MMBB Financial Services **2022 Annual Report**

A Financial Services Ministry™

Steadfast in a Season of Change

“Like the seasons through which we move,
life itself is a never-ending series of harvests,
a different fruit for every time.”

Joan Chittister

Table of Contents

Steadfast in a Season of Change

Most people have heard the scripture, "To everything *there is* a season, a time for every purpose under heaven: a time to be born, and a time to die; a time to plant, and a time to pluck *what is* planted." (Ecclesiastes 3: 1-3, NKJV). This universal and timeless truth reminds us that change, whether welcome or unwelcome, is a natural part of life. While we can't control the cycle of life, we can control our attitude towards life's ups and downs. With faith in God as our foundation, we can accept change and persevere when challenges beset us. Moreover, belief in Jesus Christ inspires us to remember that new life is always possible and always on the horizon.

Solomon's words of wisdom about the seasons of life are even more meaningful today. After a season of tumult caused by COVID-19 and political and racial strife, the world started inching towards a new reality in 2022. Mask restrictions eased, and churches and businesses began reopening for in-person activities and a return to some sense of normalcy. MMBB members and employers have witnessed changes in how people worship, church giving and an increase in bi-vocational ministry because of the pandemic.

With many churches enacting hybrid worship and online giving and implementing staff reductions, MMBB has been a stable and steady presence for our members/employers during this season of dramatic and continuing transition. We realize that this season of change, like all seasons is temporary. On the other hand, MMBB has been time-tested, steadfast and purposeful through societal highs and lows for over a century.

MMBB is constant in the face of transition because we have a solid foundation to build upon. Our mission, ministry and message remain consistent even if the vehicles we use to fulfill and communicate our vision evolve. Since our founding, MMBB has been honored to serve those who serve God by providing sound resources and products and a path to retirement for clergy and church staff. We are leaders in financial ministry with an abiding passion for our calling. MMBB has embraced changes that have allowed us to enhance our support and guidance of members on their journeys to financial wellness. As a result, we've thrived through many seasons of change, even when facing the unknown.

> "Anyone who listens to my teaching and follows it is wise, like a person who builds a house on solid rock. Though the rain comes in torrents and the floodwaters rise and the winds beat against that house, it won't collapse because it is built on bedrock."
>
> Matthew 7:24-25 (NLT)

A Move in the Right Direction

Perhaps the most potent example of how MMBB embraced change to build upon our roots has been the move from our previous recordkeeping provider to Fidelity recordkeeping services for our MMBB Retirement Benefit Plans (the Plans). A recordkeeper tracks the assets in retirement plans and is commonly used by retirement benefits organizations. MMBB continues to offer flexible retirement benefits plans to churches and the faith-based community, wise investments, financial planning, financial wellness resources and emergency assistance grants, among our many services. However, the business partner that tracks how much our members have in their retirement plans and tracks the funds in which their money is invested transitioned to Fidelity and their best-in-class recordkeeping services on November 1, 2022.

This change allowed us to expand our recordkeeping capabilities, which in turn, allows us to provide enhanced services and products to members. New offerings include access to:

- The world-class NetBenefits® website and mobile app so members can conveniently manage their accounts online.
- A Roth 403(b) option for employers with the digital infrastructure to support it.
- The addition of the Target Retirement 2070 Fund to the Plans.

Partnering with Fidelity as a recordkeeping provider also enabled the launch of the MMBB Member Portal, which offers increased online personalization for our members (see the Technology section on page 4 for details).

Transforming Lives

With pandemic restrictions loosening nationwide, we prioritized in-person meetings for our programs while offering a hybrid model that included virtual meetings. This further enhanced MMBB initiatives offered with support from Lilly Endowment Inc.

Our Strategic Pastoral Excellence Program (SPEP) focuses on increasing individual pastoral financial literacy and organizational management skills. By the end of 2022, a total of six cohorts had graduated since SPEP's inception, and we currently have three active cohorts.

Out of 78 pastoral leaders, 72 achieved the following during their participation in SPEP:

- Paid down their debt by over $1.6 million and saved over $1.7 million, averaging $23,400 paid down in debt and $24,500 saved per clergy leader.
- Cohorts raised their cumulative credit score by over 3,200 points. On average, this is approximately a 45-point increase per SPEP participant.
- Finally, 65 percent received a pay increase, and 76 percent implemented a financial stewardship campaign in their church while in SPEP.

The proof of SPEP's impact goes beyond mere numbers. One SPEP participant explained: "Words are inadequate to express our appreciation. The SPEP mentors counseled us to prayerfully consider applying for a low-interest credit card that we would responsibly pay off monthly. We were advised that showing our ability to handle credit responsibly would increase our credit score. They were right! We followed their guidance, and we have increased our credit score by more than 100 points! The support, counseling and insights provided have literally changed our lives for the better."

Another Lilly initiative, the Financial Wellness Program (FWP), allows us to:

- reach a broader network of pastoral leaders and churches nationally
- improve the financial literacy and wellness of church leaders, staff and their congregations
- and engage clergy in conversations about the financial challenges facing pastors

In 2022, the FWP concluded its inaugural 2021 cohort with two virtual sessions and an in-person one-day intensive on church financial management – a hybrid structure that FWP attendees appreciated.

Last year, the Financial Foundations program provided direct financial assistance and online financial education to 12 pastors severely affected by the pandemic who have not received financial or premium assistance from MMBB before. Targeting pastors across Baptist denominations and throughout the United States and Puerto Rico, Financial Foundations has employed a relationship-based approach to reach Hispanic and female pastors.

The participants were introduced to six learning modules in webinar format on budgeting, debt management and clergy taxes. Financial Foundations goes beyond emergency aid and helps pastors establish strong financial fundamentals. The program also assists ministers in implementing the webinar concepts to reduce or eliminate the need for repeated emergency assistance requests.

In 2022, nearly 100 pastoral leaders engaged in our Thriving in Ministry (TIM) program. TIM unites seasoned pastors who have excelled in ministry with emerging pastors and those transitioning in ministry to exchange ideas and help ease feelings of isolation. It also facilitates opportunities for mentorship. Through our initiative Bridges: A Colloquium for Cultivating Ministry, TIM offers five colloquia, in three-year cycles, designed to address clergy wellness, financial literacy, church financial management, navigating new trends and shifting paradigms in ministry and preparation for pastoral leadership transitions. Our colloquia returned to in-person gatherings last year. Two of the colloquia completed the first year of their second three-year cycle in February 2022. The remaining three colloquia gatherings were conducted in the Spring and Summer of 2022.

By capitalizing on current technology, we enhanced participants' experience at all of these initiatives. Through the Cvent© mobile app, created especially for MMBB, conference participants could register for meetings electronically, communicate with other participants and conference hosts, provide conference feedback in real-time, receive conference updates and access archived resources and presentations for up to a year after each gathering. We also used Zoom© during all our in-person colloquium meetings in 2022 to offer PowerPoint presentations, polling and links to resources.

Service

MMBB's Service team answered 17,000 inbound calls in 2022, made multiple outbound calls to members, and sent emails and written correspondence on various financial topics. Team members absorbed a 15-percent increase in call volume in November and December due to the Fidelity recordkeeper transition. Meanwhile, our phone system was upgraded to a cloud communications platform, allowing our Service team to be nimbler while working remotely and enhancing members' user experience. Benefits Specialists gained the ability to answer member calls from just about anywhere, including a computer laptop or cell phone.

Moreover, members' feedback confirmed the impact of our Service team's efforts. For instance, one member declared, "I was pleased to be treated with respect and generosity in dealing with my questions. Even email correspondence was warm and cordial."

Another member used an MMBB financial assistance grant, which the Service team administers, to pay for his heart surgery. Our emergency assistance grants are one-time, tax-free grants providing a stopgap to many MMBB families for expenses such as food, utilities, mortgage, rent and medical/dental care. An MMBB manager elaborated on the member who recovered from his heart operation, "MMBB's gift of financial assistance turned out to be a life-saving blessing! It is another testament to what we do for and mean to our members."

Financial Planning:

Our Financial Planning Specialists have multiple designations, including the CFP® certification. In 2022, their expertise assisted members toward increasing their financial literacy, health and wellness. Achievements included:

- Providing one-on-one financial guidance to over 1,000 families, including 158 SPEP and FWP participants
- Conducting webinars, seminars, workshops and roundtable discussions on topics such as clergy taxes, retirement planning, the MMBB annuity and investing in uncertain times. One of our most popular events was a lively panel discussion on clergy taxes at the FWP.
- Survey responses from members indicating that our financial planning sessions have significantly improved all survey participants' financial wellness.
- Contributed their expertise to promote MMBB's thought leadership through *Church Executive* magazine, the MMBB website, the *Tomorrow* newsletter and social media.

> "I can hear change humming in its loudest, proudest song.
> I don't fear change coming, and so I sing along."
>
> Amanda Gorman

Retirement Benefits Consulting

In 2022, MMBB's Retirement Benefits Consulting (RBC) Team walked many churches through determining whether they could afford to offer their staff retirement benefits amidst a landscape where some religious organizations are operating with reduced budgets as a financial side effect of the pandemic. RBCs used creative approaches so churches could remain in our retirement benefits plans and churches that may have left our plans returned to them. In addition, the RBC team reduced the number of late or delinquent premium payments by 50 percent. Ultimately, this all enabled members at those churches to retain or regain vital retirement benefits and life and disability insurance.

However, the RBC's efforts involve more than adding to assets under management. Last year, the RBC Team began answering live employer-related inbound service calls to build on MMBB's successful first call resolution system (FCR). FCR aims to optimize member service by addressing members' phone inquiries on first contact without requiring follow-up calls. As of 2022, employers could reach the RBC team directly over the phone rather than going through Member Services first. An MMBB manager remarked, "We've supported members and churches through the financial fallout of the pandemic. Members are guided through their everyday financial concerns before we discuss benefits plans for their churches. Some grieving widows whose spouses succumbed to COVID have told us they didn't know about their spouse's death benefits until they spoke with us, and they thanked us for helping them navigate the process of being a beneficiary."

Communicating in a Digital World

We explored increased avenues for delivering our timeless message, resources and thought leadership to members and prospective members. In 2022, MMBB added even more dynamic tools and content on its website. We transformed our print newsletter, *Tomorrow*, which was previously published four times a year, to a completely digital monthly format, which achieved open rates 20 percent higher than the industry average. The online format allowed us to provide our members with more frequent newsletter coverage and even more timely articles through a monthly publication schedule. Popular articles included "The Pros and Cons of Working from Home," "The Secure Act Aims to Help Americans Save More for Retirement" and "What to Keep in Mind When Interest Rates Rise." The newsletter provides practical guidance and resources that members can use in their daily lives about personal finance, economics and MMBB initiatives and programs such as the Fidelity transition and SPEP.

In addition, MMBB launched the Financial Wellness Institute (FWI) for members, our online learning curriculum giving them a dynamic and easy way to learn about personal finance through interactive and visually appealing videos. These practical e-learning courses include Debt Management, Understanding Compensation and Building a Financial Foundation in Retirement with more to come.

We also introduced our social media strategy, expanding our presence to three social media platforms from one. Our Facebook, Instagram and LinkedIn pages made our content even more accessible to members and potential members and tripled our social media followers, including new and broader audiences. The large number of followers on various platforms and the high level of engagements, such as comments and likes, indicates that this information is providing added value and benefit to our members as well as helping us tailor our content to their needs.

MMBB continued its thought leadership in 2022, with two of our articles named among the top 15 most-read articles in *Church Executive* for the second year in a row. Our article, "The Hidden Costs of Job Relocation," ranked number three and our article, "Financial Strategies for your Church," ranked number nine.

> "Change is the law of life. And those who look only to the past or the present are certain to miss the future."
>
> John Fitzgerald Kennedy

Advancement

In 2022, total gift revenue raised through annual giving, a special appeal, grants and legacy gifts was $430,035.

Last year, MMBB launched a special matching gifts appeal, *Lift up, encourage, empower,* to raise $250,000 for pastoral leaders most harshly affected by the coronavirus pandemic. MMBB raised a total of $290,626 towards this appeal. Gifts received from January 1, 2022, through December 31, 2022, for *Lift up, encourage, empower* are eligible for a $1 for $1 match from Lilly Endowment Inc. up to $250,000. Participants in this specially funded program receive a one-time emergency assistance grant, six sessions of live financial education led by MMBB staff, and a retirement incentive upon program completion.

In 2022, generous donors also contributed $77,276 to our *Heritage of Sharing* appeal, providing direct emergency financial assistance to MMBB members in need.

MMBB provided $2,468,837 in non-contractual benevolent support to members through a drawdown from the MMBB endowment. An additional drawdown of $484,098 went toward financial education for MMBB members. The theme for the 2022 Retired Ministers and Missionaries Offering, a collaborative effort between MMBB and ABCUSA, is "For All They Have Done" (see page 10 for details).

Technology

Our partnership with Fidelity recordkeeping services facilitated the launch of the MMBB Member Portal, an online hub providing members access to their MMBB account information right at their fingertips. Members can view their balances, manage their investments and allocations, access the Fidelity NetBenefits online resource and app, and more all in one place. Because the safety of our members' personal and financial data is our priority, MMBB implemented a best-in-class secure identity management platform on the Member Portal. We plan to expand our Member Portal's functionality in the future.

As in previous years, we remain committed to protecting member and employer information. MMBB stayed fully compliant with all cybersecurity requirements mandated by the New York State Department of Financial Services for financial services organizations.

Investment Strategy

Financial markets were unkind to investors in 2022, with a 60/40 stock/bond portfolio having one of its worst years in history. Inflation defined the year, with price pressures being felt seemingly everywhere. Although low unemployment was a bright spot in the economy, the tight labor market put additional pressure on inflation that has remained stubbornly high.

In response to an inflationary environment not seen in several decades, the Federal Reserve raised interest rates rapidly, which led to significant price declines for both stocks and bonds. Global equities and the S&P 500 ended the year near bear market territory, defined as a decline of more than 20 percent, while the NASDAQ was down by over 30 percent. Non-U.S. developed markets performed better than U.S. markets, while returns for emerging markets were slightly worse than the S&P 500. Fixed-income markets also experienced historic losses of capital from the steep rise in interest rates. MMBB's investment results for its funds reflected the difficult investment environment. The Investment Review on page 12 details MMBB's 2022 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, the default option on the MMBB investment platform since 2021. We offer additional diversified investment options, including the Balanced Fund, the New Horizons Fund and the Fossil Fuel Free Balanced Fund. Members interested in equity investments may access the Equity Index Fund, the International Equity Index Fund and the Social Awareness Fund. MMBB offers the Bond Index Fund and the Money Market Fund for members seeking fixed-income options.

“Every good and perfect gift is from above, coming down from the Father of the heavenly lights, who does not change like shifting shadows.”

James 1:17 (NIV)

The September 30 annuity payout value was determined using the highest of:

- The actual value of a unit of the annuity fund as of September 30, 2022 – $66.70
- The six-month average value of a unit of the annuity fund as of September 30, 2022 – $70.82
- The downside guarantee of 95 percent of the 2022 payout value – $74.63

The 2023 annuity payout value of $74.63 is five percent less than the 2022 payout because of the annuity fund's guarantee feature, which shielded annuitants from a larger decrease in the unique value during this volatile market.

With the decrease in the monthly annuity, MMBB understands that financial difficulties may remain. We are here to help where we can. MMBB has emergency funds available to assist you if you find yourself making choices about purchasing food, prescription drugs, medical services, or necessary home repairs.

As the Annual Report was nearing completion, Winter was changing to Spring. During this time of year, I'm reminded that almost everything changes, but God is eternal. Jesus Christ is the same today, as He was yesterday, and as He will be tomorrow. Our faith in God, Jesus and the Holy Spirit restores and strengthens us while we embrace seasons of change. At MMBB, the challenges of living our mission and ministry have only enhanced our resolve to serve you, so you can focus on your faith.

MMBB is here to guide you through the transitions in your financial life. We look forward to helping you reach your season of financial wellness.

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 third 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 2022, there were 16 deaths of preretired members, and MMBB paid $1,637,408 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 2022, there were 156 deaths of retired members, totaling $865,000 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 be a payroll deduction or a lump sum.

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 members consolidate money with MMBB, they simplify their lives while diversifying their investments through the Balanced Fund or by developing a customized portfolio by investing in MMBB's other investment funds. Retired clergy may receive income from their rollover accounts tax-free to the extent it is eligible to be designated as a housing allowance.

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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Table of Contents

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 for RMMO 2022 is "For All They've Done."

The 2022 offering receipts totaled $1,107,080, an increase of 28.3% when compared with the 2021 receipts of $862,548. Of this amount, $476,044 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; 3,332 checks were distributed in 2022 ranging from $50 to $256. The average check was $154. Since 1980, eligible retired ABC lay employees have received comparable Thank You checks from MMBB's legacy funds. In 2022, a total of $103,726.31 was distributed to 843 recipients for this purpose.

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 2012. *Dollar amounts in thousands except for accumulation unit value* and average compensation.*

	2022	2021	2012	Percent Change 2021–2022	Percent Change 2012–2022
Managing the Resources					
Market Value of Total Net Assets	$2,530,663	$3,069,738	$2,393,110	(17.56%)	5.75%
Meeting the Obligations					
Comprehensive Plan					
Assets	$1,907,937	$ 2,317,540	$1,844,376	(17.67%)	3.45%
Benefits Paid	$ 138,746	$ 135,243	$ 122,700	2.59%	13.8%
Accounts Receiving Deposits	4,374	4,547	5,361	(3.80%)	(18.41%)
Annuities	7,138	7,148	5,757	(.14%)	23.99%
Accumulation Unit Value*	$65.73	$79.56	$43.58	(17.38%)	50.83%
Retirement Only Plan					
Assets	$ 87,631	$ 104,770	$ 41,368	(16.36%)	111.83%
Benefits Paid	$ 3,634	$ 5,614	$ 1,842	(35.27%)	97.29%
Accounts Receiving Deposits	2,417	2,357	1,909	2.55%	26.61%
Annuities	428	399	105	7.27%	307.62%
Member Contribution Plan					
Assets	$ 247,291	$ 305,247	$ 214,315	(18.99%)	15.39%
Benefits Paid	$ 15,118	$ 17,745	$ 12,009	(14.80%)	25.89%
Accounts Receiving Deposits	2,185	2,214	2,003	(1.31%)	9.09%
Annuities	1,381	1,391	1,119	(.72%)	23.41%
Deductible Employee Contribution Account					
Assets	$ 1,192	$ 1,598	$ 1,547	(25.41%)	(22.95%)
Benefits Paid	$ 161	$ 138	$ 119	16.67%	35.29%
Annuities	23	29	34	(20.69%)	(32.35%)
MMBB Death Benefit Plan					
Reserve	$ 29,947	$ 36,333	$ 31,305	(17.58%)	(4.34%)
Benefits Paid	$ 2,528	$ 2,693	$ 3,009	(6.13%)	(15.99%)
MMBB Special Benefits Fund					
Reserve	$ 89,209	$ 108,030	$ 115,473	(17.42%)	(22.74%)
Benefits Paid	$ 1,882	$ 1,823	$ 4,180	3.24%	(54.98%)
Assisting Ministers, Missionaries and Lay Employees					
Assistance to Ministers and Missionaries	$ 2,822	$ 2,319	$ 3,710	21.69%	(23.94%)
Benefits Paid to Lay Employees	$ 278	$ 274	$ 380	1.46%	(26.84%)
Fund Balance of Legacy Funds	**$ 166,240**	**$ 194,549**	**$ 147,574**	**(14.55%)**	**12.65%**
Average Compensation/Ministers	**$ 72,084**	**$ 73,814**	**$ 53,648**	**(2.34%)**	**34.36%**
Average Compensation/Lay	**$ 52,676**	**$ 58,403**	**$ 37,326**	**(9.81%)**	**41.12%**

Parentheses indicate decrease.

* Balanced Fund.

Anxiety over inflation, geopolitical tensions, monetary policy response, and a looming recession resulted in a turbulent 2022 for investors, with inflation being the central theme that defined the year. There were inflationary pressures coming from multiple fronts, including supply chain bottlenecks and strong demand that was driven by COVID-related government stimulus as well as re-opening of economies. These issues were exacerbated by the Russia/Ukraine conflict. Although low unemployment was a bright spot, the tight labor market added pressure to both wage and service inflation.

Financial markets were battered in 2022 by persistent inflation and a hawkish central bank, with large drawdowns in both stocks and bonds. Equity markets experienced double-digit declines across the globe. A return for the broad U.S. equity market, as measured by the Russell 3000 Index, was -19.2 percent for the year, with the large cap market, as measured by the S&P 500, returning -18.1 percent. Non-U.S. developed markets (as measured by the MSCI EAFE Index) posted a -14.5 percent return for the year while emerging markets returned -20.1 percent, as measured by the MSCI Emerging Market Index. The fixed income market, as measured by the Bloomberg U.S. Aggregate Bond Index, also experienced meaningful losses with a return of -13.0 percent.

MMBB's funds faced similar challenges given the difficult market environment, and results were in line with expectations. The Money Market Fund was the only investment option with a positive return for the year. MMBB's Social Awareness Fund was the top performing option in 2021 with a return of 27.0 percent, but it fell to the bottom in 2022 with a performance of -24.7 percent. The U.S. Equity Index Fund returned -20.0 percent for the year and the International Equity Index Fund returned -15.9 percent. The U.S. Bond Index Fund also suffered losses, returning -13.7 percent for 2022. The multi-asset class funds (the Balanced Fund, the New Horizons Fund, the Target Date Funds, and the Fossil Fuel Free Balanced Fund) performed better than the U.S. Equity Index Fund.

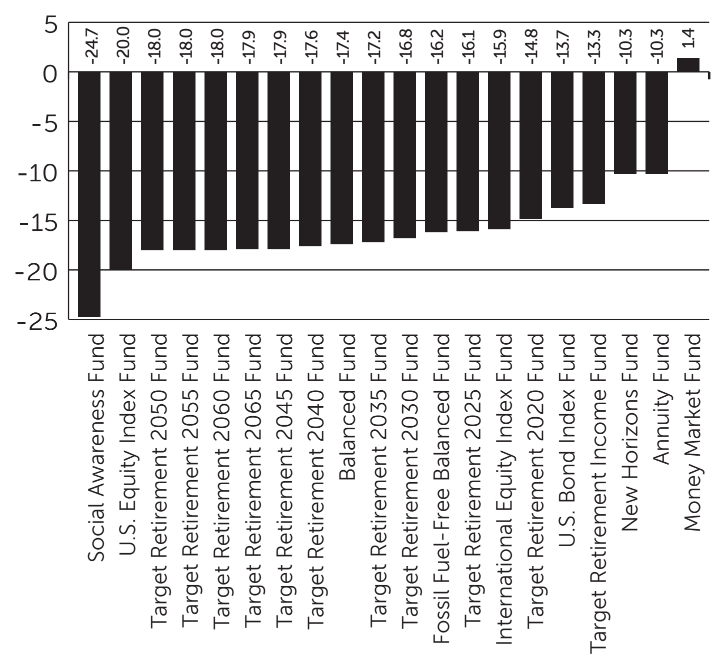
MMBB's Balanced Fund is the largest MMBB investment option, with over $800 million in assets at year-end. The Balanced Fund's return of -17.4 percent for the year was a combination of the significant decline in both equity and bond markets. Historical diversification benefits of bond returns offsetting negative equity returns in risk-off markets also broke down during the year. This was due to the Federal Reserve embarking on an aggressive rate-hiking cycle and tightening financial conditions to combat an inflationary environment not seen in several decades.

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 illiquid investments. These include real estate, timber, and private investments, all of which are difficult for many individuals to access, and all of which are expected to enhance returns and/or reduce volatility of the overall portfolio over the long run. The New Horizons/Annuity Funds returned -10.3 percent for the full year 2022. As information, for the 12 months ending September 30, 2022, the New Horizons/Annuity Funds returned -11.5 percent. Losses for the New Horizons/Annuity Funds were less severe than the Balanced Fund due to the illiquid investments outperforming public market investments.

MMBB added Target Date Funds as an investment option in 2020 and they became the default option in 2021 for members still accumulating assets. Assets in the 12 Target Date Funds stood at over $110 million as of the end of last year, making it the third largest MMBB investment option. A target date fund (TDF) offers the simplicity of a complete portfolio in a single investment option. Each TDF is comprised of a portfolio of 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 target date fund 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, 2022
(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

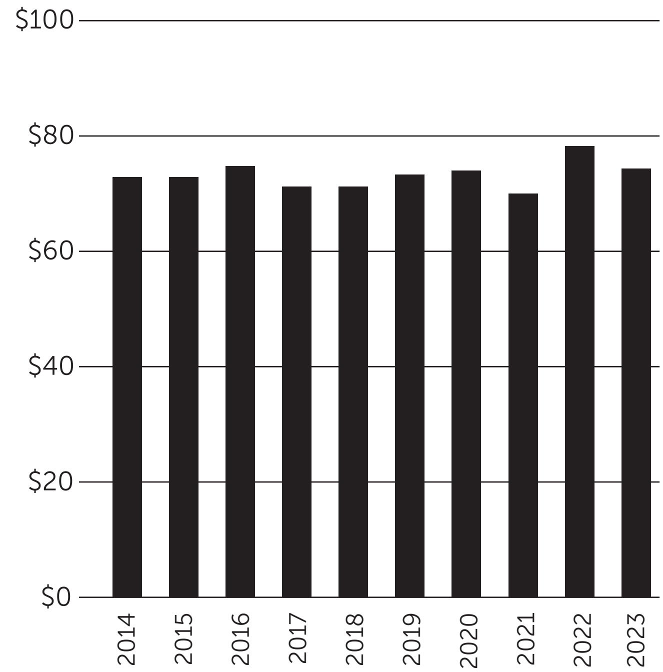
	2022	**Percentage of Market Value**	2021	Percentage of Market Value	2012	Percentage of Market Value
Assets						
Cash and Cash Equivalents						
U.S. Cash and Cash Equivalents	**$ 89,294**	**3.54%**	$ 83,738	2.74%	$ 106,184	4.47%
Non-U.S. Cash and Cash Equivalents	**–**	**0.00%**	–	0.00%	–	0.00%
Total Cash and Cash Equivalents	**89,294**	**3.54%**	83,738	2.74%	106,184	4.47%
Debt Obligations						
U.S. Treasury Obligations & Government Agency	**92,704**	**3.68%**	194,546	6.36%	187,133	7.88%
Mortgage Related	**117,768**	**4.67%**	100,790	3.29%	81,320	3.43%
Asset-Backed	**22,262**	**0.88%**	29,437	0.96%	44,742	1.88%
Corporate Bonds	**166,531**	**6.61%**	196,199	6.41%	271,971	11.46%
International Bonds	**11,855**	**0.47%**	14,549	0.48%	37,886	1.60%
Other Bonds	**2,699**	**0.11%**	502	0.02%	27,644	1.16%
Total Debt Obligations	**413,819**	**16.42%**	536,023	17.51%	650,696	27.41%
Equities						
U.S. Common Stock	**699,911**	**27.77%**	971,836	31.75%	650,336	27.40%
Non-U.S. Common Stock	**322,814**	**12.81%**	408,248	13.34%	462,341	19.48%
Non-U.S. Preferred Stock	**–**	**0.00%**	–	0.00%	–	0.00%
Total Equities	**1,022,725**	**40.58%**	1,380,084	45.09%	1,112,677	46.88%
Interest/Dividends Receivable	**5,339**	**0.21%**	27	0.00%	2,192	0.09%
Pooled Funds	**1,014,940**	**40.26%**	1,094,222	35.74%	503,887	21.23%
Receivables for Securities Transactions	**–**	**0.00%**	556	0.01%	4,524	0.19%
Forward Currency Contracts	**–**	**0.00%**	–	0.00%	106,592	4.49%
Futures Contracts	–	**0.00%**	–	0.00%	2,018	0.09%
Securities Lending Collateral	**–**	**0.00%**	–	0.00%	53,245	2.24%
Total Assets	**2,546,117**	**101.01%**	3,094,650	101.09%	2,542,015	107.09%
Liabilities						
Securities Sold, But Not Yet Purchased	**–**	**0.00%**	–	0.00%	–	0.00%
Payables for Securities Transactions	**25,259**	**1.00%**	32,966	1.08%	2,932	0.12%
Forward Currency Contracts	**–**	**0.00%**	–	0.00%	107,529	4.53%
Management, Advisory and Services Fees	**312**	**0.01%**	424	0.01%	1,782	0.08%
Investment Choices Liabilities	**–**	**0.00%**	–	0.00%	2,856	0.12%
Securities Lending Liability	**–**	**0.00%**	–	0.00%	53,245	2.24%
Total Liabilities	**25,571**	**1.01%**	33,390	1.09%	168,344	7.09%
Net Assets	**$ 2,520,546**	**100.00%**	$3,061,260	100.00%	$ 2,373,671	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 2023 is $74.63.

The annuity unit payout values for 2014–2023 are shown on the graph to the right. Retired members experienced increases in their annuities five times during this period.

Annuity Payout Values 2014–2023



Legacy Funds (The Endowment)

On December 31, 2022, the value of MMBB's legacy funds (the endowment) was $166,240.

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.

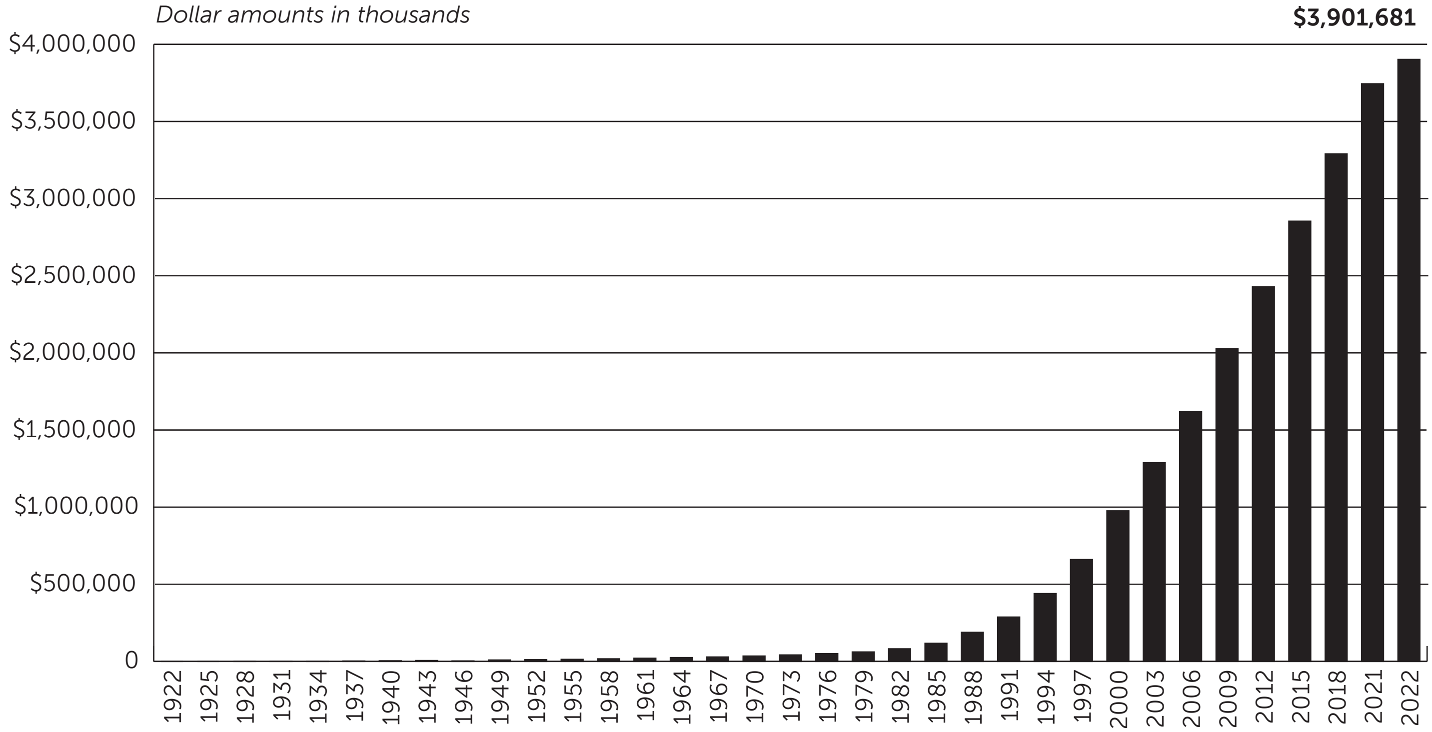
Legacy Funds

Dollar amounts in thousands

	2022	2021	2012
Balance, December 31	**$166,240**	$194,549	$147,574
Number of Beneficiaries			
Annual Grants	46	61	62
Emergency Assistance	177	148	197
Gift	20	20	55
Lay Employees Retirement Allowance	1	1	20
Premium Aid, including Strategic Premium Assistance	18	19	21
Lay Thank You Checks	843	859	699
Medicare Supplement	549	613	1,214

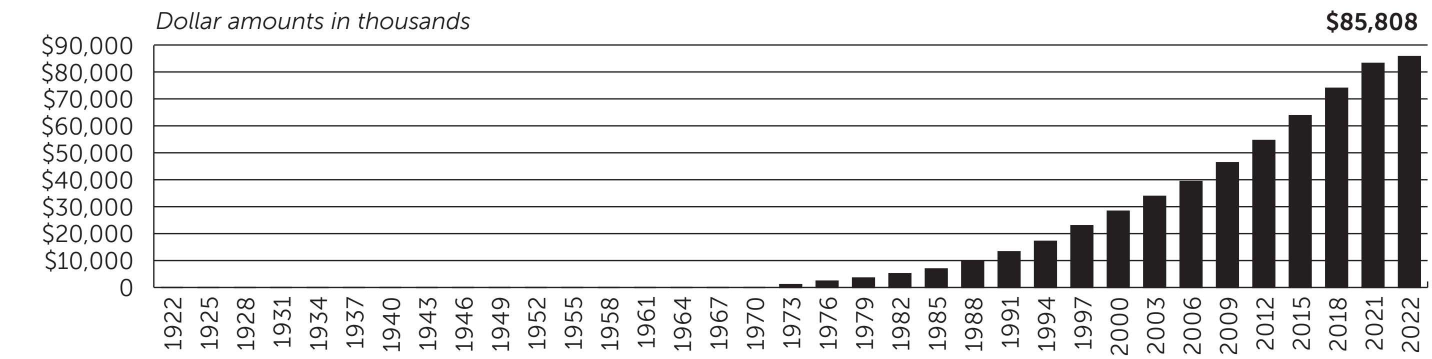
Total Retirement Benefits Paid to Members 1922–2022

Dollar amounts in thousands



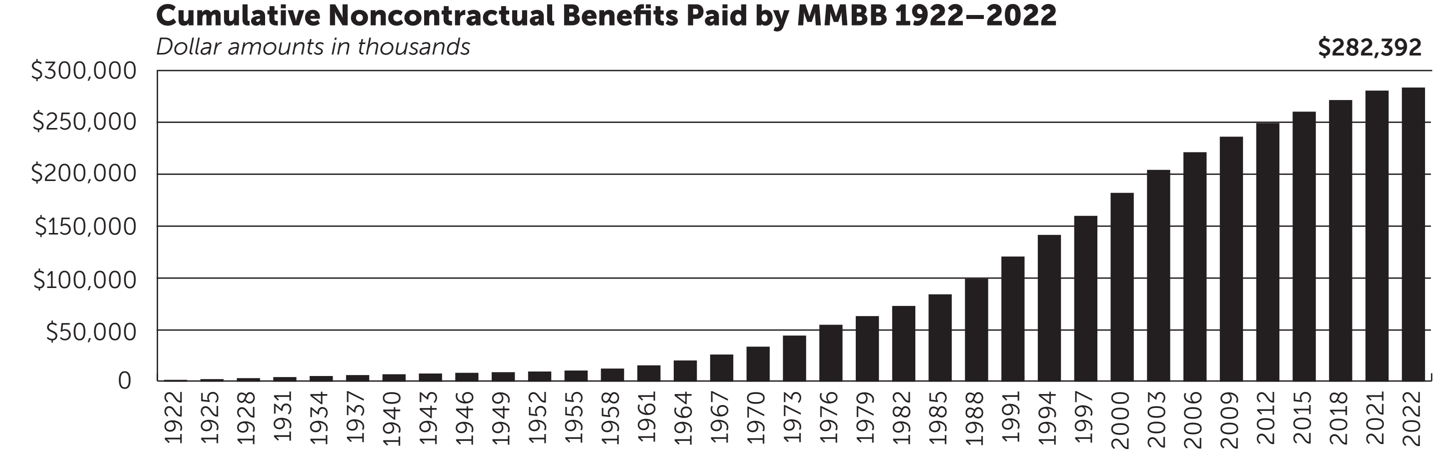
Total Death Benefits Paid to Members 1922–2022

Dollar amounts in thousands



Cumulative Noncontractual Benefits Paid by MMBB 1922–2022

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, 2022, 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, 2022, 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, LLP

New York, New York
April 20, 2023

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, 2022, 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, 2022, 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 the 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.

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 the 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 the 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, effective January 1, 2022, MMBB adopted amendments to the Financial Accounting Standards Board Accounting Standards Codification resulting from Accounting Standards Update No. 2016-02, Leases (Topic 842). Our opinion is not modified with respect to this matter.

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, LLP

New York, New York
April 20, 2023

American Baptist Churches Retirement Plans **Financial Statements**

Combined Statement of Net Assets Available for Benefits

As of December 31, 2022 (in thousands)

Assets	
Receivables, Net	$ 10,178
Investments Under Management	2,220,485
Due from MMBB	13,909
Total Assets	**$ 2,244,572**
Liabilities	
Accounts Payable and Accrued Expenses	$ 521
Total Liabilities	**521**
Net Assets	
Retirement Plan	$ 1,907,937
Tax-Deferred Annuity	87,631
The Annuity Supplement	247,291
Deductible Employee Contribution Account	1,192
Total Net Assets Available for Benefits	**2,244,051**
Total Liabilities and Net Assets Available for Benefits	**$ 2,244,572**

See Accompanying Notes to Financial Statements.

Combined Statement of Changes in Net Assets Available for Benefits

For the year ended December 31, 2022 (in thousands)

Additions (Reductions)	
Premiums	$ 45,662
Net Investment Loss from Investments Under Management	(351,120)
Transfer from MMBB	1,249
Total Reductions	**(304,209)**
Deductions	
Benefits	157,659
Investment Management Fees	23,236
Total Deductions	**180,895**
Net Decrease	**(485,104)**
Net Assets Available for Benefits, Beginning of Year	**2,729,155**
Net Assets Available for Benefits, End of Year	**$2,244,051**

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, 2022 (in thousands)

Assets	
Cash and Cash Equivalents	$ 1,803
Receivables	3,420
Investments Under Management	300,061
Other Assets	2,900
Mortgages Receivable	766
Fixed Assets, Net	2,247
Right-of-Use Assets - Operating Leases	5,158
Total Assets	**$ 316,355**
Liabilities	
Accounts Payable and Accrued Expenses	$ 1,387
Due to Retirement Plans	13,909
Retired Ministers and Missionaries Offering	425
Accrued Postretirement Benefits	8,864
Operating Lease Liabilities	5,158
Total Liabilities	**29,743**
Net Assets	
Without Donor Restrictions:	
Legacy Funds	$ 165,276
Death Benefit Plan	29,947
Special Benefits Fund	89,209
Total Without Donor Restrictions	**284,432**
With Donor Restrictions	**2,180**
Total Net Assets	**286,612**
Total Liabilities and Net Assets	**$ 316,355**

See Accompanying Notes to Financial Statements.

Consolidated Statement of Activities

For the year ended December 31, 2022 (in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues (Reductions)			
Premiums	$ 6,394	$ –	$ 6,394
Contributions	1,488	–	1,488
Kewa Rental Income	1,516	–	1,516
Net Investment Loss	(46,318)	(98)	(46,416)
Net Assets Released from Restrictions Upon Satisfaction of Donor-Imposed Stipulations	523	(523)	–
Total Reductions	**(36,397)**	**(621)**	**(37,018)**
Expenses			
Program Activities	14,726	–	14,726
Supporting Activities	5,334	–	5,334
Total Expenses	**20,060**	**–**	**20,060**
Change in Net Assets Before Change in Postretirement Benefits Obligation	**(56,457)**	**(621)**	**(57,078)**
Change in Postretirement Benefits Obligation	**3,107**	**–**	**3,107**
Change in Net Assets	**(53,350)**	**(621)**	**(53,971)**
Net Assets, Beginning of Year	**337,782**	**2,801**	**340,583**
Net Assets, End of Year	**$284,432**	**$2,180**	**$286,612**

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, 2022 (in thousands)

Cash Flows from Operating Activities:	
Change in Net Assets	$(53,971)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:	
Depreciation and Amortization	501
Net Loss on Investments	46,416
Noncash Lease Expenses	719
Benefit Obligation	(3,107)
Decrease in Assets:	
Receivables	615
Other Assets	521
Mortgages Receivable	234
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	(507)
Due to Retirement Plans	42
Retired Ministers and Missionaries Offering	88
Accrued Postretirement Benefits	(243)
Principal Reduction in Operating Lease Liabilities	(719)
Net Cash Used in Operating Activities	**(9,411)**
Cash Flows from Investing Activities:	
Purchases of Fixed Assets	(365)
Proceeds from Sale of Investments	44,000
Purchases of Investments	(34,895)
Net Cash Provided by Investing Activities	**8,740**
Net Decrease in Cash and Cash Equivalents	**(671)**
Cash and Cash Equivalents, Beginning of Year	**2,474**
Cash and Cash Equivalents, End of Year	**$ 1,803**
Supplemental Disclosures of Cash Flow Information:	
Cash Paid for Taxes	8
Investment in Right-of-Use Assets - Operating Leases through Operating Lease Liabilities	$ 5,877

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 qualified pension 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 New Puerto Rico Code.

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 2022, MMBB's contribution was $1,105.

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 donors 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 (U.S. 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 U.S. 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 ASC 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	$ 9,888
Tax-Deferred Annuity Plan	452
The Annuity Supplement	1,226
Deductible Employee Contribution Account	6
Death Benefit Plan	140
Special Benefit Fund	424
Total	**$ 12,136**

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, 2022, the incentive fees were $3,617. 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, 2022, MMBB charged a Ministry Support to the funds of $12,136. 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 comprise approximately 16% of the Board's investments and consist 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.

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.

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 income 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 loss resulting from foreign investment transactions and the translation of foreign denominated investments amounted to approximately $2,173 for MMBB and for the Retirement Plans for the year ended December 31, 2022.

Dollar amounts are presented in thousands

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, 2022, the target spending rate for the General Fund was pursuant to this policy. The actual spending rate for this time period was 3.79%.

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 ("FDIC"). 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 $89,000.

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, 2022, 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, 2022, 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
$ –	$ –	$ –	$ –	$6,038	$6,038

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, 2022:

	Loans Receivable	Date on Which the Information Was Updated for the Credit Quality Indicator
Performing	$ 6,038	12/31/2022
Nonperforming	–	12/31/2022

The remaining receivables amounting to $4,140 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.

Mortgages Receivables
The mortgages receivable of MMBB represent amounts from employees for the purchase of their personal residences and are secured by the related properties. 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 impairment based on reviews of all outstanding receivables and determines collectability of its receivables based on past experience with employees or the fair value of the collateral. There were no impairment charges for the year ended December 31, 2022. 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, 2022, 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
$ –	$ –	$ –	$ –	$766	$766

Dollar amounts are presented in thousands

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, 2022:

	Mortgages Receivable	Date on Which the Information Was Updated for the Credit Quality Indicator
Performing	**$766**	**12/31/2022**
Nonperforming	**–**	**12/31/2022**

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, 2022, depreciation and amortization was approximately $501.

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, 2022, Fixed Assets, Net Comprised of	
Leasehold Improvements	$ 5,797
Furnishings	2,026
Equipment and Computer Software	15,268
Buildings	6,095
	29,186
Less: Accumulated Depreciation and Amortization	**(26,939)**
	$ 2,247

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, 2022, 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 and rent expenses are allocated based on actual time spent between program and supporting activities. All other expenses are considered supporting activities.

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

Program Activities:	
Salaries and Benefits	$ 5,335
RMMO	48
Non-Contractual Benefits	3,155
Benefits	4,167
Professional Fees	278
Rent and Utilities	351
Administration Expenses	2
Payments to the Retirement Plan	1,248
Financial Wellness	142
Total Program Activities	**$14,726**
Supporting Activities:	
Salaries and Benefits	$ 8,188
Sponsorships	28
Professional Services and Other Expenses	4,760
Publications and Printing	591
Travel, Biennial Mission Summit	323
Rent and Utilities	655
Hardware/Software	213
Outreach	558
Depreciation and Amortization	501
Kewa Operating Expenses	1,653
Ministry Support	(12,136)
Total Supporting Activities	**$ 5,334**

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, 2022, 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.

Dollar amounts are presented in thousands

Accounting Pronouncements Recently Adopted
Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, *Accounting for Leases (Topic 842)*, which applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lease may elect, by class of underlying asset, not to recognize a ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Balance sheet recognition of finance and operating leases is similar, but the pattern of expense recognition in the income statement, as well as the effect on the statement of cash flows, differ depending on the lease classification. In addition, lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The FASB also issued ASU 2020-05, which deferred the effective date for the Board until annual periods beginning after December 15, 2021. Effective January 1, 2022, the Board adopted this ASU following the modified retrospective method of application.

Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU is intended to increase transparency on how contributed nonfinancial assets (also referred to as gifts-in-kind) received by nonprofits are to be used and how they are valued. The provisions of ASU 2020-07 were adopted by the Board beginning January 1, 2022. The adoption of this ASU did not have a material impact on the consolidated financial statements.

Recently Issued but Not Yet Adopted Accounting Pronouncement
Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables, and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. Management is currently evaluating the impact of adopting this new guidance on its consolidated financial statements.

3. Liquidity and Availability of Resources

The following table reflects MMBB's financial assets as of December 31, 2022, 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, 2022
Cash and Cash Equivalents	$ 1,803
Receivables	3,420
Investments Under Management	300,061
Total Financial Assets Available Within One Year	**305,284**
Less:	
Amounts Unavailable for General Expenditures Within One Year, Due to Purpose Restrictions	117,352
Total Financial Assets Available to Management for General Expenditure Within One Year	**$187,932**

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, 2022. 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, 2022, are in a Master Trust. MMBB and the Retirement Plans have an undivided interest in the Master Trust. At December 31, 2022, MMBB's and the Retirement Plans' interest in the net assets of the Master Trust was $300 (12%) and $2,221 (88%), 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, 2022:

		Interest in Master Trust:	
	Master Trust Balances	**Retirement Plans**	**MMBB**
Equities	$1,023	$ 897	$126
Fixed Income	395	354	41
Hedge Fund of Funds	68	60	8
Private Equity	406	358	48
Commingled Funds	536	468	68
Commodities	4	–	4
U.S. Cash and Cash Equivalents	89	84	5
	$2,521	**$2,221**	**$300**

The following table presents the changes in the net assets of the Master Trust for the year ended December 31, 2022:

Net Depreciation in Fair Value of Investments	$ (404)
Net Transfers	(126)
Administrative Expenses	(10)
Net Decrease in Net Assets	**(540)**
Net Assets, Beginning of Year	**3,061**
Net Assets, End of Year	**$2,521**

At December 31, 2022, the cost basis and fair value of Investments Under Management for the Board were $1,711 and $2,521, 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, 2022.

The amounts below represent the total investment assets and liabilities under management as of December 31, 2022.

	Quoted prices in active markets for identical assets Level 1	**Significant observable inputs Level 2**	**Significant unobservable inputs Level 3**	**Total**
Assets				
Equities:				
Domestic Small/ Mid-Cap	$ 88	$ –	$ –	$ 88
Domestic Large-Cap	360	–	–	360
Domestic All-Cap	252	–	–	252
International Developed All-Cap	316	–	–	316
Emerging Markets	7	–	–	7
Fixed Income:				
U.S. Treasury	40	42	–	82
U.S. Government Agency	2	10	–	12
Mortgage-Related	–	118	–	118
Asset-Backed	2	21	–	23
Investment Grade Corporate	28	110	–	138
High Yield Corporate	16	13	–	29
Inflation-Linked	4	–	–	4
International Developed	12	–	–	12
Emerging Markets	–	2	–	2
	$ 1,127	**$ 316**	**$ –**	**$1,443**

Dollar amounts are presented in thousands

Other Investments at NAV or Equivalent:[(1)]	
Hedge Fund of Funds	$ 68
Private Equity	406
Commingled Funds	536
Commodities	4
	1,014
U.S. Cash and Cash Equivalents[(2)]	**89**
Total Assets	**$2,546**

	Quoted prices in active markets for identical assets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
Liabilities				
Fixed Income	$ –	$ 25	$ –	$ 25
Total Liabilities	**$ –**	**$ 25**	**$ –**	**$ 25**
Total Investments Under Management				**$2,521**

(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, 2022. In addition, there were no transfers between levels during the year ended December 31, 2022.

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, 2022:

Investment Category	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Fund of Funds:				
Equity Long-Short Funds[(a)]	$ 68	$ –	Quarterly	45–90 days
Private Equity[(b)]	406	152	No Redemptions Allowed	
Commingled Funds[(c)]	536	–	Daily	Less than 15 days notice
Commodities[(d)]	4	–	Quarterly	45–90 days
Total	**$1,014**	**$152**		

(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, 2022, 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, 2022. The assumed health care cost trend rates for pre-Medicare and post-Medicare were 7.50% and 6.50%, respectively, for 2022. The assumed health care cost trend rates will gradually decline to 4.75% (the ultimate trend rate) in the year 2031. A weighted-average discount rate of 4.95% was used to determine the postretirement benefit obligation and net periodic postretirement benefit cost. The postretirement benefit obligation presented in the consolidated financial statements at December 31, 2022, reflects the impact of the Retiree Drug Subsidy expected to be received on the account of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 as required by ASC 715-60, "Defined Benefit Plans—Other Postretirement."

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	$12,214
Interest Cost	276
Actuarial Gain	(3,175)
Benefits Paid	(451)
PBO at End of Year	**$ 8,864**
PBO Breakout	
Retirees and Surviving Spouses	$ 7,671
Preretired Fully Eligible	1,193
Total PBO	**$8,864**
Change in Plan Assets:	
Fair Value of Plan Assets at Beginning of Year	$ –
Employer Contribution	451
Benefits Paid	(451)
Fair Value of Plan Assets at End of Year	**$ –**
Reconciliation of Funded Status at End of Year:	
Funded Status	$ 8,864
Amount Recognized	**$ 8,864**
Amounts Recognized in the Consolidated Statement of Financial Position Consist of:	
Current Liabilities	$ 509
Noncurrent Liabilities	8,355
Accrued Postretirement Benefits	**$8,864**

Dollar amounts are presented in thousands

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

Actuarial Gain	$ (3,175)
Recognized Prior Service Credit	68
Total Amount Recognized	**$ (3,107)**

Components of Net Periodic Postretirement Benefit Cost for the Year

Interest Cost	$276
Recognized Prior Service Credit	(68)
Net Periodic Expense	**$208**

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

Prior Service Credit Recognition	**$ (68)**

Gross Estimated Future Benefit Payments Without Subsidy Are as Follows:

Year ending December 31,	
2023	$ 521
2024	535
2025	573
2026	589
2027	587
2028–2032	3,052
Total for the Next 10 Years	**$5,857**

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:

	2022
Ives Estate Fund	$ 964
MMBB Financial Wellness Project for Pastoral Leaders and Their Congregations-Phase II-Scaling	283
MMBB Financial Wellness Project for Pastoral Leaders and Their Congregations-Phase II	144
Planning Grant for MMBB Financial Wellness	26
Bridges: Colloquia for Cultivating Ministry	499
MMBB Financial Wellness Project for Pastoral Leaders and Their Congregations: Sustainability	69
MMBB Financial Wellness Project for Pastoral Leaders and Their Congregations-Phase III	195
Total Net Assets with Donor Restrictions	**$2,180**

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, 2022, all invested assets at fair value that are included in MMBB's Ives Fund are as follows:

Asset Class	**Total**
U.S. Equity	$ 36
International Equity	40
Global Equity	17
Fixed Income	31
Hedge Fund of Funds	8
Private Equity Funds	49
Commodities	5
Cash	2
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, 2022:

	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, 2022.

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

As detailed in Note 2, MMBB adopted ASU 2016-02, *"Accounting for Leases (Topic 842)"*, effective January 1, 2022. MMBB leases office space and equipment under operating leases. Leases are classified 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), 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, 2022:

Year ended December 31, 2022	
Operating lease cost	
Amortization of right-of-use assets	$ 719
Interest on lease liabilities	85
Total lease cost	**$804**

As of December 31, 2022	
Right-of-use assets and liabilities:	
Right-of-use assets – operating leases	$ 5,158
Operating lease liabilities	5,158

Year ended December 31, 2022	
Other information:	
Cash paid for accounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$804

Weighted-average remaining lease term – operating leases	6.75 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, 2022.

Year ending December 31,	
2023	$ 804
2024	804
2025	804
2026	804
2027	804
Thereafter	1,407
Total Lease Payments	5,427
Less: amounts representing interest	(269)
Total operating lease liabilities	**$ 5,158**

Rent expense under these leases for 2022 was $804, which is included in MMBB supporting activities.

10. Commitments and Contingencies

MMBB has entered into an application service provider agreement for application services. At December 31, 2022, the aggregate future minimum payments for these commitments were as follows:

Year ending December 31,	
2023	$1,287
2024	1,287
2025	1,287
2026	107

As of December 31, 2022, the Board was committed to contributing approximately $152,000 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, $30,000 is expected to be drawn down in 2023, $30,000 in 2024, $23,000 in 2025, $23,000 in 2026, $15,000 in 2027, $15,000 in 2028, $8,000 in 2029 and $8,000 in 2030. 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 24, 2023. Interest at December 31, 2022 was 7.15%. As of December 31, 2022, this line of credit remained undrawn.

11. Subsequent Events

The Board's management has performed subsequent event procedures through April 20, 2023, 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.

Supplementary **Information**

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

For the year ended December 31, 2022 (in thousands)

	Retirement Plan	Tax-Deferred Annuity Plan	The Annuity Supplement	Deductible Employee Contribution Account	Total
Additions (Reductions)					
Premiums	$ 29,329	$ 6,587	$ 9,746	$ –	$ 45,662
Net Investment Loss from Investments Under Management	(286,723)	(17,462)	(46,702)	(233)	(351,120)
Transfer from MMBB	1,249	–	–	–	1,249
Total Reductions	**(256,145)**	**(10,875)**	**(36,956)**	**(233)**	**(304,209)**
Deductions					
Benefits	138,746	3,634	15,118	161	157,659
Investment Management Fees	19,851	909	2,464	12	23,236
Total Deductions	**158,597**	**4,543**	**17,582**	**173**	**180,895**
Net Decrease Before Transfer of Net Assets	**(414,742)**	**(15,418)**	**(54,538)**	**(406)**	**(485,104)**
Transfer of Net Assets	**5,139**	**(1,721)**	**(3,418)**	**–**	**–**
Net Decrease	**(409,603)**	**(17,139)**	**(57,956)**	**(406)**	**(485,104)**
Net Assets Available for Benefits, Beginning of Year	**2,317,540**	**104,770**	**305,247**	**1,598**	**2,729,155**
Net Assets Available for Benefits, End of Year	**$1,907,937**	**$ 87,631**	**$ 247,291**	**$1,192**	**$2,244,051**

Supplementary **Information**

The Ministers and Missionaries Benefit Board Consolidating Schedule of Activities

For the year ended December 31, 2022 (in thousands)

	Legacy Funds	Death Benefit Plan	Special Benefits Fund	Lilly Endowment	MMBB Financial Planners, LLC	General Fund	Total
Revenues (Reductions)							
Premiums	$ –	$ 2,103	$ 2,233	$ –	$ –	$2,058	$ 6,394
Contributions	52	–	–	15	–	1,421	1,488
Kewa Rental Income	1,516	–	–	–	–	–	1,516
Net Investment Loss	(22,649)	(5,961)	(17,811)	–	–	5	(46,416)
Total Revenues (Reductions)	**(21,081)**	**(3,858)**	**(15,578)**	**15**	**–**	**3,484**	**(37,018)**
Expenses							
Program Activities							
Salaries and Benefits	–	–	–	–	–	5,335	5,335
RMMO	–	–	–	–	–	48	48
Non-Contractual Benefits	–	–	–	55	–	3,100	3,155
Benefits	(243)	2,528	1,882	–	–	–	4,167
Professional Fees	–	–	113	–	–	165	278
Rent and Utilities	–	–	–	–	–	351	351
Administration Expenses	–	–	–	–	2	–	2
Payments to the Retirement Plans	–	–	1,248	–	–	–	1,248
Financial Wellness	–	–	–	116	–	26	142
Total Program Activities	**(243)**	**2,528**	**3,243**	**171**	**2**	**9,025**	**14,726**
Supporting Activities							
Salaries and Benefits	–	–	–	299	711	7,178	8,188
Sponsorships	–	–	–	–	–	28	28
Professional Services and Other	–	–	–	–	–	4,760	4,760
Publications and Printing	–	–	–	–	–	591	591
Travel, Biennial Mission Summit	–	–	–	–	–	323	323
Rent and Utilities	–	–	–	–	–	655	655
Hardware/Software	–	–	–	–	–	213	213
Outreach	–	–	–	–	–	558	558
Depreciation and Amortization	501	–	–	–	–	–	501
Kewa Operations	1,653	–	–	–	–	–	1,653
Ministry Support	–	–	–	–	–	(12,136)	(12,136)
Total Supporting Activities	**2,154**	**–**	**–**	**299**	**711**	**2,170**	**5,334**
Total Expenses	**1,911**	**2,528**	**3,243**	**470**	**713**	**11,195**	**20,060**
Change in Net Assets Before Change in Postretirement Benefits Obligation and Transfer of Net Assets	**(22,992)**	**(6,386)**	**(18,821)**	**(455)**	**(713)**	**(7,711)**	**(57,078)**
Change in Postretirement Benefits Obligation	**3,107**	**–**	**–**	**–**	**–**	**–**	**3,107**
Change in Net Assets Before Transfer of Net Assets	**(19,885)**	**(6,386)**	**(18,821)**	**(455)**	**(713)**	**(7,711)**	**(53,971)**
Transfer of Net Assets	**(8,424)**	**–**	**–**	**–**	**713**	**7,711**	**–**
Change in Net Assets	**(28,309)**	**(6,386)**	**(18,821)**	**(455)**	**–**	**–**	**(53,971)****
Net Assets, Beginning of Year	**194,549**	**36,333**	**108,030**	**1,671**	**–**	**–**	**340,583**
Net Assets, End of Year	**$166,240**	**$29,947**	**$ 89,209**	**$1,216**	**$ –**	**$ –**	**$286,612***

** Total net assets at year-end consist of Without Donor Restrictions $284,432, and With Donor Restrictions $2,180.*

*** Change in net assets for the year consists of Without Donor Restrictions ($53,350) and With Donor Restrictions ($621).*

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The Investment Fund for Foundations
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Parametric Portfolio Associates LLC
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The Rohatyn Group
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Valley Forge, Pennsylvania

UBS Asset Management Trust Co.
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Vaughan Nelson Investment Management
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