



# MISSOURI BAPTIST FOUNDATION

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1.800.776.0747  
<https://mbfn.org>

## Offering Circular

**\$50,000,000**

*(Missouri Baptist Foundation (“MBF”) may issue up to this amount of its investment obligations (the “Notes”) during the twelve (12)-month period ending January 31, 2027.)*

**THESE SECURITIES MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR JURISDICTIONS IN WHICH THEY ARE OFFERED OR SOLD BY THE ISSUER. THIS OFFERING CIRCULAR HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.**

**THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.**

**THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS DOCUMENT AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THESE SECURITIES, OR APPROVED, DISAPPROVED OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THIS OFFER IS SUBJECT TO CERTAIN RISK FACTORS DESCRIBED HEREIN BEGINNING ON PAGE 9.**

**The following Notes are offered by MBF under the terms and as further described in “Description of Notes” beginning on page 20:**

**Cash Investments and Enhanced Cash Investments** – A Demand Note with an interest rate that may be adjusted on a monthly basis and that permits additions of principal and withdrawals at any time upon request without any penalty or service fee. Minimum investment of One Thousand Dollars (\$1,000). In its discretion, MBF may impose a maximum investment limit.

**Term Investments and Enhanced Term Investments** – A Term Note with an interest rate that remains fixed throughout its term, with available terms of periods of six (6) months, nine (9) months, one (1) year, eighteen (18) months, two (2) years, three (3) years, and five (5) years, as may be offered by MBF from time to time. Minimum investment of One Thousand Dollars (\$1,000). In its discretion, MBF may impose a maximum investment limit.

**For current interest rates, please call MBF at 1.800.776.0747 or visit MBF’s Internet website, <https://mbfn.org>.**

See “Description of Notes” beginning on page 20 for more specific information on Notes offered as of the date of this Offering Circular. Each Note term may not be available at all times, and interest rates may vary from time to time.

**NOTE: Investments offered by the Missouri Baptist Foundation are not bank deposits or obligations and are not insured by the Federal Deposit Insurance Corporation (“FDIC”), the Securities Investor Protection Corporation (“SIPC”), or any other federal or state agency.**

**This Offering Circular is dated February 1, 2026, and is to be used by Investors from February 1, 2026 through January 31, 2027.**

**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURES, MERITS AND RISKS INVOLVED.**

The aggregate amount of the Notes being offered may be sold in any one or more of the offered categories.

This offering is not underwritten, and no commission or discounts will be paid or provided by MBF in connection with the sale of Notes. MBF will receive one hundred percent (100%) of the proceeds from the sale of the Notes. MBF will bear all expenses, including securities registration fees, printing, mailing, accounting fees and attorney's fees, incurred in this offering, which is estimated to be approximately \$10,000.

No sinking fund or trust indenture will be used by MBF in conjunction with the issuance of the Notes. Investors must rely solely upon the financial condition of MBF for repayment of the Notes. The Notes are unsecured debts of MBF and are of equal priority with all other current indebtedness of MBF. MBF reserves the right to issue future obligations or obtain a line of credit secured by a first lien on its assets. MBF will not create, incur, or voluntarily permit any material lien upon any of its assets or otherwise incur material indebtedness having a prior claim to its assets or otherwise senior to the Notes. The term "material," as used in this paragraph, shall mean an amount which exceeds ten percent (10%) of the tangible assets (total assets less intangible assets as defined by U.S. GAAP, as hereinafter defined) of MBF. The Notes are non-negotiable and may be assigned only upon MBF's prior written consent.

**THE NOTES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FDIC, THE SIPC, ANY STATE BANK OR INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE NOTES IS DEPENDENT UPON MBF'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW MBF'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE NOTES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, ANY OTHER PERSON OR ENTITY EXCEPT FOR MBF.**

**THE OFFER AND SALE OF THE NOTES IS LIMITED TO PERSONS (INCLUDING ENTITIES OR ARRANGEMENTS CONTROLLED BY, OWNED BY, OR EXISTING FOR THE BENEFIT OF SUCH PERSONS) WHO, PRIOR TO RECEIPT OF THIS OFFERING CIRCULAR, ARE MEMBERS OF, CONTRIBUTORS TO, OR PARTICIPANTS IN MBF, THE MISSOURI BAPTIST CONVENTION ("MBC"), OR CLOSELY IDENTIFY WITH THE MBC'S CURRENT STATEMENT OF FAITH, THE BAPTIST FAITH, AND MESSAGE 2000, OR IN ANY RELIGIOUS ORGANIZATION THAT HAS A PROGRAMMATIC RELATIONSHIP WITH MBF OR THE MBC ("LIMITED CLASS"), OR SUCH OTHER PERSONS OR ENTITIES HAVING A REASONABLE ASSOCIATION OR AFFILIATION WITH THE LIMITED CLASS, AS FURTHER DEFINED ON PAGE 6. MBF WILL MAKE AFFIRMATIVE REASONABLE EFFORTS TO VERIFY A POTENTIAL INVESTOR'S REPRESENTATION OF MEMBERSHIP AND PARTICIPATION IN THE LIMITED CLASS.**

**NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED ON AS HAVING BEEN MADE OR AUTHORIZED BY MBF.**

**THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT WITH MBF'S WRITTEN CONSENT AND AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.**

**INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.**

**STATE SPECIFIC INFORMATION**

**MISSOURI RESIDENTS: THE MISSOURI SECURITIES DIVISION HAS NOT IN ANY WAY PASSED UPON THE MERITS OR QUALIFICATIONS OF THE SECURITIES HEREBY OFFERED OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE MISSOURI SECURITIES ACT UNDER THE EXEMPTION PROVIDED BY SECTION 409.2-201(7)(B) OF THE REVISED STATUTES OF MISSOURI. NO APPROVAL HAS BEEN GIVEN TO THE ISSUER, THESE SECURITIES, OR THE OFFER OR SALE THEREOF IN CONNECTION TO ANY MISSOURI RESIDENTS.**

## **FORWARD LOOKING STATEMENTS**

Investment in the securities to be issued by MBF involves certain risks. Prospective Investors are encouraged to review all the materials contained in this Offering Circular and to consult their own attorneys and financial advisors.

This Offering Circular includes “forward-looking statements” within the meaning of the federal and state securities laws. Statements about MBF and its expected financial position, business and financing plans are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “pro forma,” “anticipates,” “intends,” “projects,” or other variations or comparable terminology, or by discussions of strategy or intentions. Forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks, uncertainties and other factors. Accordingly, prospective Investors should not consider MBF’s forward-looking statements as predictions of future events or circumstances. A number of factors could cause MBF’s actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by MBF’s forward-looking statements. These factors include, but are not limited to: changes in economic conditions in general and in MBF’s business; changes in prevailing interest rates and the availability of and terms of financing to fund MBF’s business; changes in MBF’s capital expenditure plans; and other factors discussed in this Offering Circular. Given these uncertainties, prospective Investors should not rely on MBF’s forward-looking statements in making an investment decision. MBF disclaims any obligation to update Investors on any factors that may affect the likelihood of realization of MBF’s expectations.

Prospective Investors should not place undue reliance on any forward-looking statements, which speak only as of the date made. Prospective Investors should understand that the factors discussed herein and under “**RISK FACTORS**” could affect MBF’s future results and performance. This could cause those results to differ materially from those expressed in the forward-looking statements.

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## DEFINITIONS

The terms defined below apply to all portions of this Offering Circular except the Financial Statements and the Notes to Financial Statements, which must be read in the context of the terms separately defined therein.

**Cash Investments** – See “Description of Notes.”

**Cash and Term Investments** – Cash Investments and Term Investments. See “Description of Notes.”

**Demand Notes** – Cash Investments and Enhanced Cash Investments. See “Description of Notes.”

**Eligible Ministries** – Members of, contributors to, or participants in MBF, the MBC, or closely identify with the MBC’s current statement of faith, the Baptist faith, and Message 2000, or in any religious organization that has a programmatic relationship with MBF or the MBC (each such entity is individually referred to herein as an “Eligible Ministry”).

**Enhanced Cash Investments** – See “Description of Notes.”

**Enhanced Investments** – Enhanced Cash Investments and Enhanced Term Investments. See “Description of Notes.”

**Enhanced Term Investments** – See “Description of Notes.”

**Invested Funds** – Funds of MBF invested as further described in the “Financing and Operational Activities” and “Investing Activities” sections.

**Investor (or Purchaser)** – Persons (including entities or arrangements controlled by, owned by, or existing for the benefit of such persons) who, prior to receipt of this Offering Circular, are members of, contributors to, or participants in MBF, the MBC, or closely identify with the MBC’s current statement of faith, the Baptist faith, and Message 2000, or in any religious organization that has a programmatic relationship with MBF or the MBC (“Limited Class”), or such other persons or entities having a reasonable association or affiliation with the Limited Class, as further defined on page 2. MBF will make affirmative reasonable efforts to verify a potential Investor’s representation of membership and participation in the Limited Class.

**Loan** – A fixed or adjustable interest rate loan originated by MBF to an Eligible Ministry for Ministry Activities. See “Lending Activities.”

**MBC** - The Missouri Baptist Convention.

**MBF** – The Missouri Baptist Foundation, a Missouri nonprofit corporation.

**Ministry Activities** – Providing financial resources and credit assistance to Eligible Ministries for building projects, the acquisition of additional properties and buildings, and other church-related purposes, and the refinance or consolidation of existing loans for Eligible Ministry facilities; supporting, expanding, and advancing the religious, educational, and philanthropic purposes of MBF, including activities such as promoting estate planning gifts through MBF for the benefit of Missouri Baptist institutions and the ministry and mission efforts of Missouri Baptists.

**NASAA SOP** – The North American Securities Administrators Association, Inc. Statement of Policy Regarding Church Extension Fund Securities adopted April 17, 1994, and amended April 18, 2004.

**Note** – Term or demand unsecured debt obligation issued by MBF and offered herein. For a further description of the terms of the Notes, see “Description of Notes.”

**Offering Circular** – This disclosure document was prepared by MBF.

**Purchaser** – See “Investor.”

**Term Investments** – See “Description of Notes.”

**Term Notes** –Enhanced Term Investments and Term Investments. See “Description of Notes.”

**U.S. GAAP** – Generally Accepted Accounting Principles in the United States as established by the Financial Accounting Standards Board (“FASB”).

## SUMMARY OF OFFERING

The following is a summary of MBF's offering and contains only selected information. This summary does not contain all of the information that a potential Investor should consider before investing. The information provided in this summary should be read in conjunction with the detailed information contained in this Offering Circular, including MBF's audited financial statements (the "Financial Statements").

1. MBF may issue up to Fifty Million Dollars (\$50,000,000) of its Notes during the twelve (12)-month period ending January 31, 2027. This amount may be issued in any one or more of the types of Notes and may be issued in the state of Missouri to the extent qualified for offer and sale in such jurisdiction.
2. MBF is a Missouri nonprofit corporation and is organized and operated exclusively for religious, educational, benevolent, and charitable purposes. MBF's principal office is located in Jefferson City, Missouri, and MBF is affiliated with the MBC.
3. MBF offers and sells Enhanced Investments to Investors to make funds available for Loans and Ministry Activities.
4. MBF pools the funds from the Cash and Term Investments in FDIC products where MBF is the insured to provide the best possible rate to the Investor.
5. Notes offered pursuant to this Offering Circular bear a fixed or variable rate of interest and have maturities ranging from six (6) months to five (5) years, as may be offered by MBF from time to time (except in the case of Demand Notes, which are demand obligations).
6. Interest payable on Notes is taxable to the Investor in the year in which such interest is paid or credited.
7. At maturity, unless the Investor elects to redeem a Term Note, such Term Note will automatically renew for a term equal to the prior term at the then-current interest rate for such Term Note. If the current term is not offered, the Term Note will mature, interest paid, and convert to a Demand Note.
8. Although MBF has not yet made any Loans to Eligible Ministries as of September 30, 2025, MBF's Loan portfolio will consist of Loans originated for Eligible Ministries. The ability of each borrower to repay its Loan generally depends upon the contributions received from its members. The number of members of each borrower and its revenue is likely to fluctuate. MBF must rely on the borrower's continued financial viability for repayment of Loans. If a borrower experiences a decrease in contributions or revenues, payments on that Loan may be adversely affected.
9. MBF will use the proceeds from the sale of its Notes to carry on Ministry Activities by making Loans to Eligible Ministries. Any Note proceeds not used as described above will be invested pursuant to MBF's investment policies. Any such Invested Funds invested in readily marketable securities are subject to various market risks, which may result in losses if market values of investments decline.
10. Below is a summary of certain selected financial data with respect to MBF's operations as of September 30, 2025. This data has been compiled by management from MBF's audited financial statements, and it should be read in conjunction with the most recent audited financial statements of MBF, which begin on page 28. See "Selected Financial Data" for financial data from the last five (5) fiscal years.

<u>Description of Selected Financial Data of MBF</u>	<u>9/30/2025</u>
Cash and cash equivalents	\$61,492,186
Loans receivable	-0-
Unsecured Loans receivable	-0-
As a percentage of Loans, net	0%
Loan delinquencies in excess of 90 days as a percentage of Loans, net	0%

Total assets	\$236,601,189
Notes Payable	\$8,529,844
Note redemptions for the period then ended	\$1,939,390
Total net assets	\$24,494,162
Net assets without donor restrictions	\$13,581,615
Net assets with donor restrictions	\$10,912,547

## RISK FACTORS

1. **Unsecured and Uninsured General Obligations.** The Notes are general obligations of the Missouri Baptist Foundation, a Missouri nonprofit corporation formed August 15, 1946. Investors are dependent solely upon the financial condition of MBF for repayment of principal and interest on the Notes. The Notes are unsecured and are not insured. Neither the MBC, or its other entities or affiliates, are parties to this Offering Circular, nor do they have any liability or obligation to Investors regarding the Notes, funds, or interest.

2. **No Sinking Fund or Trust Indenture.** No sinking fund or trust indenture has been or will be established. The absence of a sinking fund and trust indenture may adversely affect MBF's ability to repay principal and interest on the Notes.

3. **Senior Secured Indebtedness.** MBF currently has no outstanding senior or secured debt. The Notes are of equal priority with all other current indebtedness of MBF. However, MBF reserves the right to issue future obligations, or obtain a line of credit, secured by a first lien on its assets in an amount not to exceed ten percent (10%) of the tangible assets of MBF (total assets less intangible assets as defined by U.S. GAAP).

4. **No Public Market for Notes.** No public market exists for the Notes and none will develop. Therefore, Investors should consider the purchase of a Note as an investment for the full term of the Note.

5. **Liquidity.** It is MBF's practice to maintain at all times an aggregate operating and reserve liquidity of cash, cash equivalents, and immediately available funds through a line of credit equal to at least 8% of MBF's principal balance of all outstanding Notes (which is the NASAA SOP minimum standard). As of September 30, 2025, MBF had cash and cash equivalents equal to 2,711% of MBF's principal balance of all outstanding Notes. MBF plans to continue to maintain cash and Invested Funds, including its available lines of credit in an amount equal to or in excess of this practice. There can be no assurance, however, that such practice will be continued in the future. MBF's investment policies do not permit MBF to invest its Invested Funds invested in readily marketable securities.

6. **No Guarantee of Future Offerings.** There can be no assurance that MBF will continue to offer and sell Notes in the future. See "Financing and Operational Activities."

7. **Tax Consequences.** Investors will not receive a charitable deduction upon the purchase of a Note, and interest paid or payable on the Notes will be taxable as ordinary income to an Investor regardless of whether the interest is paid directly to the Investor or retained and compounded. If interest paid is below the Applicable Federal Rate of interest, the Internal Revenue Service may impute income up to the Applicable Federal Rate level. The Internal Revenue Service may exempt loans, including gift loans to charitable organizations, from the imputed interest rules if the amount does not exceed Two Hundred Fifty Thousand Dollars (\$250,000). See "Tax Aspects."

8. **Loan Collection Risks.** MBF's Loan portfolio consists of Loans made to Eligible Ministries. The ability of each borrower to repay its Loan generally depends upon the contributions received from its members. The number of members of each borrower and its revenue is likely to fluctuate. MBF must rely on the borrower's continued financial viability for repayment of Loans. If a borrower experiences a decrease in contributions or revenues, payments on that Loan may be adversely affected. Contributions may decline for a variety of reasons including, but not limited to, the impact of a softening economy, increased job losses or other economic difficulties encountered by church members, and/or a decline in the business prospects of donors. See "Lending Activities."

9. **Investments Subject to Market Risks.** MBF's Notes are subject to various market risks, which may result in losses if market values of investments decline and could have an adverse impact upon MBF's liquidity and its ability to repay its Notes.

10. **Special Purpose of Borrower Properties.** Although the Loans made by MBF are primarily secured by a first mortgage on the borrower's property, typically such property is improved for church, charitable or educational uses and may have a lower fair market value than general purpose properties. As a result, there is no assurance that such properties can be sold for an amount that will be sufficient to repay the amounts owed by borrowers to MBF under the Loans.

11. **Loan Policies.** The relationship of MBF to its borrowers and policies with respect to Loan delinquencies cannot be compared to that of a normal commercial lender. Recognizing the relationship to its borrowers, MBF's Loan eligibility and approval criteria may be more flexible than might be applied by a normal commercial lender. In addition, in view of the relationship to its borrowers, MBF may be willing to renegotiate the terms of Loans and, accordingly, the timing and amount of collections on such Loans may be modified. See "Lending Activities."

12. **Future Changes in Federal or State Laws.** Changes in federal laws or the laws of the various states in which MBF offers its Notes may make it more difficult or costly for MBF to offer and sell Notes in the future.

13. **Note Repayment Ability.** MBF uses earnings from Invested Funds and expects to use principal and interest payments on Loans to pay interest and principal on Notes (see "Use of Proceeds" on page 13). Future market conditions could affect MBF's ability to repay Notes. MBF invests the principal of the Cash Investments and Term Investments in FDIC insured investment products where MBF is the insured.

14. **Geographic Concentration of Loans.** There are risks related to geographic concentration of Loans to borrowers within a limited region, such that changes in economic conditions of that region could affect the ability of the borrowers, as a group, to repay the Loans.

15. **Future Material Loan Losses.** MBF's allowances for Loan losses will be maintained at a level considered adequate to provide for potential losses. As of September 30, 2025, the aggregated allowance for Loan losses was \$0, as MBF has not yet made any Loans as of that date. MBF intends to maintain a loan loss reserve of 1.5% of outstanding Loans and will not loan out more than 80% of the proceeds received from the sale of the Enhanced Investments. There is a risk that Loan losses could be greater than MBF's present allowance for Loan losses which, if significantly greater than anticipated, could adversely affect MBF's financial condition.

16. **Competition from Other Lenders.** The availability and cost of loans offered by banks, other corporations, and loan programs may affect overall demand for Loans from MBF. Any decrease in the demand for Loans could adversely affect MBF's financial condition.

17. **Other Investment Opportunities.** Other investment opportunities may yield a higher rate of return with less risk than the Notes. This may adversely affect sales of the Notes.

18. **Interest Rate Fluctuation.** Interest rates will fluctuate. Investors should be aware that if interest rates rise or fall, MBF is not obligated to redeem any Note prior to the required advance notice. Further, if interest rates fall, in order to reduce future interest obligations, MBF may exercise its right to call Notes for redemption (see Risk Factor 24 below). MBF depends to a certain extent on net interest income, which is the difference between income on interest-earning assets, such as Loans and Invested Funds, and expense on interest-bearing liabilities, such as Notes. MBF is exposed to interest rate risk in its core activities of lending to Eligible Ministries and selling Notes, since assets and liabilities reprice at different times and by different amounts as interest rates change. MBF is unable to predict changes in market interest rates, which are affected by many factors beyond MBF's control, including inflation, recession, unemployment, money supply, domestic and international events and changes in the United States and other financial markets. Starting in March 2022, the Federal Reserve Board ("FRB") began raising the target federal funds rate for the first time in three years and continued with multiple increases throughout 2022 and 2023. The FRB then held rates steady from July 2023 to September 2024, after which

the FRB began a series of cuts to the target federal funds rate in each of September, November and December 2024. At each of its January, March, May, and June 2025 meetings, the FRB declined to institute any cuts and held the rate steady, although the FRB reduced rates in September and October 2025, with further cuts expected. It is not possible to predict the pace and magnitude of changes in interest rates, or the impact rate changes will have on MBF's results of operations

**19. Minimum Balances Required.** Investors may be required to maintain a minimum investment in each Note. If the amount invested in a Note falls below such minimum amount, the balance of such Note may be fully redeemed without notice to the Investor or, in lieu of such full redemption, the interest rate may be reduced to the then current rate applicable to Demand Notes. See "Description of Notes" beginning on page 20.

**20. Interest Rate on Automatic Rollover or Reinvestment at Maturity.** Upon maturity of a Note, if an Investor does not choose to redeem the Note or to reinvest the amount due thereunder into a new Note, then it may be automatically renewed at the interest rate in effect on the date of maturity for such type and term of Note. An automatically renewed Note may be assigned a new Note investment number. If MBF is then offering a separate interest rate for investments of only new funds, that separate interest rate may not apply to a rollover or reinvestment, and only the rate then applicable to rollovers or reinvestments not involving new funds will apply. If the then current interest rate is less than the interest rate on the Note as in effect prior to maturity, the Investor may receive a lower interest rate return on the renewed Note.

**21. Interest Rate Policy and Payment Change.** MBF reserves the right to change the method by which interest is determined or the frequency with which interest is paid to the Investor or added to the Notes. If MBF exercises its right to change the method by which interest is calculated or the frequency in which interest is paid on existing Notes, the holders of such Notes would receive written notification describing the changes and the method of determining rates of such Notes. If upon receiving the notice, Investors wish to make a complete withdrawal, they may do so (without penalty) within seven (7) days of receiving the notice. For the last payment of interest only, they may also be paid interest at the rates in effect for these Notes during the preceding month, provided they notify MBF within this seven (7) day period.

**22. MBF Solely Liable on Notes.** The debts and liabilities of MBF, including the Notes, are independent of the financial structure of any other person or entity. Therefore, Investors may not rely upon any person or entity other than MBF for payment of the Notes when due.

**23. Early Withdrawal Penalties.** MBF is not required to redeem any Term Note prior to its maturity date. In the event MBF agrees, in its sole discretion, to redeem a Term Note prior to its maturity, early withdrawal penalties may be applied. See "Term Notes" on page 21.

**24. Ability to Call Notes.** MBF has the right to call Notes for redemption at any time upon thirty (30) days' written notice. In such event, interest will be paid to the date of redemption.

**25. Limitation on Transferability.** The Notes are non-negotiable and may be assigned or transferred only upon MBF's written consent. In addition, conditions on the transfer of the Notes may be imposed under the securities laws of certain states.

**26. Unclaimed Property.** MBF identifies potential unclaimed property if MBF receives undeliverable mail with no forwarding address pertaining to a Note or if an Investor ceases to communicate with MBF pertaining to a Note. MBF tracks and monitors such a dormant account. However, the Note will continue to accrue interest until it is redeemed or until it is disposed of by MBF pursuant to applicable state unclaimed property laws.

**27. Decrease in Note Renewals.** MBF's business plan anticipates that a significant number of Notes will be renewed at maturity. If there is a significant decrease in the renewal rate of maturing Notes resulting in a significant increase in redemptions, MBF's resulting financial condition could adversely affect its ability to repay Notes.

**28. Environmental Risks on Collateral.** There is potential environmental liability associated with the collateral securing the Loans made by MBF. MBF may require a Phase I Environmental Site Assessment as part of a Loan application process. In the event that environmental pollution or other

contamination is found on or near property securing a Loan, MBF could, in some cases, face environmental liability or the security for the Loan could be impaired. In addition, changes to environmental regulations could require a borrower to incur significant unanticipated expenses to comply with such regulations which could adversely affect the borrower's ability to repay the Loan.

**29. Construction Risks.** Many of the Loans that will be made by MBF will be used by borrowers for construction of new facilities or improvements to existing facilities. Consequently, such Loans will be subject to usual construction-related risks. Such risks include defaults or bankruptcies of contractors or subcontractors, construction delays (due to events such as weather conditions, strikes, shortage of materials, acts of nature, regulatory delays, etc.), increased and unexpected costs, adverse effects on adjacent facilities and other operations, and other factors and contingencies unknown to or beyond the control of the borrower or other parties. In the event that construction is delayed or prevented, or if costs for construction increase substantially, the borrower's ability to repay a Loan could be adversely affected.

## **THE OFFERING**

MBF may issue up to Fifty Million Dollars (\$50,000,000) of its Notes during the twelve (12)-month period ending January 31, 2027. This amount may be issued in any one or more of the types of Notes and may be issued in the state of Missouri to the extent qualified for offer and sale in such jurisdiction.

## **HISTORY AND OPERATIONS**

### **History of The Missouri Baptist Foundation**

The mission of MBF is to advance the Gospel. This is accomplished through Money Management for Ministry and Possibility Planning for People programs with the goal to strengthen the mission and ministry efforts of Missouri Baptists. Established in 1946, MBF began with three accounts with assets of approximately Eighty Thousand Dollars (\$80,000). It has grown to over \$236 million in assets representing over one thousand accounts. In fiscal year 2025, the Foundation distributed \$28 million in principal and income to individuals, institutions, and churches in Missouri and around the world. MBF is governed by a twelve (12) member Board of Trustees. It is operated by staff at its office in Jefferson City, MO. MBF is a member of the Evangelical Council for Financial Accountability.

### **The Missouri Baptist Foundation**

The name of the issuer is the Missouri Baptist Foundation. Its physical address is 400 East High, Suite 500, Jefferson City, MO 65102-1113, while its mailing address is P.O. Box 1113, Jefferson City, MO 65102-1113.

MBF was incorporated as a Missouri nonprofit corporation on August 15, 1946. It is organized and operated exclusively for religious, educational, benevolent, and charitable purposes. No part of the net earnings of MBF inures to the benefit of any person or individual. MBF, as a nonprofit corporation, does not have any shareholders. MBC is the sole corporate member of MBF.

In October 1946, The Missouri Baptist General Association ("MBGA," now the MBC) voted to transfer the permanent and trust funds, which were under the authority of a special committee to MBF to supervise, control and manage the investment of the permanent funds of the Executive Board.

The initial amount equaled \$80,201.49. By the next year, the funds had increased by \$36,921.31. In addition, a number of wills had been executed which represented additional funds. The MBGA also approved Three Thousand Dollars (\$3,000) to provide for the first year of its operation. The MBGA elected MBF's first trustees, and MBC as the successor organization to MBGA continues to do so.

The management affairs of MBF are conducted by its Board of Trustees, elected by the MBC, consisting of at least twelve (12) trustees as established from time to time by duly adopted resolution of the Board of Trustees. Of these twelve (12) trustees, only four (4) may be ministers. All members of the Board of Trustees must be members of the Missouri Baptist Convention-affiliated churches. The day-to-day operations of MBF are carried out under the supervision of the President of MBF.

An MBF trustee serving a full or partial term is eligible for consideration to be nominated and elected to one consecutive term, but after serving a consecutive term, is ineligible for renomination to the MBF Board of Trustees for one year. Service of a partial term counts as a full term under MBF's bylaws. If a vacancy occurs on the Board of Trustees, the Board Chairman advises the Chairman of the MBC Nominating Committee. This Nominating Committee fills the vacancy temporarily in accord with MBC's governing documents. No person may serve on more than one (1) MBC entity board or commission simultaneously. No MBC or related entity employee, except for the Executive Director, may serve on the board of any entity affiliated with the MBC. When a trustee of any MBC entity board becomes an employee, the trustee position is vacated immediately.

MBF's governing documents provide that the MBC is the sole member of MBF, and provide that MBF trustees have a fiduciary relationship both to MBF and to the MBC. The documents also provide the MBC, in its sole and absolute discretion, the following: (1) the sole and exclusive right to elect and remove trustees of MBF; (2) the right to notice of all meetings of MBF's Board of Trustees; (3) the right to recommend, approve, or reject, in writing, any addition, deletion, or other amendment to MBF's Articles of Incorporation and Bylaws; (4) the right to approve or reject the sale, mortgage, lease, pledge, or transfer of all, or substantially all, of MBF's assets; (5) the right to approve or reject the creation, amendment, or dissolution of any subsidiary of MBF; (6) the right to be represented by an MBC officer at all meetings of MBF's Board of Trustees; (7) the right for the MBC President to serve as an ex officio trustee, without vote, of MBF's board; (8) the right for the MBC Executive Director to serve as a non-voting ex officio trustee of MBF's board and as a non-voting member of any search committee for MBF's President; and (9) the right to approve or reject any material change of the ministry of MBF.

MBF manages assets that have been placed with it by individuals and families, churches, and mission or ministry organizations. MBF also works with individuals, couples, and families to assist with estate and gift planning. MBF provides Trust Administration services to assist individuals and families with estate settlement and professional management of trusts benefiting family and ministries.

In 2019, MBC created a subsidiary corporation, Straightway Holdings, Inc. ("SHI"), for the purposes of holding investments in real estate assets that are compatible with, and are supportive of, the religious and charitable purposes of MBF, and MBC is the sole member of SHI. MBF's trustees and officers are also the officers and trustees of SHI.

As of August 15, 2025, MBF authorized making Loans to Eligible Ministries. To provide additional services for Missouri Baptist churches, MBF desires to offer Loans primarily for capital improvement needs. These Loans will enable churches and institutions the opportunity to expand their footprint, thereby helping them reach more people for Christ.

#### **USE OF PROCEEDS**

MBF will use the proceeds from the sale of its Notes to carry on Ministry Activities as follows:

1. originating Loans for Eligible Ministries;
2. developing, managing, and distributing financial resources for the support of the mission and ministry efforts of Missouri Baptists;
3. promote Christian estate stewardship and assist with planning and implementation of charitable gift arrangements;
4. promote planned giving among Missouri Baptists by receiving by bequest, devise, or gift, either absolutely or in trust, any property, real, personal or mixed;
5. administer property and invest and reinvest the same, or the proceeds thereof, in such manner as in the judgment of the Board of Trustees will best promote such object;
6. invest any Note proceeds not used as described above pursuant to MBF's investment policies. See "Financing and Operational Activities;" and

7. allocate ten Percent (10%) of annual revenue over expenses according to *James 1:27* and share with entities that take care of widows and orphans, primarily Baptist Homes & Health Care Ministries and Missouri Baptist Children’s Home.

It is anticipated that all operating expenses will be charged against MBF’s net assets without donor restrictions and not against Note proceeds, although the cash flow from Note proceeds may, in fact, be used for operating expenses to the extent that cash flow from other sources is insufficient. It is anticipated that all interest and principal due on Notes will be charged against MBF’s assets exclusive of new Note proceeds, although the cash flow from new Note proceeds may, in fact, be used to repay interest and principal due on Notes to the extent that cash flow from other sources is insufficient.

The amount of proceeds actually used for each of these purposes will vary depending upon a number of factors, including the amount of Notes sold to new Investors, and the amount of Notes redeemed or renewed at any given time by existing Investors. MBF anticipates that its operating expenses will represent less than 0.7% of the aggregate offering amount (based on MBF’s 2026 budget) and that new Note proceeds will not be needed (except on a “cash flow” basis) for operating expenses or to repay interest and principal due on Notes. Accordingly, MBF anticipates that new Note proceeds will be used for the purpose of supporting Ministry Activities, with surplus funds being invested in accordance with MBF’s investment policies. However, there is no guarantee that the anticipated results will occur.

### **FINANCING AND OPERATIONAL ACTIVITIES**

MBF’s means of generating funds for making Loans for Ministry Activities is through the sale of Notes, earnings from Invested Funds, principal and interest payments on Loans, lease revenue, administrative fees, contributions from Missouri Baptists, and other net assets, including the proceeds from the sale of the Encounter Cove property.

#### **Outstanding Notes Payable**

As of September 30, 2025, MBF had 136 Notes outstanding totaling \$8,529,844. The term “Notes payable” used in this section, as well as in the sections titled “Selected Financial Data” and “Management Discussion and Analysis” refers to the total outstanding Notes issued and payable by MBF as of the year-ended September 30, 2025. Within the 2025 audited financial statements attached hereto, this particular group of “Notes payable” is not represented as a separate total, but are included within the “Trusts Administered for Others” category within the financial statements. The amount of Note proceeds and redemptions for the year ended September 30, 2025, are as follows:

	<u>2025</u>
Proceeds from issuance of and reinvestments in Notes payable	\$5,658,713
Redemption of Notes payable	\$1,939,390

The Notes payable held by MBF at September 30, 2025, mature as follows:

Demand	\$5,751,261
2026	\$2,778,583
2027	\$0
2028	\$0
2029	\$0
2030	\$0
<u>Thereafter</u>	<u>\$0</u>
Total	\$8,529,844

#### **Outstanding Loans Receivable**

As September 30, 2025, MBF had not closed on any Loans.

The NASAA SOP requires that a church extension fund, such as MBF, should limit the amount of

Loans that are not secured by real or personal property or guaranteed by third parties to no more than ten percent (10%) of its outstanding Loans.

### **Real Estate Held**

In December 2019, MBF, through SHI, purchased the property formerly known as Windermere Baptist Conference Center, now Encounter Cove Ministries in Camden County, MO (“Encounter Cove”). In 2022, SHI entered into a new lease agreement with Encounter Ministries, Inc. to lease Encounter Cove for four (4) successive yearly terms with an option to purchase. The mortgage balance remaining as of September 30, 2024, for Encounter Cove was \$4,627,451 and, along with a \$360,000 note to Missouri Baptist Convention for the land, is included in the “Notes Payable” line item of \$4,987,451 in the 2024 audited financial statements attached hereto (see “Consolidated Statements of Financial Position” and Note 12 to the Financial Statements), such figure distinguished from the term “Notes payable” used in the section “Outstanding Notes Payable” above. As of June 16, 2025, the Encounter Cove property was sold, and the mortgage for the property and the note for the land were fully paid off.

### **LENDING ACTIVITIES**

Loans will be originated for qualifying Eligible Ministries for building projects, the acquisition of additional properties and buildings, other church-related purposes, and refinancing qualifying borrower indebtedness or other member institutions’ building or property indebtedness. MBF’s funds to make Loans may originate from various sources, including MBF’s net assets and proceeds from the sale of Enhanced Investments.

MBF’s underwriting guidelines have been established and may be changed only by MBF’s Board of Trustees. MBF’s Loan Committee administers its Loan program. The MBF Loan Committee will consist of current MBF Trustees, as appointed by the Chair of MBF’s Board of Trustees. The MBF Loan Committee will oversee the Loan approval process and recommend any changes to the loan policy or underwriting criteria. MBF’s Staff Loan Committee, comprises of MBF’s President, Chief Operating Officer, and Church Loan Officer, have established lending limits on Loan requests. MBF’s Staff Loan Committee may approve Loans up to \$100,000, and MBF’s Loan Committee may approve Loans between \$100,000 and \$1,000,000. Any Loan over \$1,000,000 shall be approved by MBF’s Board of Trustees, and the total amount loaned to a single borrower shall not exceed \$5,000,000 unless approved by the MBF Board of Trustees.

As of the date of this Offering Circular, MBF’s underwriting guidelines are as described below. MBF’s underwriting guidelines generally require that Loans be secured by a first mortgage or deed of trust on the property of the borrowers. At least ninety percent (90%) of MBF’s outstanding Loans will be secured by real or personal property. Any extension, renewal or modification of a Loan will be underwritten according to policies applicable at the time of extension, renewal or modification of the Loan. MBF’s underwriting guidelines further generally require all borrowers to submit a financial plan for Loan repayment including, as may be requested by MBF, source of funds, repayment schedules, and cash flow projections. Further, MBF’s underwriting guidelines generally require consideration of the following factors: (i) loan to value ratio, (ii) debt service to income ratio, and (iii) expense coverage ratio.

MBF’s underwriting guidelines also generally require borrowers to submit, at minimum, the following:

1. A completed Loan application, including acknowledgement of the borrower as an Eligible Ministry;
2. A written budget plan, adopted at least annually by congregational action, which must provide evidence of a consistent pattern of budget receipts. Borrowers shall submit no less than three (3) years of financial information, together with the current budget and comparison of actual results to budget; and
3. Copies of the borrower’s governing documents and, where applicable, a Note of Good Standing.

If the Loan is to be secured, in whole or in part, by a mortgage or deed of trust on real property, MBF may require:

- a. Outside inspections on new construction, documented on AIA forms;
- b. A market value analysis or appraised value analysis of any property being purchased or improved;
- c. A Phase I environmental study;
- d. Copies of construction contracts between the borrower and contractors (if any);
- e. A mortgage title insurance policy; and
- g. Evidence of zoning compliance, if applicable.

MBF may, on an exception basis, waive one or more of these requirements if MBF determines that doing so will not materially increase the risk associated with the particular Loan.

In addition, in the case of Loans secured, in whole or in part, by a mortgage or deed of trust on real property, MBF's underwriting guidelines generally require borrowers to maintain fire and extended coverage, public liability, and, if applicable, flood and/or builder's risk insurance. MBF must be named as an additional insured and loss payee/mortgagee on any such policy of insurance during the term of a Loan.

The terms and availability of Loans to be made by MBF have been established and are revised periodically by MBF's Board of Trustees. Loans are written at either a fixed or adjustable interest rate, and borrowers will have the option of choosing one of two adjustable interest rates within a twenty-five (25) year amortization for the permanent financing portion of a Loan. Interest rates may be immediately adjustable or fixed for three (3) or five (5) years, depending on the adjustable rate chosen by the borrower at the time of Loan closing. MBF's Staff Loan Committee sets interest rates.

The 3-year adjustable interest rate will remain the same for three years. It will adjust on each third anniversary of the loan to the then-current 3-year adjustable interest rate. It may not adjust more than 3.00% (300 basis points) up or down at any three-year adjustment or more than 5% (500 basis points) up to ten (10) years of the Loan. The 5-year adjustable interest rate will remain the same for a period of five years. It will adjust on each fifth anniversary of the Loan to the then-current 5-year adjustable interest rate. It may not adjust more than 5.00% (500 basis points) up or down at any five-year adjustment or more than 5% (500 basis points) up to ten (10) years of the loan. The minimum rate on any Loan shall be set no lower than 200 basis point below the three-year MBF-published rate at the time the Loan is made. MBF plans to maintain a 2.5% to 3% spread on its cost of funds.

MBF reserves the right to offer differing interest rates for Loans with different periods of interest rate adjustments or different maturity periods. Loans will generally be written for terms of three (3) or five (5) years with monthly payments based on an amortization period up to twenty-five (25) years. Interest-only payments will be required during the construction phase of a Loan, and construction Loan terms will not exceed eighteen (18) months. MBF may consider line of credit Loans for qualified borrowers for short-term borrowing or capital needs. MBF may charge a loan origination fee on its Loans, the minimum of which is \$500 and may be up to one percent (1%) of the Loan amount.

### **Material Loans and Loan Delinquencies**

MBF just began offering Loans to Eligible Ministries, and as of September 30, 2025 had not closed any Loans. Thus, there are no Loans that are more than ninety (90) days past due. There can be no assurance that delinquencies will not occur or increase in the future.

Due to the nature of the relationship with its borrowers, it is the policy of MBF to closely monitor Loan status and work with its borrowers to find solutions and assist in their efforts to meet Loan obligations. However, no assurance can be given that MBF will be willing to refinance, restructure or work out delinquent Loans in the future.

## Allowance for Loan Losses

MBF's allowances for Loan losses are maintained at a level that it believes is adequate to provide for potential losses. As of September 30, 2025, the aggregate allowance for credit losses was \$0.

## INVESTING ACTIVITIES

MBF maintains a significant investment portfolio in relation to its service as trustee, custodian, and endowment management of trusts. MBF holds these investments as restricted investments separately from the Notes. In addition, MBF invests a portion of the proceeds from the sale of Notes in accordance with its policy of maintaining reasonable liquidity and investing funds pending their use for MBF's charitable purposes. These Investments consist primarily of securities from which further income is generated for MBF's operation.

MBF partners with Oak City Consulting ("Oak City") in the fiduciary stewardship of MBF's investments. Oak City was started in 2012 in Wake Forest, North Carolina, for the sole purpose of assisting Christian Institutions, mainly foundations and endowments. Oak City works with foundations like MBF to build sound investment platforms that not only reflect a Biblical worldview but also deliver positive human impact. Oak City is a SEC registered Investment Advisor and acts as a co-fiduciary for the MBF. Oak City is responsible for manager selection, ongoing monitoring, and termination. Oak City or MBF may change any or all investment managers at any time without notice to participants. The Board of Trustees oversees the investment policy and reviews investment transaction on a quarterly basis. The President has the responsibility of implementing the policy.

Below is a summary of MBF's cash and Invested Funds as of September 30, 2025 (see Note 5 to the Financial Statements):

<u>Type of Investment</u>	<u>09/30/2025</u>	<u>% of Total</u>
Cash and cash equivalents	\$61,492,186	26.59%
Invested Funds		
Equity Securities	\$4,687,899	2.03%
Total Bond Mutual Fund	\$2,109,470	0.91%
Total Stock Mutual Fund	\$14,352,817	6.21%
Other Mutual Funds	\$1,037,118	0.45%
Corporate and Muni Bonds	\$489,898	0.21%
Investment Pools		
Money Market Funds and Commercial Paper	\$2,189,133	0.95%
Mutual Funds	\$44,126,008	19.08%
Investments Held at Net Asset Value or its Equivalent	\$100,734,530	43.57%
Total	\$231,219,059	100.00%

For the years ended September 30, 2025 and 2024, respectively, MBF's investment return consisted of interest and dividends of \$800,264 and \$719,696. For the years ended September 30, 2025 and 2024, respectively, MBF recorded net realized and unrealized gain and (loss) on certain Invested Funds of \$468,716 and \$1,458,706. See Note 2 to the Financial Statements.

## SELECTED FINANCIAL DATA

Below is a summary in tabular form of certain selected financial data with respect to MBF's operations as of September 30, 2025. This data has been compiled by management from MBF's audited financial statements, and it should be read in conjunction with the most recent audited financial statements of MBF (including the Notes thereto), which begin on page 28. This information has been derived from MBF's audited financial statements. The financial statements as of and for the years ended September 30, 2025, 2024, 2023, 2022, and 2021 have been audited by CliftonLarsonAllen LLP, independent accountants, as stated in their report appearing herein.

<u>Description of Selected Financial Data</u>	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
Cash and cash equivalents	\$61,492,186	\$52,169,312	\$43,696,513	\$41,858,948	\$25,547,483
Loans receivable	-0-	-0-	-0-	-0-	-0-
Unsecured Loans receivable	-0-	-0-	-0-	-0-	-0-
Unsecured Loans as a percentage of Loans, net	0%	0%	0%	0%	0%
Loan delinquencies in excess of 90 days as a percentage of Loans, net	0%	0%	0%	0%	0%
Total Assets	\$236,601,189	\$226,508,518	\$209,969,466	\$211,372,557	\$203,915,205
Notes payable	\$8,529,844	\$5,237,094	\$3,942,762	\$2,215,966	\$4,524,949
Note redemptions for the year then ended	\$1,939,390	\$2,559,030	\$1,128,167	\$2,880,373	\$1,309,561
Total net assets	\$24,494,162	\$20,551,603	\$18,025,713	\$16,942,072	\$17,354,594
Net assets without donor restrictions	\$13,581,615	\$10,422,116	\$9,770,157	\$5,038,483	\$4,927,333
Net assets with donor restrictions	\$10,912,547	\$10,129,487	\$8,255,556	\$11,903,589	\$12,427,261
Change in total net assets for the year then ended	\$3,942,559	\$2,525,890	\$1,083,641	\$(412,522)	\$6,044,901
Change in net assets without donor restrictions	\$3,159,499	\$651,959	\$4,731,674	\$111,150	\$1,387,945
Change in net assets with donor restrictions	\$783,060	\$1,873,931	\$(3,648,033)	\$(523,672)	\$4,656,956

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The senior leadership team of MBF, consisting of MBF's executive officers, reviews MBF's overall financial position monthly. MBF's operating philosophy is to maintain a position of liquidity sufficient to provide for operating cash requirements, a capital position sufficient to support its financial position and operations, and a margin of assets over liabilities. MBF's Board of Trustees may modify existing procedures or implement new procedures to enable MBF to operate under changing economic conditions.

For the years ended September 30, 2025, and 2024, respectively, MBF had total assets of \$236,601,189 and \$226,508,518. Total net assets without donor restrictions totaled \$13,581,615 in 2025 and \$10,422,116 in 2024. Total net assets with donor restrictions totaled \$10,912,547 in 2025 and \$10,129,487 in 2024. MBF experienced a positive change in net assets of \$3,942,559 in 2025 and \$2,525,890 in 2024. For the years ended September 30, 2025 and 2024, respectively, Net Cash Provided by Operating Activities was \$5,575,403 and \$7,289,101.

*Source of Funds for Payment of Notes* – Under MBF’s method of accounting, interest payments on Notes will be made from MBF’s operating income and net assets without donor restrictions, and principal payments on Notes will be made from MBF’s assets, exclusive of new Note proceeds. MBF anticipates that new Note proceeds will not be needed (except on a “cash flow” basis) for operating expenses or to repay interest and principal due on Notes. See “Use of Proceeds” on page 13. However, there is no guarantee that the anticipated results will occur.

*Capital Adequacy* – The net assets of MBF are anticipated to support MBF’s ability to maintain its operations. As of September 30, 2025, MBF’s net assets as a percentage of its total assets were 10.35% (which is greater than the NASAA SOP minimum standard of 5%) determined as follows:

	<u>9/30/2025</u>
Net Assets	\$24,494,162
Total Assets	\$236,601,189
Net Assets Percentage of Total Assets	10.35%

MBF strives to maintain a strong capital position to support MBF’s operations and growth.

*Liquidity* – It is MBF’s policy to maintain at all times an aggregate operating and reserve liquidity, comprised of cash, cash equivalents, readily marketable securities and immediately available funds through a line of credit, equal to at least 8% of MBF’s principal balance of all outstanding Notes to provide for cash requirements of MBF as well as reserve liquidity. As of September 30, 2025, MBF had cash and Invested Funds equal to 2,711% of the total outstanding Notes (which is greater than the NASAA SOP standard of 8%) as follows:

	<u>9/30/2025</u>
Cash	\$61,492,186
Investments	\$169,726,873
Total Cash and Invested Funds	\$231,219,059
Notes payable	\$8,529,844
Cash and Invested Funds Percentage of Notes payable	2,711%

*Cash Flow* – The ratio of available cash, cash equivalents and Invested Funds as compared to cash redemptions is expected to be at least one to one (1:1) pursuant to the NASAA SOP and, therefore, is anticipated to be sufficient to meet its cash requirements for expenses as well as payments of interest and principal due on Notes. However, there is no guarantee that the anticipated results will occur. As of the date of this Offering Circular, MBF has not closed any Loans, and there are no Loan repayments or Loan disbursements to report.

	<u>2025</u>
Net cash provided by (used in) operating activities	\$5,575,403
Liquid assets, including cash, cash equivalents, and readily marketable securities (at beginning of year)	\$117,328,657
Loan Repayments	\$0
Cash from sale of Notes	\$8,529,844
Available line of credit (at beginning of year)	\$0
<u>Loan Disbursements</u>	<u>\$0</u>
Total Available Cash	\$131,433,904
<u>Redemptions of Certificates</u>	<u>\$1,939,390</u>
Ratio	68:1

*Loan Delinquencies* –As of September 30, 2025, MBF had not closed any Loans. Thus, there were no Loans more than ninety (90) days past due. There can be no assurance that delinquencies will not increase in the future.

*Operating Trends* –As of September 30, 2025, MBF had a surplus of income over expenses, and MBF's total change in net assets was \$3,942,559. MBF's total change in net assets has been positive for four (4) out of the last five (5) fiscal years.

*Interest Rate Management* – MBF's method of determining interest rates on Notes and Loans is based upon an effort to reduce the risks pertaining to the differential between borrowing and lending rates. Prior to closing a Loan, MBF limits the length of time to which it is committed to an initial Loan interest rate to forty-five (45) days. MBF may charge a penalty for early withdrawal of Term Notes. See "Withdrawal and Early Withdrawal Penalties" on page 22. MBF has implemented these procedures to allow it to operate under fluctuating economic conditions.

## DESCRIPTION OF NOTES

***Investments offered by the Missouri Baptist Foundation are not bank deposits or obligations and are not insured by the FDIC, the SIPC or any other federal or state agency.***

MBF may issue up to Fifty Million Dollars (\$50,000,000) of its Notes during the twelve (12)-month period ending January 31, 2027. This amount may be issued in any one or more of the types of Notes and may be issued in the state of Missouri to the extent qualified for offer and sale in such jurisdiction. Notes will be offered to eligible Investors and must be purchased in minimum face amounts of One Thousand Dollars (\$1,000) for Demand Notes and One Thousand Dollars (\$1,000) for Term Notes. The terms of any Notes purchased pursuant to this Offering Circular will remain as described in this Offering Circular. However, no assurance can be given that the terms of any Notes offered in future issues will remain the same as those described herein.

### **Cash and Term Investments**

**Cash Investments ("Cash Investments")** - A Demand Note with an interest rate may be adjusted monthly and which permits additions to principal and withdrawals at any time without penalty or service fee upon request. Withdrawals can be made at any time without penalty. Minimum investment of One Thousand Dollars (\$1,000). In its discretion, MBF may impose a maximum investment limit. MBF offers Cash Investments to facilitate a means of capitalizing on the pooling of funds rather than funding Loans for Eligible Ministries. MBF pools the funds from the Cash Investments in FDIC products where MBF is the insured to provide the best possible rate to the Investor.

**Term Investments ("Term Investments")** – A Term Note with an interest rate that remains fixed throughout its term, with available term of six (6) months, nine (9) months, one (1) year, eighteen (18) months, two (2) years, three (3) years, and five (5) years, as may be offered by MBF from time to time. Minimum investment of One Thousand Dollars (\$1,000). MBF offers Term Investments to facilitate a means of capitalizing on the pooling of funds rather than funding Loans for Eligible Ministries. MBF pools the funds from the Term Investments in FDIC products where MBF is the insured to provide the best possible rate to the Investor.

### **Enhanced Investments**

**Enhanced Cash Investments ("Enhanced Cash Investments")** – A Demand Note with an interest rate that may be adjusted on a monthly basis and which permits additions of principal and withdrawals at any time without any penalty or service fee upon request. Minimum investment of One Thousand Dollars (\$1,000). In its discretion, MBF may impose a maximum investment limit. MBF offers Enhanced Cash Investments to make funds available for Loans and Ministry Activities.

**Enhanced Term Investments ("Enhanced Term Investments")** – A Term Note with an interest rate that remains fixed throughout its term, with available terms of periods of six (6) months, one (1) year, three (3) years and five (5) years, as may be offered by MBF from time to time. Minimum investment of

One Thousand Dollars (\$1,000). In its discretion, MBF may impose a maximum investment limit. MBF offers Enhanced Term Investments to make funds available for Loans and Ministry Activities.

Interest rates are set effective as of the first day of each month, and interest rates quoted are annualized rates. Interest is paid at maturity for Term Notes.

MBF will accept payment for Notes in the form of check, cashier's check, money order or electronic funds transfer. MBF offers no financing terms. The Notes offered and issued by MBF are issued as uncertificated securities (*i.e.*, in book-entry form), and the right of Investor(s) in such Notes will be reflected upon the books and records of MBF. The terms and conditions of Notes will be construed under and governed by Missouri law. The Investor will receive a periodic statement indicating the balance of a particular investment including any additions, withdrawals and any interest credited, withdrawn or accumulated.

## **Interest**

Notes will bear interest at a rate that is determined from time to time in accordance with the then current policies of MBF. The interest rate on a Term Note does not vary over the term of the Note. The interest rate on a Demand Note may be adjusted monthly. See "Demand Notes" below. MBF will review certain factors, such as investment gap analysis, cash flow needs and the current policy of the Federal Reserve, before establishing each month's rate of interest. MBF will provide potential and existing Investors with current interest rates on Notes along with this Offering Circular and, at any other time, upon request.

MBF reserves the right to change the method by which interest is determined or the frequency with which interest is paid to the Investor or added to the Notes. If MBF exercises its right to change the method by which interest is calculated or the frequency in which interest is paid on existing Notes, including less frequent accrual or interest posting, the holders of such Notes will receive written notification describing the changes and the method of determining rates of such Notes. If upon receiving the notice, Investors wish to make a complete withdrawal, they may do so within thirty (30) days of receiving the notice. For the last payment of interest only, they may also be paid interest at the rates in effect for these Notes during the preceding month, provided they notify MBF within this thirty (30)-day period.

MBF will establish interest rates on a monthly basis for Demand Notes and for Term Notes having terms of six (6) months to five (5) years, as may be offered by MBF from time to time. MBF may, from time to time, establish separate interest rates for investments of only new funds that are different from the interest rates applicable to rollovers or reinvestments of existing investments.

## **Term Notes**

Term Investments and Enhanced Term Investments are collectively referred to herein as "Term Notes." Term Investments may be offered singularly for terms of six (6) months, nine (9) months, one (1) year, eighteen (18) months, two (2) years, three (3) years, and five (5) years. Investors may invest in Term Notes on any business day. Enhanced Term Investments may be offered singularly for terms of six (6) months, one (1) year, three (3) years, and five (5) years. Investors may invest in Term Notes on any business day. Term Notes are automatically renewed at maturity at the then current rate of interest for the same term, unless an investor sends a written demand for redemption within fifteen (15) days of the maturity date. If the current term is not offered, the Term Note will mature, interest paid, and convert to a Demand Note. MBF will send an Investor a renewal notice thirty (30) days prior to maturity.

Interest is accrued daily and computed on a 365/actual day schedule. Interest is paid at maturity for Term Notes.

Term Notes may be withdrawn at maturity without penalty. A partial withdrawal shall be considered an early redemption of the Term Note, which may incur a penalty. For a Term Note that is twelve (12) months or less, the early redemption penalty is three (3) months of interest. For a Term Note that is longer than twelve (12) months, the early redemption penalty is six (6) months of interest.

MBF will distribute funds within seven (7) business days upon written notification from the Investor.

MBF's Notes are not insured by the FDIC, SIPC, or any other governmental agency. MBF's Notes will be unsubordinated debts, and if it liquidates or distributes MBF's assets upon bankruptcy, reorganization or similar proceedings, all unsubordinated Notes will have an equivalent claim to MBF's assets.

### **Demand Notes**

Cash Investments and Enhanced Cash Investments are collectively referred to herein as "Demand Notes." Investors may invest in Demand Notes on any business day. Funds will remain invested in Demand Notes until the Investor sends a written notice of withdrawal or reallocation to MBF. Demand Notes have a daily maturity. Distributions shall be made from Demand Notes upon written request to MBF by the Investor, and there is no fee or penalty for distribution of funds. Funds shall be distributed within seven (7) business days upon written notification of the Investor to MBF. Upon termination of the investment, funds shall be distributed within seven (7) business days.

### **Maturity/Automatic Rollover**

At least thirty (30) days prior to maturity of a Term Note, MBF will send a written notice and a new Offering Circular to Investors, unless the Investor has previously received a current Offering Circular. The notice given by MBF shall state the maturity date of such Note and that the Note shall be automatically renewed at the current interest rate in effect on the date of maturity for such type and term of Note and under the terms described in the then current Offering Circular, unless the Investor elects in writing within fifteen (15) days before or after the Note's maturity date to redeem the Note or to reinvest the amount due thereunder into a new Note. An automatically renewed Note may be assigned a new Note investment number. If MBF is then offering a separate interest rate for investments of only new funds, that separate interest rate will not apply to a rollover or reinvestment, and only the rate then applicable to rollovers or reinvestments not involving new funds will apply. In the event that an Investor elects to redeem without reinvestment, MBF will pay to the Investor named in such Note the full amount of principal outstanding plus any interest added to principal and not previously withdrawn.

### **MBF's Early Redemption Right**

MBF has the right to call Notes for redemption at any time upon thirty (30) days written notice. In such event, interest will be paid to the date of redemption.

### **Withdrawal and Early Withdrawal Penalties**

MBF is not required to redeem all or part of any Term Note prior to its maturity date. As a matter of policy, MBF may redeem Term Notes prior to the maturity date at the request of Investors upon a showing of need. When MBF agrees to redeem a Term Note prior to the maturity date, early withdrawal penalties consist of three (3) months of interest for a term that is twelve (12) months or less and six (6) months of interest for a term that is longer than twelve (12) months.

Management of MBF may consider any extenuating circumstances that cause an Investor to request an early withdrawal and may waive some or all of any early withdrawal penalty. In no event, however, will any early withdrawal penalty be applied in the case of a redemption of a Note occurring upon or as a result of the death of the Investor in whose name such Note was issued.

In addition, in the event that the balance of a Note would, upon a withdrawal or partial redemption, fall below \$250 in the case of a Demand Note or below \$1,000 in the case of a Term Note, the balance of such Note may be fully redeemed without notice to the Investor or, in lieu of such full redemption, the interest rate may be reduced to the then current rate applicable to Demand Notes.

### **Unsecured General Obligation Status of Notes**

The Notes are unsecured and of equal priority with all other current indebtedness of MBF. MBF reserves the right to issue future obligations, or obtain a line of credit, secured by a first lien on its assets in an amount not to exceed ten percent (10%) of the tangible assets of MBF (total assets less intangible assets as defined by U.S. GAAP). To the extent that MBF incurs any senior secured indebtedness, then repayment

of such line of credit or indebtedness will have priority in MBF's assets over all other unsecured creditors of MBF, including Investors.

### **Additional Information**

MBF reserves the right at any time to discontinue offering any of the Notes described herein without the need to supplement this Offering Circular. MBF also reserves the right at any time to offer additional Notes having terms different than the terms of the Notes described in this Offering Circular. The Notes are non-negotiable and may be assigned or transferred only upon MBF's written consent.

### **PLAN OF DISTRIBUTION**

The primary means for marketing the Notes is through promotional materials in Christian publications, Missouri Baptist Foundation website, social media, electronic mail, radio, video, and direct mail. MBF will make the Offering Circular and purchase application form available on its website, by e-mail, or mail. An MBF home page ([www.mbf.org](http://www.mbf.org)) and other accessible pages of the website contain the Offering Circular, Application Form, Current Rates and promotional information for existing and prospective Investors. In addition, promotional materials may be distributed at church conferences, national and regional meetings, retreats and seminars at which a representative for MBF may discuss the nature and purpose of MBF's work. Each Investor will be provided a copy of the Offering Circular prior to the Investor's purchase of Notes. No offers to purchase will be accepted prior to the time that an Investor has executed a purchase application form acknowledging that he or she received a current Offering Circular. All sales are made by trustees, officers and/or employees of MBF. No underwriting or selling agreements exist, and no direct or indirect remuneration will be paid to any person in connection with the offer and sale of Notes. Notes will be offered and sold only to Investors. (See definition of "Investor" on page 6 of this Offering Circular).

### **TAX ASPECTS**

Investors will not receive a charitable deduction upon the purchase of a Note. The interest payable on the Notes will be taxable as ordinary income to the Investor in the year it is paid or accrued, regardless of whether it is actually paid out to the Investor. If interest is accrued over the life of the Note and paid at the maturity date, the Investor must report such interest as income on their federal and state income tax returns as it accrues. Transferability of the Notes is limited, and it is unlikely that there would be a sale or exchange of a Note. Upon a sale or exchange, the Investor would generally report as either a short-term or long-term gain or loss depending upon the length of time held, the gain or loss being equal to the difference between the amount the Investor paid for the Note and the amount the Investor received upon sale or exchange of the Note, less accrued interest. Investors who hold Notes until their maturity will not be taxed on the return of the principal purchase price or on previously accrued and taxed interest. Any excess will be interest income taxable in the year of maturity.

Under Section 7872 of the Internal Revenue Code of 1986, as amended (the "Code"), if the interest paid on a Demand Note is less than the Applicable Federal Rate, or if the interest payable on a Term Note is less than the Applicable Federal Rate on the date a Term Note is issued, then the Investor may be subject to imputation of interest income if the amount of Notes held by the Investor with MBF exceeds Two Hundred Fifty Thousand Dollars (\$250,000). Investors should consult their tax advisors.

MBF will notify Investors of interest earned on Notes by sending them IRS Form 1099 by January 31st of each year. Investors who do not provide MBF with their correct social security number or Federal tax identification number will be subject to backup withholding of twenty-four percent (24%) on interest earned as required by law.

### **LITIGATION AND OTHER MATERIAL TRANSACTIONS**

MBF received a determination letter from the Internal Revenue Service on December 7, 2023 confirming that it is a tax-exempt organization under Section 501(c)(3) of the Code. The Board of Trustees and management of MBF are not aware of any other action, proceeding, inquiry, or investigation at law or in equity, before any court or public agency, board or body pending or, to the knowledge of MBF, threatened against it (i) affecting the existence of MBF, (ii) seeking to prohibit, restrain or enjoin the issuance and sale

of Notes, (iii) in any way contesting or affecting the validity or enforceability of the Notes, or (iv) in which an adverse determination would have an adverse material impact on MBF. Furthermore, the Board of Trustees and management of MBF are not aware of any actual or threatened litigation involving any trustee or officer of MBF pertaining to their duties as a trustee or officer of MBF.

### **MATERIAL AFFILIATED/RELATED PARTY TRANSACTIONS**

In January 2020, MBF entered into a lease with MBC for MBF's principal office space in Jefferson City, MO. The lease term is seven years, and MBF paid for leasehold improvements at the inception of the lease in lieu of a regular rent payment that was fully amortized in fiscal year 2019 in the amount of \$104,115. The fair value of the lease is \$186,909, and the difference from the leasehold improvements is \$82,793, which was recorded as in-kind revenue in 2019. The other asset and in-kind lease revenue are being expensed monthly over the term of the lease, with expenses recorded of \$14,874 in both 2025 and 2024 and total donated lease expense for 2025 and 2024 is \$11,828. In May 2025, a new short term lease was signed with the lease commencement in January 2026, expiring in December 2026.

During the years ended September 30, 2025, and 2024, MBF made payments of \$381,339 and \$359,782, respectively, to the MBC for trust-related distributions, including both custodial and non-custodial payments. In addition, accounts payable and accrued expenses on September 30, 2025 and 2024 included \$304,399 and \$285,295, respectively, of distribution payables to the MBC. Also, MBF receives funds from the MBC's cooperative program; the amounts received in fiscal years 2024 and 2023 were \$100,296 and \$98,957, respectively.

Except as otherwise disclosed in this Offering Circular, there have been no material transactions between MBF and any trustee or officer of MBF, or any borrower or other entity with which a trustee or officer of MBF is affiliated, during the three-year period immediately preceding the date of this Offering Circular. Any future transaction between MBF and a trustee or officer of MBF, or any other entity with which a trustee or officer of MBF is affiliated, will be made and entered into on terms no less favorable to MBF than those that MBF could obtain with an unaffiliated third party. With respect to any future affiliated transaction, a majority of MBF's independent, disinterested trustees must approve such affiliated transaction.

### **MANAGEMENT**

#### **Organizational Structure**

MBF is a nonprofit corporation, incorporated in the State of Missouri on August 15, 1946. MBF has one (1) corporate member, the MBC. See "History and Operations" on page 12 for a detailed description of the relationship between MBF and MBC, and other organizational details.

#### **Trustees and Officers**

As described in "History and Operations" on page 12, the management affairs of MBF are conducted by its Board of Trustees consisting of at least twelve (12) trustees as established from time to time by duly adopted resolution of the Board of Trustees. Of these twelve (12) trustees, only four (4) may be ministers. All members of the Board of Trustees must be members of the MBC-affiliated churches and are elected by the MBC at the MBC's annual meeting. Each trustee is elected to a four (4)-year term and is eligible for election to a second term. Terms are staggered so that no more than one-third (1/3) of the trustees are replaced at any one time. Each MBF officer is elected to serve a one (1)-year term. The day-to-day operations of MBF are carried out under supervision of the President of MBF.

MBF is an entity of the MBC and is governed by the MBC Bylaws. Each entity of the MBC is governed by a Board of Trustees elected by the MBC. Each entity's governing Board of Trustees has a fiduciary relationship both with the Entity and the MBC and holds the assets as stewards in trust for the MBC.

#### **Remuneration**

Members of MBF's Board of Trustees do not receive compensation for their services to MBF. Trustees are reimbursed for actual expenses incurred in attending the trustee meetings of MBF. The

executive officers of MBF consist of the following officers: President and Chief Operating Officer. Officers of MBF are paid salaries, bonus (if applicable), retirement and insurance benefits, and auto/travel allowances or reimbursements. MBF had not made any Loans as of September 30, 2025, and therefore none of the direct and indirect annual compensation paid by MBF to its executive officers for the last fiscal year was allocated to its Loan program.

The following persons presently serve as the members of the Board of Trustees, and/or as the leadership of MBF, as designated:

### **MBF Leadership**

#### **DR. NEIL FRANKS (President and CEO)**

Dr. Neil Franks leads the Missouri Baptist Foundation as President and CEO, providing visionary leadership and strategic oversight. With advanced degrees in theology and ministry, including a Doctor of Ministry from Midwestern Seminary, Dr. Franks brings over two decades of experience in church and ministry leadership. In addition to his theological training, Dr. Franks holds the Chartered Financial Consultant (ChFC) and Certified Estate Planner (CEP) designations, equipping him with specialized expertise in financial planning and estate strategies. His responsibilities include strategic planning, investment oversight, and ensuring alignment with Biblical principles and fiduciary best practices.

#### **SHELLY VAUGHN (Chief Operating Officer)**

Shelly Vaughn serves as Chief Operating Officer, supporting Missouri Baptists, churches, individuals, and institutions in stewarding resources with purpose and integrity. She holds a B.S. in Business Administration with a focus on Management and Leadership and has earned the Certified Trust and Financial Advisor (CTFA) designation through Cannon Financial Trust Schools. Shelly also maintained a Missouri Broker's license for over 20 years. Her leadership ensures operational excellence and mission-driven financial guidance.

#### **ASHLEY MASSMAN (Director of Accounting)**

Ashley Massman serves as Director of Accounting, bringing a strong commitment to operational efficiency and service excellence. She earned her B.S. in Accounting in 2013 and her MBA in 2015. After nine years in private and for-profit business, Ashley obtained her CPA license in 2022. Her expertise ensures that churches and individual investors receive accurate, timely, and exceptional financial services.

#### **RUSSELL JONES (Church Loan Officer)**

Russell Jones serves as Church Loan Officer, bringing over 25 years of experience in church lending and commercial banking. He successfully launched and managed a church loan program for 16 years and has a deep understanding of financial solutions tailored to ministry needs. Russell is a graduate of Wingate University and the North Carolina School of Banking Mid-Management Program. His work supports churches in achieving their mission through responsible and strategic lending.

### **MBF Board of Trustees**

#### **ROB HAWKINS (Chairman)**

Term expires December 2028  
Partner - Hawkins, Yarber and Chambers Accounting  
CPA

#### **MIKE MCCOY (First Vice-Chairman)**

Term expires December 2027  
Retired Portfolio Manager - Regional Bank  
Retired CFA

#### **BRANDON KIESLING (Second Vice-Chairman)**

Term expires December 2028  
Minister  
PHD

**SYDNEY BURCKART**

Term Expires December 2029  
Attorney at Law  
Local Law Firm

**JIM CARVER**

Term expires December 2026  
Superintendent of Public School District  
Retired

**DAN CASE**

Term Expires December 2029  
Senior Portfolio Manager  
PSRS/PEerS of Missouri

**MIKE COMER**

Term expires December 2026  
Retired from 40-year automotive industry career  
Small Business Owner

**JASON MARLIN**

Term expires December 2027  
Pastor

**BRAD MARKS**

Term expires December 2026  
Consultant (Professional Services Risk Management)  
Major Software Company

**GARACH SMITH**

Term Expires December 2029  
Owner Insurance Agency/Real Estate Business

**JASON SPARKS**

Term expires December 2027  
Minister  
Former Financial Advisor – Major Firm

**JORDAN WORLEY**

Term expires December 2028  
Senior Accountant, Coffman and Company, P.C.  
CPA, CFP

**FINANCIAL STATEMENTS**

The audited financial statements included herein are the Consolidated Statements of Financial Position as of September 30, 2025 and 2024, the related Consolidated Statements of Activities, Consolidated Statement of Functional Expenses, and Consolidated Statements of Cash Flows for the years ended September 30, 2025 and 2024, and the related Notes to the Consolidated Financial Statements.

**INVESTOR REPORTS**

MBF's current audited financial statements will be made available to an Investor electronically with notice by email, unless an Investor requests a paper copy, in which case it will be mailed within one hundred twenty (120) days of the end of MBF's last fiscal year, and will also be made available to Investors upon written request.

## **INDEPENDENT ACCOUNTANTS**

MBF's Consolidated Statements of Financial Position as of September 30, 2025 and 2024 and the related Consolidated Statements of Activities, Consolidated Statement of Functional Expenses, and Consolidated Statements of Cash Flows for the years ended September 30, 2025 and 2024 have been audited by CliftonLarsonAllen LLP, independent accountants, as stated in their report appearing herein.

CliftonLarsonAllen LLP, independent accountants, has not been engaged to perform and has not performed, since the date of its report included herein any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures related to this offering document.

**MISSOURI BAPTIST FOUNDATION  
CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**MISSOURI BAPTIST FOUNDATION  
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## INDEPENDENT AUDITORS' REPORT

Audit Committee and Board of Trustees  
Missouri Baptist Foundation  
Jefferson City, Missouri

### **Report on the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Missouri Baptist Foundation, which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Missouri Baptist Foundation as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Missouri Baptist Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the 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 Missouri Baptist Foundation's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

***Auditors' 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 auditors' 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 Missouri Baptist Foundation'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 Missouri Baptist Foundation's ability to continue as a going concern for a reasonable period of time.

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

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

Management is responsible for the other information included in the annual report. The other information comprises the records, historical information and directories, but does not include the 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.

Audit Committee and Board of Trustees  
Missouri Baptist Foundation

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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
December 12, 2025

**MISSOURI BAPTIST FOUNDATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 61,492,186	\$ 52,169,312
Prepaid Expenses	76,851	66,799
Term Deposits	2,778,583	2,051,876
Notes Receivable	-	500,000
Equity Securities	4,687,899	4,685,640
Total Bond Mutual Fund	2,109,470	1,949,659
Total Stock Mutual Fund	14,352,817	13,007,668
Other Mutual Funds	1,037,118	1,392,224
Corporate and Muni Bonds	489,898	560,192
Investment Pools	147,049,671	141,413,870
Real Estate	2,235,450	2,213,650
Property, Net, SHI	-	5,208,953
Property and Equipment, Net	111,066	96,653
Operating Right-of-Use Asset	1,788	8,754
Other Assets	178,392	1,183,268
	<b>\$ 236,601,189</b>	<b>\$ 226,508,518</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accrued Distributions and Accrued Expenses	\$ 2,027,798	\$ 2,285,286
Annuities Payable	4,303,319	4,950,091
Operating Lease Liability	1,788	8,754
Notes Payable	-	4,987,451
Trusts Administered for Others	205,774,122	193,725,333
Total Liabilities	212,107,027	205,956,915
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	10,517,331	8,058,998
Board-Designated	3,064,284	2,363,118
Total Net Without Donor Restrictions	13,581,615	10,422,116
With Donor Restrictions	10,912,547	10,129,487
Total Net Assets	24,494,162	20,551,603
Total Liabilities and Net Assets	<b>\$ 236,601,189</b>	<b>\$ 226,508,518</b>

See accompanying Notes to Consolidated Financial Statements.

**MISSOURI BAPTIST FOUNDATION  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Investment Revenues and Gains:			
Investment Income on Endowments and Trusts	\$ 433,345	\$ 203,692	\$ 637,037
Interest Income	163,227	-	163,227
Net Realized and Unrealized Gains on Investments	304,258	164,458	468,716
Gain on Sale of Property	1,808,047	-	1,808,047
Total Investment Revenues and Gains	2,708,877	368,150	3,077,027
Lease Revenue	179,200	-	179,200
Administrative Fees	1,532,255	-	1,532,255
Contributions from Baptist Divisions and Constituents	2,290,871	611,848	2,902,719
Net Assets Released from Restrictions	196,883	(196,883)	-
Total	4,199,209	414,965	4,614,174
Total Revenues, Gains, and Other Support	6,908,086	783,115	7,691,201
<b>EXPENSES</b>			
Program Services:			
Money Management for Ministry	358,349	-	358,349
Possibility Planning for People	280,864	-	280,864
Support to Constituent Organizations	2,276,326	-	2,276,326
Total Program Services	2,915,539	-	2,915,539
Support Services:			
General and Administrative	833,048	-	833,048
Total Expenses	3,748,587	-	3,748,587
<b>TRANSFER TO TRUSTS ADMINISTERED FOR OTHERS</b>			
	-	(55)	(55)
<b>CHANGE IN NET ASSETS</b>			
	3,159,499	783,060	3,942,559
Net Assets - Beginning of Year	10,422,116	10,129,487	20,551,603
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 13,581,615</b>	<b>\$ 10,912,547</b>	<b>\$ 24,494,162</b>

See accompanying Notes to Consolidated Financial Statements.

**MISSOURI BAPTIST FOUNDATION  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Investment Revenues and Gains:			
Investment Income on Endowments and Trusts	\$ 426,307	\$ 164,534	\$ 590,841
Interest Income	128,855	-	128,855
Net Realized and Unrealized Gains (Losses) on Investments	14,602	1,444,104	1,458,706
Total Investment Revenues and Gains	569,764	1,608,638	2,178,402
Lease Revenue	252,000	-	252,000
Administrative Fees	1,426,534	-	1,426,534
Contributions from Baptist Divisions and Constituents	457,282	427,925	885,207
Net Assets Released from Restrictions	162,632	(162,632)	-
Total	2,298,448	265,293	2,563,741
 Total Revenues, Gains, and Other Support	 2,868,212	 1,873,931	 4,742,143
 <b>EXPENSES</b>			
Program Services:			
Money Management for Ministry	415,826	-	415,826
Possibility Planning for People	283,830	-	283,830
Support to Constituent Organizations	765,040	-	765,040
Total Program Services	1,464,696	-	1,464,696
Support Services:			
General and Administrative	738,505	-	738,505
Total Expenses	2,203,201	-	2,203,201
 <b>TRANSFER TO TRUSTS ADMINISTERED FOR OTHERS</b>	 (13,052)	-	 (13,052)
 <b>CHANGE IN NET ASSETS</b>	 651,959	 1,873,931	 2,525,890
Net Assets - Beginning of Year	9,770,157	8,255,556	18,025,713
 <b>NET ASSETS - END OF YEAR</b>	 \$ 10,422,116	\$ 10,129,487	\$ 20,551,603

See accompanying Notes to Consolidated Financial Statements.

**MISSOURI BAPTIST FOUNDATION  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2025**

	<u>Program Services</u>			<u>Support Services</u>	
	<u>Money Management for Ministry</u>	<u>Possibility Planning for People</u>	<u>Support to Constituent Organizations</u>	<u>General and Administrative</u>	<u>Total</u>
Information Technology	\$ 46,751	\$ 36,439	\$ 45,084	\$ 64,911	\$ 193,185
Client Education and Development	574	574	574	43,583	45,305
Audit Expense	-	-	-	45,830	45,830
Rentals and Subscriptions	1,254	978	1,210	5,995	9,437
Depreciation Expense	6,505	6,505	6,505	17,306	36,821
Insurance and Bonding	-	-	-	59,240	59,240
Lease	-	-	-	33,901	33,901
Legal	-	-	15,706	19,378	35,084
Miscellaneous	-	-	477	-	477
Salaries and Benefits	292,938	228,320	282,492	310,398	1,114,148
Staff Development	1,594	1,242	1,537	1,487	5,860
Travel Expenses	8,017	6,248	7,730	34,714	56,709
Grants	-	-	1,900,687	-	1,900,687
Consulting	716	558	690	15,667	17,631
Office Supplies and Software	-	-	1,134	-	1,134
Taxes and Licenses	-	-	12,500	-	12,500
Interest Expense	-	-	-	180,638	180,638
<b>Total Expenses</b>	<b><u>\$ 358,349</u></b>	<b><u>\$ 280,864</u></b>	<b><u>\$ 2,276,326</u></b>	<b><u>\$ 833,048</u></b>	<b><u>\$ 3,748,587</u></b>

See accompanying Notes to Consolidated Financial Statements.

**MISSOURI BAPTIST FOUNDATION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2024**

	<u>Program Services</u>			<u>Support Services</u>	
	<u>Money Management for Ministry</u>	<u>Possibility Planning for People</u>	<u>Support to Constituent Organizations</u>	<u>General and Administrative</u>	<u>Total</u>
Information Technology	\$ 48,025	\$ 32,635	\$ 27,730	\$ 32,157	\$ 140,547
Client Education and Development	1,235	1,235	1,235	34,010	37,715
Audit Expense	-	-	-	41,481	41,481
Rentals and Subscriptions	1,616	1,098	933	5,175	8,822
Depreciation Expense	2,690	2,690	2,690	22,974	31,044
Insurance and Bonding	-	-	-	54,246	54,246
Lease	-	-	-	33,901	33,901
Legal	-	-	5,350	3,342	8,692
Miscellaneous	-	-	291	5,485	5,776
Salaries and Benefits	349,025	237,178	201,529	236,041	1,023,773
Staff Development	2,259	1,535	1,304	1,513	6,611
Travel Expenses	8,196	5,570	4,733	18,509	37,008
Grants	-	-	516,486	-	516,486
Consulting	2,780	1,889	1,605	1,861	8,135
Office Supplies and Software	-	-	1,154	-	1,154
Taxes and Licenses	-	-	-	-	-
Interest Expense	-	-	-	247,810	247,810
<b>Total Expenses</b>	<b><u>\$ 415,826</u></b>	<b><u>\$ 283,830</u></b>	<b><u>\$ 765,040</u></b>	<b><u>\$ 738,505</u></b>	<b><u>\$ 2,203,201</u></b>

See accompanying Notes to Consolidated Financial Statements.

**MISSOURI BAPTIST FOUNDATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 3,942,559	\$ 2,525,890
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	36,821	31,044
Net Realized and Unrealized Gain on Investments	(468,716)	(1,458,706)
Net Realized and Unrealized Gain on Investments Related to Trusts Administered for Others	(6,628,043)	(5,899,444)
Gain on Disposal of Property and Equipment	(1,808,047)	-
Gain on Increase in FMV of Other Investments	(21,800)	(1,267,480)
Contributions Restricted for Long-Term Investment	(611,848)	(427,925)
Change in Assets and Liabilities:		
Prepaid Expenses	(10,052)	2,105
Operating Right-of-Use Asset	6,966	(6,682)
Operating Lease Liability	(6,966)	6,682
Accrued Distributions and Accrued Expenses	(257,488)	337,353
Annuities Payable	(646,772)	297,662
Trusts Administered for Others	12,048,789	13,148,602
Net Cash Provided by Operating Activities	5,575,403	7,289,101
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	61,688,296	68,480,169
Purchase of Investments	(61,030,988)	(67,494,478)
Purchase of Property and Equipment	(29,234)	(58,261)
Proceeds from Disposition of Property and Equipment	6,995,000	-
Payment for Notes Receivable	-	(500,000)
Principal Collections on Notes Receivable	500,000	-
Net Cash Provided by Investing Activities	8,123,074	427,430
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of Principal on Note Payable	(4,987,451)	(123,773)
Proceeds from Notes Payable	-	452,116
Proceeds from Contributions Restricted for Long-Term Investment	611,848	427,925
Net Cash Provided (Used) by Financing Activities	(4,375,603)	756,268
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	9,322,874	8,472,799
Cash and Cash Equivalents - Beginning of Year	52,169,312	43,696,513
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 61,492,186	\$ 52,169,312

See accompanying Notes to Consolidated Financial Statements.

**MISSOURI BAPTIST FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of the Organization**

The purpose of the Missouri Baptist Foundation (the Foundation) is to strengthen the mission and ministry efforts of Missouri Baptists within the state and around the world by developing, managing, and distributing financial resources for the support of those efforts as the trust services agency of the Missouri Baptist Convention. In furtherance of such end, the Foundation shall promote Christian estate stewardship and assist with planning and implementation of charitable gift arrangements, may receive by bequest, devise, gift, purchase, or lease, either absolutely or in trust, any property, real personal or mixed, and shall administer such property and invest and reinvest the same, or the proceeds thereof, in such manner as in the judgment of the Trustees will best promote such objects.

Straightway Holdings, Inc. (SHI) was certified November 15, 2019 for the purpose of engaging in transactions involving real and personal property which advance, are compatible with, and are supportive of the religious and charitable purposes of the Missouri Baptist Foundation, the Missouri Baptist Convention, and its statement of faith.

**Principles of Consolidation**

The consolidated financial statements include the accounts of the Missouri Baptist Foundation and its subsidiary entity, Straightway Holdings, Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

**Basis of Accounting**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Basis of Presentation**

Under the accounting standards set forth by the Financial Accounting Standards Board (FASB), the Foundation is required to report contributions received and net assets as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Restricted is a term used to describe net assets that have been donated to the Foundation with specific donor restrictions. Donor-imposed restrictions are based on purpose or time.

Net assets with donor restriction in perpetuity must be maintained by the Foundation in perpetuity, the income of which is primarily expendable to support the Foundation or other Baptist organizations the donor has designated. Net assets with donor restrictions are those net assets whose use by the Foundation has been limited by the donor (a) to later periods of time or after a specific date or (b) to specific purposes. Net assets with donor restrictions represent accounts containing funds to be distributed to constituent organizations. Net assets without donor restriction include those net assets whose use is not restricted by the donor, even though their use may be limited in other respects, such as board designation. Net assets without donor restrictions relate to donations received and revenue earned for the general purpose of the Foundation.

**MISSOURI BAPTIST FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Contributions**

Contributions received, including unconditional promises, are recognized as revenue when the donor's commitment is received. All contributions are considered available for use without restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. However, if a restriction is fulfilled in the same time period the contribution is received, the Foundation reports the support as without donor restrictions. For contributions with donor-imposed conditions, that is, those with a measurable performance or other barrier and a right of return or release, revenues are recognized at the time the conditions are substantially met, regardless of the timing of cash receipt.

The Foundation reports gifts of land, buildings, and equipment as without donor restrictions support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Foundation recognizes transfers of nonfinancial assets received from or for transfer to a specified beneficiary together with a corresponding liability in circumstances where the Foundation does not have variance power and is not financially interrelated with the specified beneficiary.

**Fair Value Measurements**

*Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements*, 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. ASC Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

*Level 1* – Quoted prices in active markets for identical assets or liabilities.

**MISSOURI BAPTIST FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

*Level 2* – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3* – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market mutual funds, certain mutual funds, and equities. If quoted market prices are not available, then fair values are estimated by using pricing models or quoted prices of securities with similar characteristics. These Level 2 securities include mortgaged and asset-backed securities, corporate and municipal bonds, U.S. government agencies, and certain fixed incomes. Inputs used to value Level 2 securities include interest rates for similar debt securities and treasury obligations with similar maturities.

Any transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs), and Level 3 (significant unobservable inputs) are recognized on the period ending date.

**Fair Value of Financial Instruments**

The carrying amount of cash, cash equivalents, and term deposits approximate fair value. The fair value of notes payable is estimated based on the borrowing rates currently available to the Foundation for bank loans with similar terms and maturities. The fair value of annuities payable and trusts administered for others is based on the present value of the estimated annuity or other payments under such obligations. Discount rates are determined based on applicable agreements.

**Cash Equivalents**

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents. At September 30, 2025 and 2024, cash equivalents consisted primarily of money market accounts and term deposits.

**MISSOURI BAPTIST FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Credit Risk**

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and investments. The Foundation utilizes an insured cash sweep program which places the funds at various banks keeping the balances within Federal Deposit Insurance Corporation deposit insurance limits. The Foundation's investments are subject to the inherent risks associated with the securities market. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Foundation's ability to maintain sufficient liquidity.

**Investments and Investment Return**

Investments in equity securities have a readily determinable fair value. Investments in debt securities are carried at fair value. The value of investments held in trust related to real estate is based on the original donor cost or most recent appraised or assessed value. Investment return, net of fees, includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statements of activities as without donor restrictions or with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

**Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Expenditures exceeding \$2,500 for property and equipment are capitalized. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Furniture, equipment, software, and automobiles are depreciated over periods ranging from 3 to 10 years. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

**Long-Lived Asset Impairment**

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

**MISSOURI BAPTIST FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Annuities Payable and Trusts Administered for Others**

Annuities payable represents an annuity obligation from two types of planned giving arrangements: charitable trusts and gift annuities.

Charitable trusts provide for payment to individual beneficiaries over lifetime(s) and/or for a defined term. At the end of the term, the remaining assets are distributed to donor-designated charitable beneficiaries. An annuities payable liability is recorded until the end of the trust term, at which time the remaining asset is paid to the designated beneficiary. The present value liability is calculated annually based on actuarial assumptions. Fair value at September 30, 2025 and 2024 is \$7,338,283 and \$7,338,509, respectively, while the recorded liability is \$3,291,999 and \$3,441,326, respectively.

Gift annuities provide for payment to a named annuitant(s) over their lifetime(s). The payment is guaranteed by the Foundation or by the designated charitable beneficiary through an agreement with the Foundation. An annuities payable liability is recorded until the projected termination of the annuity payment obligation based upon the present value of the expected payments over the life expectancy of the annuitant(s). The current annuity values are valued at fair value. The Foundation reviewed investment return assumptions published by the American Council of Gift Annuities along with internal investment return assumptions of assets held by Foundation gift annuities in determining the discount rate to apply for the present value calculation. A discount rate of 3.5% was applied to determine the liability at September 30, 2025 and 2024. Fair value at September 30, 2025 and 2024 is \$1,387,437 and \$2,218,343, while the recorded liability is \$1,011,320 and \$1,508,765, respectively.

The total of the above annuity payables at September 30, 2025 and 2024 is \$4,303,319 and \$4,950,091, respectively, which represents the present value of total future annuity obligations. The Foundation holds and/or has internally designated \$8,726,209 and \$9,556,852 of assets to satisfy these annuities payable at September 30, 2025 and 2024, respectively.

Trusts Administered for Others represents the fair value amount of the planned giving instruments referenced above, less their proportionate recorded liability, along with fund management and trust relationships where the Foundation has a fiduciary responsibility for the safekeeping, investment management and distribution of such fund to donor designated Baptist organizations, individuals, and custodial clients.

**Expense Allocation**

Expenses are charged to program services and supporting activities on the basis of periodic time and expense evaluations predominantly based on employee time estimates. Administrative and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. These allocations are based on job duties and payroll percentage allocations are utilized. Certain expenses, such as depreciation are directly identified as administrative or general or program based on space and usage.

**MISSOURI BAPTIST FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Program Services**

The Foundation classifies its program service expenses into three primary categories:

*Money Management for Ministry* – Asset management and accounting for institutions and church loans

*Possibility Planning for People* – Trustee services and generosity education

*Support of Baptist Constituents* – Financial strategy design, estate and gift planning and generosity education.

The Foundation continually seeks new ways to serve our clients and support Missouri Baptist churches in advancing the gospel. During the 2025 year-end, one significant area of need that emerged was improved access to capital for churches. After reviewing the successful operations of similar programs administered by other state Baptist foundations, the Foundation's Board of Trustees (the Board) authorized management to explore the development of a church lending ministry. More than a year ago, the Board formally voted to study this opportunity, and in August 2025, the Board granted full approval to launch what is commonly known as a Church Extension Fund (CEF).

The Foundation believes that the combined impact of the Church Extension Fund and capital stewardship services will strengthen Missouri Baptist churches, enhance ministry sustainability, and generate positive cash flow to support the Foundation's ongoing mission of advancing the gospel across Missouri.

**Income Taxes**

The Foundation is organized as a Missouri nonprofit corporation and recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as an organization described in Internal Revenue Code (IRC) Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The Foundation files a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Based on the evaluation of the Foundation's tax positions, management believes all positions taken would be upheld, thus no provision for the effects of uncertain tax positions have been recorded at September 30, 2025 and 2024.

**Leases**

The Foundation leases office space. The Foundation determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the consolidated statements of activities.

**MISSOURI BAPTIST FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025 AND 2024**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

ROU assets represent the Foundation’s right to use an underlying asset for the lease term and lease liabilities represent the Foundation’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Foundation uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the consolidated statements of financial position.

The Foundation has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**NOTE 2 INVESTMENT RETURN**

Investment return consists of the following for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Interest and Dividends	\$ 800,264	\$ 719,696
Net Realized and Unrealized Gains	468,716	1,458,706
Total	<u>\$ 1,268,980</u>	<u>\$ 2,178,402</u>

The Foundation allocates investment return to its donors’ accounts according to the terms and types of agreements.

**MISSOURI BAPTIST FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 3 INVESTMENT POOLS**

To obtain flexibility, the Foundation pools the investments of various funds. A participating fund changes its ownership in the investment pool through the purchase or redemption of units. The investment pools are operated on the unit value method whereby units are valued monthly based on the relationship of total units outstanding to the market value of net assets. Investment income is distributed to participants at month-end based on percentage of ownership. The total amount distributed is based upon (1) estimated investment income or (2) an established percentage of average unit market value. When a participant redeems capital units, any undistributed pool earnings will be included as part of the redemption proceeds based on ownership. The total amount distributed during the years ended September 30, 2025 and 2024 was \$5,749,670 and \$5,615,483, respectively.

While the Foundation does not invest directly in derivative securities, it may, through investment holdings with a manager or managers of hedge funds or managed funds, indirectly hold these securities. The Foundation has significant investments in marketable securities, which are subject to price fluctuation. This risk is controlled through a diversified portfolio and regular monitoring procedures.

The hedge funds investments were acquired to balance the investment portfolio risks associated with the volatility of fluctuations in the financial market through diversification and as such are subject to varying degrees of market and credit risks.

Investment pools at September 30 consisted of the following:

	<u>2025</u>	<u>2024</u>
Money Market Funds and Commercial Paper	\$ 2,189,133	\$ 1,499,267
Mutual Funds	44,126,008	42,064,695
Private Partnerships and Index Strategy	100,734,530	97,849,908
Total	<u>\$ 147,049,671</u>	<u>\$ 141,413,870</u>

**NOTE 4 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Office Furniture and Fixtures	\$ 40,233	\$ 40,233
Computer Equipment and Software	43,667	43,667
Automobiles	146,801	144,396
Windermere Camp	-	4,758,953
Osage Beach Parkway Land	-	450,000
Total	<u>230,701</u>	<u>5,437,249</u>
Less: Accumulated Depreciation	119,635	131,643
Property and Equipment, Net	<u>\$ 111,066</u>	<u>\$ 5,305,606</u>

During the year ended September 30, 2020, the Foundation purchased a conference center and land for \$4,758,953. During the year ended September 30, 2025, the Foundation sold the conference center and land, resulting in a gain of \$1,768,047.

**MISSOURI BAPTIST FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 5 FAIR VALUE MEASUREMENTS**

The Foundation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy at September 30:

	2025			Total
	Level 1	Level 2	Level 3	
<b>Assets:</b>				
Equity Securities	\$ 4,687,899	\$ -	\$ -	\$ 4,687,899
Total Bond Mutual Fund	2,109,470	-	-	2,109,470
Total Stock Mutual Fund	14,352,817	-	-	14,352,817
Other Mutual Funds	1,037,118	-	-	1,037,118
Corporate and Muni Bonds	-	489,898	-	489,898
<b>Investment Pools:</b>				
Money Market Funds and Commercial Paper	2,189,133	-	-	2,189,133
Mutual Funds	-	44,126,008	-	44,126,008
<b>Total</b>	<b>\$ 24,376,437</b>	<b>\$ 44,615,906</b>	<b>\$ -</b>	<b>68,992,343</b>
<b>Investments Held at Net Asset Value or its Equivalent</b>				<b>100,734,530</b>
<b>Total Investments</b>				<b>\$ 169,726,873</b>

	2024			Total
	Level 1	Level 2	Level 3	
<b>Assets:</b>				
Equity Securities	\$ 4,685,640	\$ -	\$ -	\$ 4,685,640
Total Bond Mutual Fund	1,949,659	-	-	1,949,659
Total Stock Mutual Fund	13,007,668	-	-	13,007,668
Other Mutual Funds	1,392,224	-	-	1,392,224
Corporate and Muni Bonds	-	560,192	-	560,192
<b>Investment Pools:</b>				
Money Market Funds and Commercial Paper	1,499,267	-	-	1,499,267
Mutual Funds	-	42,064,695	-	42,064,695
<b>Total</b>	<b>\$ 22,534,458</b>	<b>\$ 42,624,887</b>	<b>\$ -</b>	<b>65,159,345</b>
<b>Investments Held at Net Asset Value or its Equivalent</b>				<b>97,849,909</b>
<b>Total Investments</b>				<b>\$ 163,009,254</b>

**Investments at Net Asset Value**

The Foundation has adopted accounting standards regarding the calculation of net asset value per share. As a result, the Foundation measures the fair value of certain qualified investments on the basis of NAV per share of the investment.

**MISSOURI BAPTIST FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025 AND 2024**

**NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Investments at Net Asset Value (Continued)**

The following table summarizes the fair value, unfunded commitments, and redemption information for the Foundation's investments reported at NAV at September 30:

<u>2025 Investment</u>	<u>2025 Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice</u>
CCI-SSG Global Private Equity Fund	\$ 1,756,306	\$ 292,500	Illiquid	Initial 12 year lockup with an additional three year extension
CCI-SSG Global Private Equity Fund II	2,899,691	390,000	Illiquid	Initial 12 year lockup with an additional three year extension
CCI-SSG Global Private Equity Fund III	2,787,790	492,000	Illiquid	Initial 12 year lockup with an additional three year extension
Venture Partners XI	1,857,751	20,500	Illiquid	Initial 12 year lockup with an additional three year extension
Venture Partners XII	1,657,106	40,000	Illiquid	Initial 12 year lockup with an additional three year extension
Venture Partners XIII	3,207,282	174,000	Illiquid	Initial 12 year lockup with an additional three year extension
Natural Resources Partners X, LP	523,301	58,125	Illiquid	Initial 12 year lockup with an additional three year extension
Natural Resources Partners XI, LP	1,665,527	270,000	Illiquid	Initial 12 year lockup with an additional three year extension
SSG Realty Opportunities Fund 2014	270,209	353,973	Illiquid	Initial 10 year lockup with an additional two year extension
CR Real Estate Opportunity Fund 2018	4,119,847	635,743	Illiquid	Initial 15 year lockup with an additional five year extension
CF Private Credit Fund 2018	1,080,930	1,410,707	Illiquid	Initial 9 year lockup with an additional three year extension
Creation Fund V	8,374,411	1,400,000	Illiquid	Initial 10 year lockup with an additional two year extension
Sovereign's Real Estate Fund I	4,062,529	699,388	Illiquid	Initial 10 year lockup with an additional two year extension
Ceres Farms - Kingdom	11,129,847	-	Annual	Initial 1 year lock-up; then redemptions by written notice no later than September 30th for distribution no later than the following February month-end
Ceres Farms - Storehouse	606,225	-	Annual	Initial 1 year lock-up; then redemptions by written notice no later than September 30th for distribution no later than the following February month-end
PA West Tower	8,244,196	-	Quarterly	Initial 1 year lock-up; then redemptions on last business day of quarter end; 65 calendar day written notice
Creation Impact Credit Fund India Limited Partnership	97,673	60,000	Illiquid	Term: 7 year lockup
PA Real Assets Fund III, LP	17,165,221	4,055,995	Illiquid	Initial 12 year lockup with an additional three year extension
Soil Enrichment Fund Blocker LP	7,357,053	-	Illiquid	Initial 2 year lockup; then quarterly
Sovereign's Capital Access Fund I	10,451,800	1,708,320	Illiquid	Initial 10 year lockup with an additional two year extension
Sovereign's Capital Evergreen Fund I LLC	2,670,445	163,167	Illiquid	Initial 5 year lockup; then quarterly
1607 Capital Bond Fund	5,338,559	-	Monthly	Initial 1 year "soft" lock-up (2% penalty); then redemptions on last business day of the month; 10 business day written notice
Eventide (Ventures) Healthcare Innovation Fund I	2,548,642	705,000	Illiquid	Initial 8 year lockup with an additional two year extension
Portion Capital Fund I	852,189	1,079,000	Illiquid	Initial 10 year lockup with an additional three year extension
<b>Total</b>	<b><u>\$ 100,734,530</u></b>			

**MISSOURI BAPTIST FOUNDATION**  
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**NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Investments at Net Asset Value (Continued)**

2024 Investment	2024 Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
CCI-SSG Global Private Equity Fund	\$ 2,143,944	\$ 292,500	Illiquid	Initial 12 year lockup with an additional three year extension
CCI-SSG Global Private Equity Fund II	3,214,979	433,500	Illiquid	Initial 12 year lockup with an additional three year extension
CCI-SSG Global Private Equity Fund III	2,571,074	492,000	Illiquid	Initial 12 year lockup with an additional three year extension
Venture Partners XI	1,963,795	28,000	Illiquid	Initial 12 year lockup with an additional three year extension
Venture Partners XII	1,596,659	40,000	Illiquid	Initial 12 year lockup with an additional three year extension
Venture Partners XIII	3,095,149	174,000	Illiquid	Initial 12 year lockup with an additional three year extension
Natural Resources Partners X, LP	569,634	58,125	Illiquid	Initial 12 year lockup with an additional three year extension
Natural Resources Partners XI, LP	1,752,441	270,000	Illiquid	Initial 12 year lockup with an additional three year extension
SSG Realty Opportunities Fund 2014	291,683	353,973	Illiquid	Initial 10 year lockup with an additional two year extension
CR Real Estate Opportunity Fund 2018	3,951,193	870,420	Illiquid	Initial 15 year lockup with an additional five year extension
CF Private Credit Fund 2018	1,512,203	1,410,707	Illiquid	Initial 9 year lockup with an additional three year extension
Creation Fund V	7,741,213	2,300,000	Illiquid	Initial 10 year lockup with an additional two year extension
Sovereign's Real Estate Fund I	4,411,550	784,378	Illiquid	Initial 10 year lockup with an additional two year extension
Ceres Farms - Kingdom	12,362,157	-	Annual	Initial 1 year lock-up; then redemptions by written notice no later than September 30th for distribution no later than the following February month-end
Ceres Farms - Storehouse	566,289	-	Annual	Initial 1 year lock-up; then redemptions by written notice no later than September 30th for distribution no later than the following February month-end
PA West Tower	7,643,270	-	Quarterly	Initial 1 year lock-up; then redemptions on last business day of quarter end; 65 calendar day written notice
Creation Impact Credit Fund India Limited Partnership	186,798	60,000	Illiquid	Term: 7 year lockup
PA Real Assets Fund III, LP	17,469,132	3,821,855	Illiquid	Initial 12 year lockup with an additional three year extension
Soil Enrichment Fund Blocker LP	6,509,416	-	Illiquid	Initial 2 year lockup; then quarterly
Sovereign's Capital Access Fund I	8,568,136	3,140,390	Illiquid	Initial 10 year lockup with an additional two year extension
Sovereign's Capital Evergreen Fund I LLC	2,647,199	163,187	Illiquid	Initial 5 year lockup; then quarterly
1607 Capital Bond Fund	5,130,501	-	Monthly	Initial 1 year "soft" lock-up (2% penalty); then redemptions on last business day of the month; 10 business day written notice
Eventide (Venture) Healthcare Innovation Fund I	1,187,544	1,650,000	Illiquid	Initial 6 year lockup with an additional two year extension
Portion Capital Fund I	763,950	1,179,000	Illiquid	Initial 10 year lockup with an additional three year extension
Total	<u>\$ 97,849,909</u>			

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**NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Investments at Net Asset Value (Continued)**

The following table briefly describes the investment objectives of each investment measured at fair value using NAV at September 30:

Investment	Type of Fund	Underlying Strategies
CCI-SSG Global Private Equity Fund	Private Partnership	Global Private Equity
CCI-SSG Global Private Equity Fund II	Private Partnership	Global Private Equity
CCI-SSG Global Private Equity Fund III	Private Partnership	Global Private Equity
Venture Partners XI	Private Partnership	Private Venture Capital
Venture Partners XII	Private Partnership	Private Venture Capital
Venture Partners XIII	Private Partnership	Private Venture Capital
Natural Resources Partners X, LP	Private Partnership	Private Natural Resources
Natural Resources Partners XI, LP	Private Partnership	Private Natural Resources
SSG Realty Opportunities Fund 2014	Private Partnership	Private Real Estate
CR Real Estate Opportunity Fund 2018	Private Partnership	Private Real Estate
CF Private Credit Fund 2018	Private Partnership	Private Credit
Creation Fund V	Private Partnership	Private Equity (Emerging Markets)
Sovereign's Real Estate Fund	Private Partnership	Private Real Estate
Ceres Farms - Kingdom	Private Partnership	Private US Farmland
Ceres Farms - Storehouse	Private Partnership	Private US Farmland
PA West Tower	Private Partnership	Long/Short Fund of Funds; primarily US equity markets
Creation Impact Credit Fund India Limited Partnership	Private Partnership	Emerging Private Credit
PA Real Assets Fund III, LP	Private Partnership	Private Natural Resources
Soil Enrichment Fund Blocker LP	Private Partnership	Private US Farmland
Sovereign's Capital Access Fund I	Private Partnership	Private Venture Capital (Fund of Funds)
Sovereign's Capital Evergreen Fund I LLC	Private Partnership	Private Equity (US Growth Equity)
1607 Capital Bond Fund	Private Partnership	Closed-End Fund (Fixed Income)
Eventide (Venture) Healthcare Innovation Fund I	Private Partnership	Private Healthcare
Portion Capital Fund I	Private Partnership	Private Equity (US Growth Equity)

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**NOTE 6 NET ASSETS**

Net assets consist of the following at September 30:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Undesignated	\$ 10,517,331	\$ -	\$ 10,517,331
Board-Designated:			
Endowment	1,125,448	-	1,125,448
Reserves	675,744	-	675,744
Grants	358,901	-	358,901
Insurance	100,000	-	100,000
Other	804,191	-	804,191
With Donor Restrictions:			
Endowment	-	6,928,453	6,928,453
Baptist Ministry Support	-	3,984,094	3,984,094
Total	\$ 13,581,615	\$ 10,912,547	\$ 24,494,162
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Undesignated	\$ 8,058,998	\$ -	\$ 8,058,998
Board-Designated:			
Endowment	1,083,381	-	1,083,381
Reserves	326,872	-	326,872
Grants	286,608	-	286,608
Insurance	100,000	-	100,000
Other	566,257	-	566,257
With Donor Restrictions:			
Endowment	-	6,164,482	6,164,482
Baptist Ministry Support	-	3,965,005	3,965,005
Total	\$ 10,422,116	\$ 10,129,487	\$ 20,551,603

Net assets released from restriction as of September 30 are as follows:

	2025	2024
Baptist Ministry Support:		
Distributions and Fees	\$ 196,883	\$ 162,632

**MISSOURI BAPTIST FOUNDATION**  
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**NOTE 7 ENDOWMENT**

The Foundation's endowment consists of approximately 35 funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The Foundation's governing body has interpreted the State of Missouri Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Foundation classifies as net assets with donor restriction in perpetuity (a) the original value of gifts donated to the perpetual endowments, (b) the original value of subsequent gifts to the perpetual endowments, and (c) accumulations to the perpetual endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restriction in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

The composition of net assets by type of endowment fund at September 30 was:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
With Donor Restrictions - Earnings Board-Designated Endowment Funds	\$ -	\$ 2,037,927	\$ 2,037,927
With Donor Restrictions in Perpetuity	1,125,448	-	1,125,448
<b>Total Endowment Funds</b>	<b>\$ 1,125,448</b>	<b>\$ 6,928,453</b>	<b>\$ 8,053,901</b>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
With Donor Restrictions - Earnings Board-Designated Endowment Funds	\$ -	\$ 1,886,520	\$ 1,886,520
With Donor Restrictions in Perpetuity	1,083,381	-	1,083,381
<b>Total Endowment Funds</b>	<b>\$ 1,083,381</b>	<b>\$ 6,164,482</b>	<b>\$ 7,247,863</b>

**MISSOURI BAPTIST FOUNDATION**  
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**NOTE 7 ENDOWMENT (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

Changes in the endowment net assets for the years ended September 30 were:

	2025			
	Without Donor	With Donor Restrictions		Total
	Restrictions	Earnings	in Perpetuity	
Endowment Net Assets -				
Beginning of Year	\$ 1,083,381	\$ 1,886,520	\$ 4,277,962	\$ 7,247,863
Investment Return:				
Investment Income	61,017	132,120	-	193,137
Net Appreciation (Depreciation)	39,588	145,054	716	185,358
Total Investment Return	100,605	277,174	716	378,495
Contributions	2,074	-	611,848	613,922
Appropriation of Endowment				
Assets for Expenditure	(61,006)	(125,373)	-	(186,379)
Reclassification from Restricted to Unrestricted	394	(394)	-	-
Endowment Net Assets -				
End of Year	<u>\$ 1,125,448</u>	<u>\$ 2,037,927</u>	<u>\$ 4,890,526</u>	<u>\$ 8,053,901</u>
	2024			
	Without Donor	With Donor Restrictions		
	Restrictions	Earnings	in Perpetuity	Total
Endowment Net Assets -				
Beginning of Year	\$ 943,520	\$ 469,131	\$ 3,850,828	\$ 5,263,479
Investment Return:				
Investment Income	58,973	107,845	-	166,818
Net Appreciation	66,914	1,413,345	(791)	1,479,468
Total Investment Return	125,887	1,521,190	(791)	1,646,286
Contributions	72,947	-	427,925	500,872
Appropriation of Endowment				
Assets for Expenditure	(58,973)	(103,801)	-	(162,774)
Endowment Net Assets -				
End of Year	<u>\$ 1,083,381</u>	<u>\$ 1,886,520</u>	<u>\$ 4,277,962</u>	<u>\$ 7,247,863</u>

Amount of donor-restricted endowment funds classified as with donor restrictions and with donor restrictions in perpetuity at September 30 consisted of:

	2025	2024
Net Assets With Donor Restrictions In Perpetuity:		
(1) The portion of perpetual endowment funds that is required to be retained permanently by explicit donor stipulation	<u>\$ 4,890,526</u>	<u>\$ 4,277,962</u>
Net Assets With Donor Restrictions:		
(1) The portion of perpetual endowment funds subject to time restriction under SPMIFA without purpose restrictions	<u>\$ 2,037,927</u>	<u>\$ 1,886,520</u>

**MISSOURI BAPTIST FOUNDATION  
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**NOTE 7 ENDOWMENT (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Foundation is required to retain as a fund of perpetual duration pursuant to donor stipulation or SPMIFA. At September 30, 2025 and 2024, no funds were under water. These underwater deficiencies resulted from unfavorable market fluctuations that occurred shortly after investment of contributions with donor restrictions in perpetuity and continued appropriation for certain purposes that was deemed prudent by the governing body.

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Foundation must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the Foundation's policies, endowment assets are invested in a manner that is intended to produce results that provide stable income and growth to offset inflation while assuming a reasonable level of investment risk.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment objectives Relate to Spending Policy**

The Foundation's policy (the spending policy) of appropriating for expenditures is reviewed annually. For 2025 and 2024, the policy allowed appropriations for expenditures of 4.00% for the harvest pool and 4.3% for the kingdom pool of its pool average fair value over the prior 16 quarters through for the fiscal year-end proceeding the year in which expenditure is planned for the year ended June 30, 2023, and through June 30 for the 2024 year and years going forward. In establishing this policy, the Foundation considered the long-term expected return on its pool. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

**MISSOURI BAPTIST FOUNDATION**  
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**NOTE 8 PENSION PLAN**

The Foundation has a defined contribution pension plan covering substantially all employees. The board of trustees annually determines the amount, if any, of the Foundation's contributions to the plan. Pension expense was \$72,393 and \$70,208 in 2025 and 2024, respectively.

**NOTE 9 LEASE COMMITMENT AND LEASE REVENUE**

The Foundation leases office space under a long-term noncancelable lease agreement that expires in 2025 and does not provide for renewal options. In the normal course of business, it is expected that this lease will be renewed or replaced by similar leases.

The following table provides quantitative information concerning the Foundation's lease.

	<u>2025</u>	<u>2024</u>
Lease Cost:		
Operating Lease Cost	\$ 7,200	\$ 7,200
Total Lease Cost	<u>\$ 7,200</u>	<u>\$ 7,200</u>
Other Information:		
Cash Paid for Amounts Included in the		
Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ 7,200	\$ 7,200
Weighted-Average Remaining Lease Term -		
Operating Leases	0.3 Years	1.3 Years
Weighted-Average Discount Rate - Operating Leases	4.12%	4.12%

The Foundation classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of September 30, 2025, is as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2026	<u>\$ 1,794</u>
Undiscounted Cash Flows	1,794
Less: Imputed Interest	6
Total Present Value	<u>\$ 1,788</u>
Short-Term Lease Liabilities	\$ (1,788)
Long-Term Lease Liabilities	-
Total	<u>\$ (1,788)</u>

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**NOTE 9 LEASE COMMITMENT AND LEASE REVENUE (CONTINUED)**

The Foundation has a lease with the Missouri Baptist Convention, a related party, expiring in December 2025. During the year ended September 30, 2019, the Foundation began renovations improvements with payments for renovations totaling \$104,115 in lieu of rent which are being shown as prepaid rent within other assets. The fair value of the lease is \$186,909 and the difference from the \$104,115 leasehold improvements is \$82,793 and was recorded as in-kind revenue in fiscal year 2019. Both the other asset and the in-kind lease are being expensed monthly over the life of the lease ending December 31, 2025. Expense recorded in fiscal years 2025 and 2024 is \$14,874 and total donated lease expense for 2025 and 2024 is \$11,828. In May 2025, a new short term lease was signed with the lease commencement in January 2026, expiring in December 2026.

In January 2022, SHI entered into a new lease agreement with Encounter Ministries, Inc. to lease the property known as Windermere Conference Center (the Center) to manage the day-to-day operations of the Christian camp and conference center for four successive yearly terms with an option to purchase. Total assets of the camp totaled \$4,758,953, consisting primarily of land. The total lease revenue for fiscal years ended September 30, 2025 and 2024 was \$179,200 and \$252,000 respectively. In June 2025, Encounter Ministries, Inc. exercised their option to purchase the Center for \$6,995,000. As a result of the sale, the escrow balance is \$-0- and \$298,000 at September 30, 2025 and 2024, respectively.

**NOTE 10 RELATED PARTY TRANSACTIONS**

During the years ended September 30, 2025 and 2024, the Foundation made payments of \$381,339 and \$359,782, respectively, to the Missouri Baptist Convention for trust related distributions, including both custodial and noncustodial payments. In addition, accounts payable and accrued expenses at September 30, 2025 and 2024 include \$304,399 and \$285,295 respectively, of distribution payables to the Missouri Baptist Convention. Also, the Foundation receives funds from the Missouri Baptist Convention's cooperative program and the total received in fiscal years 2025 and 2024 is \$100,296 and \$98,957, respectively.

**MISSOURI BAPTIST FOUNDATION  
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**NOTE 11 LIQUIDITY AND AVAILABILITY**

The Foundation assets are comprised of its own assets and assets managed on behalf of or for the benefit of various ministries, associations, churches, institutions, and individuals. The staff investment review committee manages the liquidity needs specific to each account based upon cash needs and/or the donor/owner investment instruction. Though certain board-designated assets are set aside for certain purposes, these could be redirected with board approval.

Financial assets available for general expenditure within one year are as follows:

	<u>2025</u>	<u>2024</u>
Total Financial Assets	\$ 236,233,092	\$ 224,653,044
Less: Board-Designated Net Assets	(3,064,284)	(2,363,118)
Less: Net Assets With Donor Restrictions	(10,912,547)	(10,129,487)
Less: Trusts and Other Funds Held for Others	(211,904,256)	(200,466,032)
Total Financial Assets Available Within One Year	<u>\$ 10,352,005</u>	<u>\$ 11,694,407</u>

**NOTE 12 NOTE PAYABLE**

The Foundation created a subsidiary corporation, Straightway Holdings, Inc. (SHI) in November of 2019 for purpose of holding investments in real estate assets. All Foundation trustees and officers are also SHI trustees and officers in the same capacity. On December 13, 2019, SHI purchased from a foreclosing first mortgage creditor a property known as Windermere Baptist Conference Center, in Camden County, Missouri, for \$4.75 million. The Foundation and SHI entered into a loan agreement with WatersEdge Ministry Services, dba: Baptist Foundation of Oklahoma, for \$5,000,000 in 2019. The Foundation escrowed \$256,778, which was held by WatersEdge as security and after \$90,000 was used for loan payments, an escrow balance within the term deposits of \$182,875 remained at September 30, 2024. In addition, the Foundation pledged \$1,000,000 of certain assets as additional collateral.

The original maturity date was December 15, 2044 with an interest rate of 5.25%. Principal payments totaled \$4,987,451 and \$123,773 for the years ended September 30, 2025 and 2024, respectively. Interest expense totaled \$180,638 and \$247,810 for the years ended September 30, 2025 and 2024, respectively.

In addition, during September 30, 2024, SHI purchased land for \$450,000 from Missouri Baptist Convention. The Foundation and SHI entered into an agreement with Missouri Baptist Convention for \$360,000 for the purchase of the land. Principal payments to be paid annually in four equal installments of \$90,000 starting on or before November 1, 2024, of which the first was paid in October 2024.

During the year ended September 30, 2025, both of the loans were paid off using the proceeds from the sale of the Windermere Baptist Conference Center and land. As a result, there are no outstanding notes payable balances for the year ended September 30, 2025.

**MISSOURI BAPTIST FOUNDATION  
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**NOTE 13 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through December 12, 2025, the date which the consolidated financial statements were available to be issued.

Subsequent to year-end, the Foundation actively engaged through the Church Extension Fund to be a mission-minded lender dedicated to helping churches grow and thrive as explained in Note 1. Working in coordination with legal counsel, the Foundation filed for the appropriate exemption with the Missouri Secretary of State and publicly announced the initiative at the Missouri Baptist Convention annual meeting. To establish the initial funding base, the Foundation allocated approximately \$2 million from the proceeds of the Windermere property sale. Since announcing the program, the Foundation has begun offering investment options to both individuals and institutions beginning during the year ended September 30, 2026. As of the end of November 2025, the CEF has attracted more than \$3 million additionally in new investments. The Foundation has approved two loans, is actively reviewing a third, and currently maintains a pipeline of interest representing more than a dozen additional borrowing inquiries.

To support this new ministry, the Foundation hired an experienced church loan officer—bringing seventeen years of prior experience launching and managing a similar program at another Baptist foundation—to oversee liquidity management, underwriting, and loan operations. The Foundation also established a Board-Level Loan Review Committee and has updated internal software and service systems to support investor relations, borrower management, and staff operations.

In addition, the Foundation has contracted with a capital stewardship consultant with more than 35 years of experience to train pastors and consultants to provide stewardship and campaign services to Missouri Baptist churches. These capital campaigns—offered by the Foundation on a fee-for-service basis—assist churches in raising funds for ministry projects and in reducing debt. One campaign is scheduled to launch in December 2025, and three additional campaigns are in various stages of negotiation.



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