consists of Without Donor Restrictions $16,428 and With Donor Restrictions $(438).*

# Administration

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Chief Executive Officer

**Michael Belkin**
Chief Information and Security Officer

**Neal J. Berkowitz**
Chief Financial Officer and Treasurer

**Hyde Hsu**
Chief Investment Officer

**Perry J. Hopper**
Associate Executive Director
and Chief Client Services Officer

**Denise E. Peart**
Chief Legal & Compliance Officer
and Corporate Secretary

**Vincent J. Schera**
Chief Human Resources Officer

**Yvette Vanterpool**
Chief Communications Officer

## Senior Benefits Specialists

**Peter T. Fairchild, Director**
**Grace L. Cruz**
**Jim Espinales**
**Brian K. Haynes**
**Angela Park**
**Sheree Thomas**
**Jaswick Williams**

## Financial Planning

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**James R. Cook, CFP®**
**Keith R. Davenport, CFP®**
**Tyler Howard, CFP®**
**Alex Kim, CFP®**
**Alina Parizianu, CFP®**

## Retirement Benefits Consultants

**Clifton Morgan, Director**
**Augustine H. Bau**
**Miriam Chacón-Peralta**
**David K. Hinson**
**Gradia McKinney**
**Charles E. Watson Jr.**

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**Neal J. Berkowitz**
Chief Financial Officer
and Treasurer

**Denise E. Peart**
Chief Legal &
Compliance Officer
and Corporate Secretary

**Hyde Hsu**
Chief Investment Officer

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SS&C Technologies
*At-Large Manager*

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Trust Global Investors
*Investment Committee Member*

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Public Equity with the Oregon
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American Baptist Home
Mission Societies (ABHMS)
Board President, Retired
*Representative from Board of General Ministries Manager*

**Stephen D. King**
Aptos, California
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and Publisher
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Organizational Development
Consultant
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Bloomfield Hills, MI
Transitional Consultant
American Baptist Churches
of Michigan
*Representative from Board of General Ministries Managers*

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Law Firm of Simmons Perrine
Moyer Bergman, PLC
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Chicago Mercantile Exchange
*Public Manager*

**John A. Nixon**
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Partner
Duane Morris, LLP
*Public Manager*

**Gwynn L. Perlich**
Zionsville, Indiana
Executive VP/COO
Ascension St. Vincent Evansville
*At-Large Manager*

**Wallace Charles Smith**
Washington, D.C.
Dean, Smith School of
Christian Ministries
Palmer Theological Seminary,
Retired, and Senior Minister,
Shiloh Baptist Church
*Representative from Board of General Ministries Manager*

**Matthew Toupin**
Portland, Oregon
Lead Pastor of First Baptist
Church of Portland Oregon
and Associate Executive
Minister of the American
Baptist Churches of the
Central Pacific Coast.
*Representative from Board of General Ministries Managers*

**Catherine Waterworth**
New York, New York
Chief Investment Officer of
the Pension Boards, United
Church of Christ, Retired
*Investment Committee*

# Asset Managers, Investment Custodian **and Counsel**

## Asset Managers

**American Century Investments**
Kansas City, Missouri

**American Securities Partners**
New York, New York

**Artisan Multiple Investment Trust**
New York, New York

**Baillie Gifford & Co.**
Edinburgh, Scotland

**Breckinridge Capital Advisors**
Boston, Massachusetts

**Calera Capital**
San Francisco, California

**Commonfund Capital, Inc.**
Wilton, Connecticut

**Crow Holdings**
Dallas, Texas

**Davidson Kempner Institutional Partners, LP**
New York, New York

**Denham Capital Management, LP**
Boston, Massachusetts

**Dodge & Cox**
San Francisco, California

**DRA Advisors**
New York, New York

**Elliott International Limited**
West Palm Beach, Florida

**EnCap Investments, LP**
Houston, Texas

**Energy Investors Funds**
Needham, Massachusetts

**Great Hill Partners**
Boston, Massachusetts

**H.I.G. Capital**
Stamford, Connecticut

**Highbridge Tactical Credit Fund, Ltd.**
New York, New York

**Insight Equity, LP**
New York, New York

**The Investment Fund for Foundations**
West Conshohocken, Pennsylvania

**JPMorgan Asset Management**
New York, New York

**Lovell Minnick Partners**
Radnor, Pennsylvania

**Madison Dearborn Partners**
Chicago, Illinois

**Manulife Investment Management**
Boston, Massachusetts

**Marathon Asset Management Ltd.**
London, United Kingdom

**Marshall Wace**
New York, New York

**Mellon Capital Management**
San Francisco, California

**Mercer Investments LLC**
Boston, Massachusetts

**MFS Investment Management**
Boston, Massachusetts

**Molpus Woodlands Group**
Jackson, Mississippi

**Neuberger Berman**
New York, New York

**New Mountain Capital**
New York, New York

**Ninety One Global Franchise Fund**
New York, New York

**Oaktree Capital Management**
Los Angeles, California

**Pantheon Ventures**
New York, New York

**Parametric Portfolio Associates LLC**
Minneapolis, Minnesota

**Pinestone Asset Management**
New York, New York

**Pinnacle Natural Resources, LP**
New York, New York

**Prudential Trust Company**
Newark, New Jersey

**RBC Global Asset Management (U.S.) Inc.**
Minneapolis, Minnesota

**Rockpoint Group**
Boston, Massachusetts

**SJF Ventures**
New York, New York

**SVB Capital**
Menlo Park, California

**The Carlyle Group**
Washington, D.C.

**The Rohatyn Group**
New York, New York

**The Vanguard Group**
Valley Forge, Pennsylvania

**UBS Asset Management Trust Co.**
Chicago, Illinois

**Värde Partners, Inc.**
Minneapolis, Minnesota

**Vaughan Nelson Investment Management**
Houston, Texas

**Wayzata Investment Partners**
Wayzata, Minnesota

**Wellington Management Company, LLP**
Boston, Massachusetts

**Western Asset Management Company**
Pasadena, California

## Investment Custodian

**BNY**
Boston, Massachusetts

## Investment Consultant

**Mercer**
Norwalk, Connecticut

## Actuarial Consultant

**Buck Global, LLC**
Secaucus, New Jersey

**Mercer**
New York, New York

## Record-keeper

**Fidelity Investments**
Boston, Massachusetts

## Retiree Services

**Oriental Bank**
San Juan, Puerto Rico

**State Street**
Quincy, Massachusetts

## Legal Counsel

**Patterson Belknap Webb & Tyler LLP**
New York, New York

## Independent Certified Public Accountants

**BDO USA, LLP**
New York, New York

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