

***REPORTS***

***of the***

***MISSISSIPPI***

***BAPTIST***

***CONVENTION BOARD***

***2025 Officers***

***President .....David Hamilton, Pontotoc***

***Vice President.....Michael Barnett, Ocean Springs***

***Secretary ..... Brian Hood, Hernando***

***Executive Director-Treasurer .....Shawn Parker, Ridgeland***

This bulletin of reports is herewith submitted by the authority and request of the Mississippi Baptist Convention as stated in the Constitution as follows:

**Article XVIII, Section 1.** The Convention Board, all other boards, and any group handling funds of the convention shall have all accounts audited annually by a Certified Public Accountant chosen by the board or group of which such audit is required. Such audit shall be paid for from the funds of the boards or other body of whom such audit is hereby required.

**Article XIX, Section 1.** The Convention Board, all other boards and commissions, all institutions and agencies, and all standing committees shall make annual written reports to the convention. The executive director of the Convention Board shall receive these reports from the boards, agencies, and institutions and with the exception of the report of the Committee on Nominations, publish them in a **Book of Reports**, which shall be made available to members of the Convention on the first day of each annual meeting.

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## **EXECUTIVE ADMINISTRATION**

**Shawn Parker, Executive Director-Treasurer**

**Maria Teel, Executive Assistant**

I'm pleased to report that the work of the Mississippi Baptist Convention Board continues to move forward at a healthy pace. We have a lot to celebrate this year, but nothing is more significant than another increase in reported baptisms by our churches. As I've visited churches and talked with leaders, I have sensed a heightened awareness of the lostness in Mississippi. I applaud a growing urgency to impact the darkness with the light of the gospel, and I'm thankful for the work that has resulted in many people taking this initial step of discipleship.

We saw some changes within our team this year through both retirement and ministry transitions. Tony Martin and Dr. Tammy Anderson have announced their retirement over the course of the coming months. In addition, Tanner Cade transitioned to work with the Florida Baptist Convention as their Communications Director. We also welcomed Mandy Philips to our Collegiate Ministry Department, Braelyn Weaver as our Women's Ministry Consultant, Dustin Tutor as our NWCC BSU Director, Jason Marshall as our Central Hills Director, and Seth Price as our new Communications Director. I'm thankful for these God has used to strengthen our work in the past, and I'm excited about those He has sent and will send to enrich our work in the future.

One of the biggest developments of the year is related to the Henderson Point Property, which has been vacant since Hurricane Katrina. After discussions with several potential buyers over the last few years, we were able to sign a purchase contract with Mid-South Companies earlier this year. While the stage of due diligence by the purchaser is underway, we are still working toward the closing date. Hopefully, we'll be able to share more conclusive news in the coming year.

Perhaps the biggest highlight of the year was the celebration of the 100th anniversary of the Cooperative Program. Thanks to Rick Blythe and the Stewardship Department, we celebrated with three CP 100 Dinners across the state in the Spring. These dinners were well attended and featured testimonies as well as a charge from Dr. Jeff Iorg of the Southern Baptist Convention Executive Committee. I was reminded at each of these banquets that Mississippi Baptists are genuine in this spirit of cooperation and generous beyond compare in their support.

Lastly, I want to offer my deepest appreciation for your continued spirit of fellowship. The reports you read in this book are a tribute to your cooperation and a witness to the impact you are making collectively in Mississippi, across the country, and around the world. Be sure of my prayers for the Lord's continued blessing on your work and know that we stand ready to help you any way we can.

## **BUSINESS OFFICE**

**Barri A. Shirley, Chief Operating Officer**

**Tim Ruth, Procurement Officer**

**Misty Cowart, Ministry Assistant**

The Chief Operating Officer (COO) serves and functions directly under the leadership and direction of the Executive Director-Treasurer in all aspects of Convention Board ministries, services, and facilities oversight. The COO has primary responsibilities for the areas of financial accounting, audits, budgeting, disaster relief, insurance, legal issues, policy, property management, and security. The COO also serves as purchasing agent of the Convention Board, manages the Baptist Building's daily operations, and provides general over-sight of all real and personal property held by the Convention Board. All functions of this office are focused on service to properly support the ministries of the Mississippi Baptist Convention and its affiliated Churches. The Chief Operating Officer and the staff of the MBCB's Business Office are honored to serve the Lord by serving Mississippi Baptists.

## **HUMAN RESOURCES**

**Paul A. Pinson, Human Resources Officer**

**Karen Sullivan, Ministry Assistant**

The Human Resources Officer serves directly under the leadership and direction of the Executive Director-Treasurer in all areas pertaining to personnel. In particular, our office has responsibility for: staff recruitment, training, and development; benefits coordination; employee relations; legal issues; and corporate image.

In coordination with other administration team members, our office is responsible for supporting staff with tools necessary to relate to and assist our affiliated churches and entities. We have approximately eighty-five full-time employees, another seventy-five part-time employees (including the summer staff at our two camps), as well as 110 benefited retirees.

In addition, the Human Resources Officer serves as a member of the administrative team for all Mississippi Baptist Convention Board matters.

## STRATEGY OFFICE

**Jon Martin, Chief Strategy Officer**  
**Beverly Bridges, Ministry Assistant**  
**Vesta Clary, Ministry Assistant**

The Strategy Office plays a central role in coordinating the overall mission and ministry efforts of the Mississippi Baptist Convention Board (MBCB) through collaboration with its various departments. Under the leadership of the Chief Strategy Officer, the office carries out four primary functions:

### **Associational Partnerships**

Associations are vital in connecting local churches to broader state and national mission efforts. The Chief Strategy Officer serves as the liaison to Associational Missions Strategists and provides support for planning and resourcing mission and ministry initiatives as needed.

### **Team Support and Strategic Alignment**

The Chief Strategy Officer collaborates closely with MBCB teams to develop and implement strategies related to their respective ministry areas, with a focus on fostering cross-functional collaboration. The office also ensures that departmental efforts remain aligned with the overarching mission of the MBCB.

### **Research and Data Insight**

Following Jesus' guidance to "count the cost" (Luke 14:28), the Strategy Office prioritizes informed decision-making by gathering and analyzing relevant data. Resources like Mission Insite and Survey Monkey are used to deliver timely and accurate insights to staff and ministry partners.

The Strategy Office also manages MBCB's participation in the Southern Baptist Convention's Annual Church Profile (ACP), which supplies essential data for monitoring trends and shaping initiatives that meet the needs of churches and communities across Mississippi.

### **Executive Office Support**

Functioning under the direction of the Executive Office, the Strategy Office carries out its core responsibilities while also supporting additional assignments as determined by the Executive Director-Treasurer.

## **ASSOCIATIONAL MISSIONS**

**Steve Jackson, Associational Specialist**

**Jon Martin, MBCB Liaison**

The purpose of associations is to associate. That is no real surprise. But it is a concept that we as Mississippi Baptists should never lose. We can accomplish together what we could not or should not accomplish apart. There is a blessing to be found in believers coming together in worship, fellowship, and mission (Psalm 133:1).

As I have journeyed to several of our 65 associations this year, I have heard wonderful reports of this working together. Our associations have met together purposefully for worship. Many of our annual meetings have taken on a more worship centered theme and several have moved to other times such as Sunday evenings that make the event more accessible to churches. Others have strengthened the spiritual life of church leaders such as weekly or monthly Pastor meetings. Our associations have made discernable footprints in the communities they serve with events ranging from clothes closets to block parties. Some of our associations have partnered with sister associations in regional mission or training events.

The association remains the “first face of Baptist life” beyond the doors of our individual churches. It is a blessing to come together out of shared beliefs and to work together as shared laborers. As your Associational Missions Specialist, I stand ready to assist, to share resources, to be a prayer partner, and to be a Cooperative Program cheerleader among our Associational leaders and workers.

Thank you for the privilege!

Dr. J. Steve Jackson

## **CHURCH PLANTING/REVITALIZATION**

**John Maxey, Director**  
**Scheryl Ng, Ministry Assistant**

The Church Planting and Revitalization Department's vision for Church Planting is to support Mississippi Baptists in training and equipping called leaders to plant multiplying churches, and to reach the unreached population of our state with the Gospel of Jesus Christ. Our eleven year partnership with the 242 Network continues to assess, train, and support the called to plant multiplying Baptist churches. The key concepts of our assessment and training come from the North American Missions Board's Send Network Training Map. We are assisting in the planting of as many churches as we have qualified church planters.

During the last two months of 2024 and the seven months of 2025, 5 new churches were approved for funding:

Hope Church, Eupora, MS led by Brian Woodard (Nov. 2024)  
Redemption Point, Starkville, MS led by Adam K. Berry (Dec. 2024)  
The Refuge Church, Pearl, MS led by Archie Bennett (Jan. 2025)  
Harvest Church, Biloxi, MS led by Daniel Aaron Allen (Aug. 2025)  
The Oaks Church of Byhalia, MS led by Matt Brewer (Aug. 2025)

Two Church Planter Assessments are held each year. One in the Fall and the other in the Spring. Sending Church Labs are also held in each of the regional hubs. These labs encourage established churches to take the next step in playing a vital role in church planting efforts in Mississippi. Every church planter must secure a sending church prior to receiving MBCB funding.

Last year the department created The Church Renewal Network (CRN). Through our partnerships with local associations and cooperating churches, we are striving to be proactive and strategic in catalyzing church revitalization. The Network will seek to accomplish three goals: engage churches, equip leaders, and encourage partnerships.

During the past year we have developed two initiatives that we believe will help us accomplish our goals.

### **CRN Apprenticeship Program**

The CRN Apprenticeship Program is designed to help individuals explore their vocational calling, be equipped for pastoral ministry, be exposed to church revitalization, and engage in missional living.

The CRN Apprenticeship program has entered into a partnership with New Orleans Baptist Theological Seminary. Through this partnership NOBTS students can receive up to 15 hours towards an Undergraduate or Master's degree. Students will need to apply for their desired degree through the normal seminary process. Students who sense a call to church planting or to a revitalization setting should contact our office for further information.

### **RE Cohort**

Earlier this year our partners with the South Carolina Baptist Convention trained several of our Mission Strategist in leading Revitalization Pastor Cohorts across our state. RE seeks to create the right conversations for revitalization pastors and re-planters to focus on elements essential to strengthening the church by examining Biblical truth and wisdom from others before applying them to any context. Two cohorts have already launched in Scott and Union County Association. If you would like more information on joining a cohort, please contact our office.

The Cooperative Program and your gifts to the Margaret Lackey State Mission Offering provides the funds required for assessing potential church planters and training those planters who have demonstrated a call to plant a church in Mississippi. The Cooperative Program also funds efforts to help existing churches understand their need to become more effective, increase their effectiveness and improve their spiritual health to enable them to fulfill the Great Commission.



## COLLEGIATE MINISTRIES

**Sam Ivy, Director**  
**Mandy Phillips, Consultant**  
**Brooklyn Watkins, Ministry Assistant**

### STAFF UPDATE

Jennie Taylor retired from serving at MBCB after 11+ years as Associate State Baptist Student Union Director. Prior to her time with MBCB, she served alongside the International Mission Board and various colleges and universities, where she invested in the lives of college students. We celebrate this milestone in her life by highlighting the 1,000+ summer missionaries that Jennie mobilized for the gospel cause. With excitement, we also welcomed Mandy Phillips to serve as the new consultant in the office of Collegiate Ministries. She has been serving at Mississippi College BSU for over a decade and 25+ years of collegiate ministry experience.

#### New Hires:

- Nick Smith hired as BSU Director at Northeast Mississippi Community College
- Dustin Tutor hired as BSU Director at Northwest Mississippi Community College
- Mandy Phillips hired as Collegiate Ministries Consultant at MBCB.

The goal of Mississippi BSU is to help students know and love Christ and then mobilize them to make Christ known. We want every college student to understand their ultimate calling to live on mission and make disciples wherever they are, regardless of their chosen profession. Our BSU staff champion this missional lifestyle, challenging students to leverage their lives for the sake of the gospel.

During the summer of 2025, 140 Mississippi BSU summer missionaries representing 17 of our campuses served on 6 continents, 19 countries, and in 15 U.S. States. Our students served between 4- and 12-week assignments serving in kids' ministry and college ministry to research and community outreach, ministering to the abused and the at-risk, working with refugees, teaching ESL, serving as church planting interns, and as camp staff in under-resourced locations. Here are a couple of quotes from 2025 Summer Missionaries:

"The harvest truly is plentiful (Luke 10:2), and God's word truly is sharper than any double-edged sword (Hebrews 4:12). When his word is spoken, a response WILL be given by those who hear. Having the opportunity to speak his word and see his harvest within places and cultures that many of which have never even heard his name is no small opportunity that you should casually let pass you by. Taking that opportunity WILL change lives, and it doesn't matter if that is one life or one thousand lives. A summer spent proclaiming his word will put into perspective what Romans 10:14-15 tells us. We are to send and preach so that they can hear and believe." **Landon Smith, Copiah-Lincoln Community College BSU-South Asia**

"Seeing how the Lord has such a heart for the nations and for people to know him has changed how I view my life's purpose. This restlessness that was already there before has now been amplified by 1000 percent. This desire for every nation to be reached and for every tribe and nation to one day be able to say "Salvation belongs to our God who sits on the throne, and to the Lamb" (Revelation 7:9) is now my life's goal and mission." **Emma McConnell, Mississippi College BSU-South Asia**

#### **BAPTIST STUDENT UNION BY THE NUMBERS August 2024 – May 2025**

29 College Campuses Impacted by the Ministry of BSU

28,000+ Students Engaged by Mississippi BSU

172 Salvations

800+ International Students Engaged

587 Students Trained in Leadership Development

978 Students Mobilized on Short Term Mission Opportunities

1,013 Students Involved in Personal Evangelism

125 Students Pursuing Vocational Ministry Post-Graduation

385 Students Served at Christmas in the Delta

800+ Attended College Student Conference at FBC Madison, MS

850+ Attended BSU Spring Conference at MSU BSU in Starkville, MS

## **EVANGELISM**

**Don Lum, Director**

**Linda Burris, Ministry Assistant**

As Mississippians and as Mississippi Baptists, we have much to be thankful for and much to celebrate. Knowing that lostness is all around us, we celebrate the continued work of our churches as we share Jesus every day across our state.

Associational Mission Strategists and Pastors are constantly looking for opportunities to lead our churches to share Jesus. They are looking for places where people gather, whether it's at the local county fair or at one of our city's celebration days, and find ways to have gospel conversations.

Revivals are still a significant part of our ministry. If you have not held revival services lately, we can assist you with names and ideas for a revival that will be a blessing to your church family and beyond.

Many Mississippi Baptist churches have Fall Festivals. When these are done with purpose, they can be wonderful opportunities to connect with people who can be prospects for your church ministries.

We are privileged to celebrate our nation's 250th birthday in 2026. Contact us for "Freedom" tracts and doorhangers.

If you don't have an outreach team at your church, give your Evangelism department a call and let us help you learn to focus on reaching your community. Remember, we are ready to assist you with any resources that you may need as you share Jesus!

Thank you for making Evangelism a priority in your church's ministry.

## **MISSIONS MOBILIZATION**

**Chad McCord, Director**  
**Cassie Munn, Ministry Assistant**

Missions Mobilization continues to assist our churches to help them be on mission across the street and around the world.

Highlights of 2025 activities:

1. Vison Journeys

Missions Mobilization has opportunities for churches to send their missions leaders with our department to locations in the U.S. and around the world to see potential missions partnerships for their church. These trips provide church leaders with a firsthand look into the ministry and an understanding of how their church can return to partner alongside the ministry in those locations. We will take missions leaders to the IMB headquarters, Phoenix, Los Angeles, SE Asia, Japan, Mexico, and Germany in 2025.

2. Connection Meetings

Missions Mobilization hosts regional meetings around our state to introduce our churches to church planting work across North America and mission opportunities around the world. Attendees hear directly from these planters and missionaries to learn how their church can become directly involved in their ministries. This year we will have hosted events around the state for the Germany, Central Asia, and North Africa.

3. Missions Workshops

Missions Mobilization worked alongside local churches to do two missions workshops. These were taught by Don Dent and Chad McCord. They helped guide the local church to answer the questions, "What is missions?" and "How can leaders lead their churches in missions?"

4. Homeschool Conference

Missions Mobilization sent out a team in March to serve missionary families in SE Asia by providing teachers to work with IMB families that

homeschool. This weeklong event has classes for these missionary kids (TCKs) and training for the teaching parents to encourage and strengthen them. Testing is also provided to measure strengths and weaknesses of the children to encourage the parents in their efforts, but also to help shed light on where more emphasis may be needed.

5. Mission Team Assistance

Every year, Missions Mobilization helps mission teams with financial assistance on U.S. and international mission trips. We have provided Margaret Lackey funding assistance to 100 MBCB churches who have gone out and served in 44 countries and 12 states in the U.S. Altogether, 1258 people have benefited from Margaret Lackey assistance.

6. Security Trainings

Missions Mobilization helps equip our international mission teams to be well-prepared for the myriads of situations they may find themselves overseas. We provide Sentinel and B+ security trainings to not only equip our church mission teams being sent out but provide training to help prevent some situations from ever happening. This year we have had 17 Sentinel trainings with 522 people attending in person and 416 online.

7. Missionary Meetings

In June, Missions Mobilization sent a team to SE Asia to help the IMB APAC Affinity with a leadership training. Our team consisted of 20 people from around our state who did childcare for nursery to youth.

In August, Missions Mobilization helped provide childcare and a medical team for the IMB Euro Affinity meeting. We sent 47 volunteers to help with childcare, security, and medical personnel.

Ongoing Opportunities and Partnerships:

1. Dakotas
2. Phoenix, AZ
3. Los Angeles, CA
4. Clarkston, GA
5. New Orleans, LA
6. Buffalo, NY

7. Hamilton, Ontario
8. North Macedonia/Serbia/Kosovo
9. Poland
10. Indonesia
11. Malaysia
12. Germany
13. Hong Kong
14. United Kingdom
15. Oaxaca, Mexico
16. Japan

Missions Mobilization has additional connections where we are helping assist churches build relationships and share the gospel. The above examples have been selected to illustrate how Mississippi churches are engaging lostness. Please contact Chad McCord or Cassie Munn for further information: [cmccord@mbcb.org](mailto:cmccord@mbcb.org) or [cmunn@mbcb.org](mailto:cmunn@mbcb.org).

## MULTICULTURAL MINISTRIES

Paula Smith, Director

Janeth McIlwain, Ministry Assistant

*“After this I looked, and behold, a great multitude that no one could number, from every nation, from all tribes and peoples and languages, standing before the throne and before the Lamb, clothed in white robes, with palm branches in their hands.”*

Revelation 7:9 (ESV)

What a joy it is to witness the Lord weaving together a beautiful tapestry of cultures, languages, and hearts for His Kingdom work across Mississippi. The Multicultural Ministries team is a living testimony to Revelation 7:9—a glimpse of heaven’s diversity reflected here on earth.

God has graciously assembled a remarkable team of bi-vocational ministers serving as Contract Strategists. Each one brings unique gifts, cultural insight, and a deep love for the Gospel:

### A Diverse Team for a Diverse Mission

- **Rev. Lowell Walker, African American** Contract Consultant Strategist, pastors Mt. Sinai Baptist Church in Tupelo and recently retired as Chaplain of North Mississippi Medical Center.
- **Ms. Vickie Stuart, Deaf** Contract Consultant Strategist, serves as an interpreter for the Mississippi Department of Rehabilitation Services.
- **Rev. Rocky Tzib, Hispanic** Contract Consultant Strategist, ministers at Iglesia Bautista Cristo Vive in Pontotoc.
- **Rev. Ray Duplessie, Native American** Contract Consultant Strategist, preaches at Fernwood Baptist Church in Gulfport.
- **Mrs. Janeth McIlwain**, Ministry Assistant, has faithfully served Multicultural Ministries for nearly three years. Her bilingual gifts in Spanish and English have been a tremendous blessing to Hispanic pastors and communities, as she has translated vital resources such as the Margaret Lackey State Offering materials, tracts, brochures, and bookmarks for Evangelism, Strategy, and WMU. In addition to her work with Hispanic ministries, Mrs. McIlwain also communicates effectively in English with leaders and teams across other cultural ministries—including African American, Native American, Deaf, and Asian ministries—helping foster unity, collaboration, and shared vision throughout the body of Christ.

- **Ms. Paula Smith**, Director, has faithfully served in Multicultural Ministries for over 30 years through both the International Mission Board and MBCB.

We are praying fervently for the Lord to raise up leaders to serve among the Asian population and adults with special needs. The harvest is plentiful, and we trust the Lord of the harvest to send laborers.

### **Ministry Reaches Across Mississippi**

Mississippi Baptists actively minister through:

- 60 African American churches
- 4 Chinese-speaking churches
- 4 Korean-speaking churches
- 12 Native American churches
- 19 Spanish-speaking churches
- Numerous weekly Bible studies in ASL, Hindi, Arabic, Filipino, Persian, and other languages
- 23 churches with Deaf ministry outreach

While we do not yet have a Deaf churches in Mississippi, we are prayerfully working toward that goal. May the Lord open doors and hearts.

### **African American Leadership Training (April 25–26)**

Held at Calvary Christian Oak Forest Church in Jackson, this powerful gathering welcomed 106 pastors, wives, and lay leaders. Pastor Keith Ratliff, Mrs. Jennifer Ratliff, and their team extended heartfelt hospitality to attendees from churches across the state.

The conference was praised for its clarity, structure, and engaging content. Attendees found the sessions deeply relevant and spiritually enriching, especially in areas of:

- Salvation and spiritual growth
- Church revitalization strategies
- Evangelism and mission work
- Leadership development and discipleship

Session Highlights:

- *“Reality of Church Revitalization vs. Church Consolidation”* – Rev. Bridges



- *“Be an Intentional Missions Church”* – Rev. Smith
- *“Leadership Development”* – Rev. Crawford
- *“Sunday School as an Evangelistic Tool”* – Rev. Jones

Churches represented included:

Greater Harvest Church (Jackson), Start Light Baptist Church (Meridian), Springhill MB Church (Ellisville), Fountain of Life Baptist Church Inc. (Clinton), Spangle Banner MB Church (Mound Bayou), Victory Temple Baptist Church (Greenville), Mt. Sinai Baptist Church (Tupelo), St. Joseph Missionary Baptist Church (Jackson), City Light Church of Vicksburg Inc. (Vicksburg), River Church, New Jerusalem Missionary BC (Greenville), and Oral Baptist Church (Sumrall). Attendees left refreshed, inspired, and ready to serve with renewed passion.

Upcoming Event:

- African American Fellowship “Meet and Greet”  
October 27 at Broadmoor Baptist Church, Madison

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### **MS Chinese Churches Spring Revival Retreat (March 15–16)**

Hosted by the Chinese Christian Church of Greater Jackson, this retreat welcomed over 100 Chinese Christians and families from:

- Starkville Chinese Christian Church
- Hattiesburg Chinese Christian Church
- Chinese Grace Bible Church (Biloxi)
- Chinese Christian Church of Greater Jackson

Theme: “God’s Wisdom in All Things – Ezra 9”

English-speaking attendees were warmly welcomed, with Pastor Kaibin Fu and Pastor Nate Carroll leading sessions that explored how theology reveals God’s wisdom and beauty in:

- Family – Navigating relationships through God’s design
- History – Learning from God’s faithfulness in the past
- Mathematics – Seeing the Creator’s mind in numbers and patterns
- Storytelling & Science – Understanding how God uses narrative and biology to speak to the human heart

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### **Choctaw Indian Fair Outreach (July 8–12)**

At the 75th annual Choctaw Indian Fair, Rev. Ray Duplessie, Ms. Paula Smith, and lay leaders from New Choctaw Baptist Association manned a booth to make meaningful outreach and connection with the Choctaw community. In partnership with the Choctaw Translation Committee, we distributed:

- Pocket Bibles

- Tracts
- Fans featuring Mathew 28:19-20 in Choctaw and the names of 12 Choctaw Baptist churches

This effort celebrated heritage while sharing the love of Christ.

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### **HOPE International Training (April 12)**

Held at HOPE International Center in Ridgeland, this first-of-its-kind training equipped participants in:

- Situational awareness
- Cultural sensitivity
- Gospel-sharing techniques
- Relationship building
- Roleplaying exercises

Attendees praised the clarity and relevance of the training, especially in understanding different cultures and faiths.

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### **Deaf Ministries and Outreach**

On April 13, the Mississippi Baptist Conference of the Deaf (MBCD) hosted a screening of *“Jesus” (A Deaf Missions Film)* at Park Place Baptist Church in Pearl. Organized by Deaf Leadership at Park Place, Vickie Stuart and Teresa Burns, the film—performed entirely in American Sign Language (ASL)—allowed Deaf attendees to experience the Gospel in their heart language.

Upcoming events include:

- Equipping Leaders with WMU Annual Meeting  
August 22–23 at Brandon Baptist Church  
Featuring:
  - “Deaf Culture and Ministry in Mississippi”
  - “How Your Church Can Start a Deaf Ministry”
- Mississippi Baptist Conference of the Deaf 2025  
October 26–28 at Garaywa Camp & Conference Center, Clinton

Our fervent prayer is to plant a Deaf church in Mississippi. This is a bold and prayerful endeavor, and we ask the Lord to send laborers into this harvest field.

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## **Hispanic Ministry Highlights**

### **Pastors & Wives Retreat (March 7–8)**

Held at the peaceful Lake Tiak-O’Khata in Louisville, this retreat welcomed 16 pastoral families from across Mississippi. Pastor Samuel Garcia and Mrs. Janet Garcia led heartfelt sessions on “Obstacles in Ministry,” addressing:

- Pastoral struggles and spiritual growth
- The role of pastors’ wives
- Exhaustion and pressure in the ministry
- Biblical preaching and coherence in life and ministry

Attendees described the retreat as spiritually nourishing and deeply encouraging. It was a time to rest, reflect, and be reminded of God’s sustaining grace in the journey of ministry.

### **Impact Education & Leadership Training (May 31)**

Hosted by Iglesia Bautista Cristo Vive in Pontotoc and led by Rev. Rocky Tzib, this dynamic training focused on “Teaching as Jesus Taught His Disciples.” Over 100 participants from seven Hispanic churches gathered to grow in their calling as teachers and leaders:

- Iglesia Bautista Cristo Vive, Pontotoc
- Iglesia Bautista Casa de Oración, Vardaman
- Iglesia Bautista Nueva Vida, New Albany
- Primera Iglesia Bautista Hispana, Batesville
- Iglesia Bautista Cristo es mi Refugio, Cleveland
- Iglesia Bautista Emanuel, Tupelo
- Iglesia Bautista El Buen Pastor, Forest

Guest Speakers:

- Dr. Misael Rodríguez
- Mayra Gongora Lorenzo
- Dr. Edgar F. Trinidad

Topics Included:

- Teaching strategies for youth and adults
- Engaging today’s society through biblical teaching
- Jesus and the Samaritan woman as a ministry model
- Creative methods for generational teaching
- Evangelism tools like the “Wordless Book”

The training was practical, inspiring, and deeply appreciated. Participants were left equipped to teach with clarity, compassion, and creativity.

### **Hispanic Youth Retreat (July 18–20)**

Held at Lakeside Camp in Scobey, MS, this vibrant retreat welcomed:

- 81 teenagers
- 27 adults and leaders
- Total: 108 lives impacted by the Gospel

**Theme:** *“Aprendiendo a tomar Decisiones Sabias”*

**Speaker:** Pastor Milton E. Rocha, Church Planter at *Faro de Esperanza*, Gulfport, MS.

Key themes included:

- Identity in Christ
- Peer pressure and decision-making
- Daniel’s faith and wisdom
- Worship and Bible study

Churches represented included:

- Iglesia Bautista Nueva Vida, New Albany
- Iglesia Bautista Nueva Vida y Esperanza, Greenwood
- Primera Iglesia Bautista, Batesville
- Iglesia Bautista Cristo Vive, Pontotoc
- Iglesia Bautista Libertad, Waynesboro
- Iglesia Casa de Oración, Vardaman

Beyond the sessions, youth enjoyed games, soccer, and meaningful fellowship. It was a weekend overflowing with joy, deep spiritual growth, and a powerful move of God — as three teenagers made the life-changing decision to surrender their hearts to Jesus.

### **Hispanic Women’s Retreat (August 8–9)**

Held at Central Hills Baptist Retreat, this beautiful gathering focused on *“Mujer Real: Redescubriendo el Buen Diseño de Dios”* (Proverbs 31:25–26).

Speakers: Janet García and Debora Dhalhauser

Worship Led By: Iglesia Bautista Nueva Vida.

A total of 180 women from 13 Hispanic churches attended this powerful retreat. Our Hispanic sisters were uplifted and empowered as they rediscovered God’s design for womanhood. The retreat was filled with

laughter, tears, worship, and deep spiritual renewal—a true celebration of faith, fellowship, and the beauty of God’s calling on women’s lives.

### **Hispanic Men’s Retreat (September 5–6)**

Also at Central Hills Baptist Retreat, this upcoming retreat will focus on “*Ser Imitador de Cristo*.”

Speaker: Pastor Jaime Loayza, *Iglesia Bautista Gracia Internacional*, Hernando

Men will gather for worship, fellowship, and spiritual growth as they explore what it means to live as imitators of Christ. We anticipate a powerful time of encouragement and brotherhood.

### **Hispanic Annual Convention (October 25)**

For the second time held at Trace Ridge Baptist Church in Ridgeland, this fourth annual convention will bring together pastors, spouses, leaders, and congregations from across Mississippi. Centered on the powerful theme, “El Propósito de la Iglesia Local, Nacional y Mundial para Cristo” — “The Purpose of the Local, National, and Global Church for Christ” — the gathering will inspire reflection, unity, and renewed commitment to the Church’s mission at every level.

Guest Speakers: Dr. Ramón Osorio, National Mobilizer for Hispanic Churches, NAMB and Dr. Shawn Parker, Executive Director-Treasurer, MBCB

This convention promises to be a Spirit-filled time of connection, vision-casting, and celebration of what God is doing in Hispanic ministry. We look forward to seeing how the Lord will continue to unite and mobilize His people for the Gospel.

Thank you, pastors, for your faithful leadership, your heart for all people, and your unwavering commitment to the Gospel. May this report serve as a reminder that your labor in the Lord is never in vain. As we celebrate the beauty of God’s diverse Kingdom and the unity we share in Christ, let us press on—together—with joy and expectation. For the glory of God and the good of all nations, we are building His Kingdom: one soul, one family, one church at a time.

## **BIVOCATIONAL MINISTRIES**

**Greg Barker, Pastoral Ministries Consultant**  
**Elizabeth Lindigrin-Hancock, Ministry Assistant**

The Bivocational / Resume Services Department is directed by Greg Barker, Pastoral Ministries Consultant, who serves with Dr. John Pace, Leadership Department Director, and Elizabeth Lindigrin-Hancock, Ministry Assistant for both departments.

*“We are laborers together with God” (1 Corinthians 3:9).*

### **Bivocational Ministries**

The MBCB defines “bivocational” as a minister who is employed in one or more occupations apart from their paid service as pastor or minister of a local church, where the church does not provide a salary sufficient for them to devote full-time service to the church field.

We continue to encourage and equip ministers and their churches to make disciples in Mississippi and around the world. We believe that every pastor and every church, of any size is necessary and valuable to our Mississippi Baptist Convention, and we are committed to labor together with them to accomplish that goal.

Last year, we hit the ground running with our Annual Bivocational Ministries Breakfast. It was excellent! Over 50 pastors, Associational Mission Strategists, and others from across our state came together for a time of fellowship, networking, and inspiration. Gregg Thomas, bivocational pastor at Beech Springs Baptist Church shared his revitalization testimony and John Maxey, Director of Revitalization shared key signs and steps to revitalization.

Our goal again this year was to encourage all our new Associational Mission Strategists to have conferences and events in their association specifically for bivocational ministers. This year, we had the opportunity to attend and speak in 15 of our Baptist Associations. I especially enjoyed the bivocational pastor and wives steak dinner in the Smith Association and the bivocational lunch that was cooked by the Choctaw Indians in the Choctaw Association.

One way we encourage bivocational pastors is with a birthday text. At the end of the text we ask the minister to add our number to their list of contacts so

they can call or text us if they have a need that we can help them with. We have discovered that texting is the best way to communicate with bivocational ministers.

We continue to evaluate how to make this department the best it can be for our ministers and churches.

### **Resume Services**

Resume Services helps churches with pastor search trainings, compensation planning, background information, job descriptions, resume helps, and assistance with pulpit supply and interim pastors.

Popular again this past year was our Minister Search Training. Our department trained 63 Minister Search Committees last year. When the minister resigns, we get a phone call from the chairman of the newly formed minister search committee asking for help. We strongly encourage our Minister Search Training. There is no cost for this training. It takes about an hour, and we will come any time that is convenient for the committee. We provide the committee with our updated training manual that has 10 pages of instruction and 14 appendices. We will also bring a 10-year history of their church, information on how to do background checks – which is so important today, and a compensation study that shows how much churches their size are paying their ministers. After the Minister Search Committee has been trained, they are better able to find the minister that God has especially for their church.

This past year we saw great results from our Ministry Job Board. When we first launched the Ministry Job Board in July of 2023, we were not sure how it would be received by churches. The first month we received 42 posts. We knew the ministers would love it because they could view the churches that were searching for a minister and upload their resume directly to that church. We soon began to receive success stories from churches that were receiving resumes and calling ministers from the Ministry Job Board. The MBCB Ministry Job Board had a total of 250 posts and averages 200 posts.

The Ministry Job Board is free for all Mississippi Baptist Churches and MBCB affiliated ministry organizations to post their ministry job opening and for ministry job seekers to browse and apply directly for that ministry position online. Please join me in praying for the churches that are seeking ministers and for the ministers that are seeking churches.

Please contact our Leadership / Bivocational / Resumes Services Department by phone (601) 292-3307 or email [jpace@mbcb.org](mailto:jpace@mbcb.org), [gbarker@mbcb.org](mailto:gbarker@mbcb.org), or [elindigrin@mbcb.org](mailto:elindigrin@mbcb.org) if we can help you in any way.

### **Cost Share Counseling**

We provide Cost-Share Counseling to all our Mississippi Baptist Convention ministers and their immediate families. To receive counseling, the minister calls our office for approval. Once approved, the minister will be given a list of approved Christian Counselors. This has been a busy year for our Cost-Share Counseling Program. We provided counseling for 16 ministers and their immediate families at a cost of \$4,625.00.

On a personal note, I had the honor and privilege this past year to preach in 18 churches and served as interim pastor at Mountain Creek Baptist Church in Florence. I also had the opportunity to attend 12 funerals and visit 7 ministers in the hospital throughout the year.



## **DISCIPLESHIP/SUNDAY SCHOOL**

**Dwayne Parker, Director**

**Angie Boydston, Preschool/Children's Ministry Consultant**

**Zach DePriest, Student Ministry Consultant**

**Andrew Harper, Adult Ministry Consultant**

**Rene' Edwards and Tasha Presson, Ministry Assistants**

### **Discipleship/Sunday School Ministries**

The Discipleship and Sunday School Ministries exist to assist, equip, and resource churches in making disciples. We carry out this mission through a variety of strategies, including:

- Discipleship Strategy Development
- Sunday School/Small Group Strategy Development
- Next Generation Ministry Development (birth through college)
- Age-Graded Ministries

We provide support through consultations, leadership training, Bible Drill and Speakers Tournament, Vacation Bible School, Super Summer, ministers' retreats, and senior adult events. This past year has been an exciting season of ministry as we continued to serve and connect with Mississippi Baptist churches across the state. We provided individualized training for over 40 churches, equipping leaders who serve preschoolers, children, students, and adults. We also partnered with churches to develop discipleship strategies and co-hosted a disciple-making workshop with NAMB and Replicate Ministries, which included participation from 15 churches.

In April, we held the State Speakers Tournament, awarding multiple scholarships. This was followed by the 2025 State Bible Drills, which saw strong participation:

- 758 children
- 662 students
- 1,420 total state drillers
- 1,881 church drillers

Our team continued to travel across the state, providing consultations, training, and soul care. Events and workshops included:

- Discern (for ministry discern among high school and college students)
- Senior Adult Leadership Training
- Senior Adult Refresh

- Small Church Youth Ministers Workshops
- KidMin Toolbin Workshop
- Retreats for Preschool/Children's Ministers and Student Ministers
- Disciple-making Roundtables

Recognizing the importance of Vacation Bible School, Angie Boydstun conducted on-site visits to multiple churches across the state. Under the leadership of Student Ministry Consultant Zach DePriest, who began serving in April 2025, Super Summer was held from July 8 to 12 at Mississippi College. It was a phenomenal week in which students were encouraged and equipped to be disciples who make disciples. Additionally, Andrew Harper led two regional workshops, equipping Sunday School teachers to teach their curriculum with greater confidence and effectiveness.

### **Men's Ministry**

Men's Ministries assist local churches in reaching, discipling, and mobilizing men for mission. We offer consultations, resources, and insights into the latest trends in men's discipleship. This year included multiple consultations and men's conferences across the state.

### **Central Hills Baptist Retreat**

In April 2025, Jason Marshall began serving as Camp Manager at Central Hills. Under his leadership—and with the help of 50 college students—Central Hills shared the gospel with over 2,500 campers this summer. Before the camp season began, the majority of the facility's roofs were replaced. In addition to summer camps, Central Hills hosted numerous church retreats, conferences, and DiscipleNow events.

We are grateful for the opportunity to serve Mississippi Baptist churches and look forward to even greater ministry in the days ahead.

## LEADERSHIP

**John Pace, Director**

**Greg Barker, Pastoral Ministries Consultant**

**Elizabeth Lindigrin-Hancock, Ministry Assistant**

The mission of the Leadership Department of the Mississippi Baptist Convention Board is “developing leaders to strengthen churches in Mississippi.” Our target audience consists of pastors, staff ministers, deacons, elders, church officers, ministry assistants, church leadership teams, church committees/teams, youth and adults surrendered to vocational ministry, college students committed to church-related vocations, and Associational Mission Strategists and local Baptist associations. Each year we work with a large number of these individuals and groups to assist, resource, and equip them for effective and productive ministry and leadership in their local churches and ministry contexts. To access complete information about our services and resources, please go to our web page at <http://www.mbc.org/ministry/leadership/>. Our Leadership Department also has a Facebook page titled the "Mississippi Baptist Senior Pastors" group page. This page is a private page for MBCB Senior/Lead Pastors and Associational Mission Strategists existing to help connect those serving in these roles and provide a forum to share ideas, have discussion, and encourage fellow MBCB Pastors. If you are a Senior/Lead Pastor of a MBCB church, or an Associational Mission Strategist, and are interested in joining the conversation and fellowship on this page, go to the "Mississippi Baptist Senior Pastors" page on Facebook, read the information and interaction guidelines for the page, and fill out the member request information questions. Once we verify your information, we will admit you as a member on the page. Please share this information with all of our MBCB Pastors and encourage them to join this group page as well, and share with us any ideas or suggestions how this page can best benefit MBCB Pastors.

Our Leadership Department continues to serve in a variety of ways to assist pastors, ministers and churches to advance the cause and mission of Christ in and through their churches. Our efforts this past year included:

- Responding to requests for a variety of needs, training, resources, and questions from church pastors, ministers, deacons, elders, leaders, and committees/teams seeking consultations, training, assistance, resources, and information on church ministry. We responded to

these requests with on-site ministry visits when needed, and discussion and resourcing through phone calls, emails, texts, and digital meetings. This year we responded to a multitude of church requests, including assistance and training for deacons in fulfilling their calling; helping churches in the process of evaluating their current ministry buildings, securing additional space, and/or renovating or improving their existing church ministry buildings; conducting safety and security assessments for churches; assisting churches in evaluating and updating their church constitution and bylaws; helping with long-range planning and vision-casting for churches and their ministries; assisting churches in addressing conflict situations; help with management needs and ideas for church offices; and training and assistance for church committees/teams.

- Providing focused ministry assistance, mentoring, resources, planning helps, and training for our wonderful bivocational pastors and ministers, which make up a significant and growing number of pastors and ministers in our state. Special thanks go out to Rev. Greg Barker, Pastoral Ministries Consultant in our Leadership Department, for his leadership and faithful work with our bivocational ministers.
- Helping churches and ministers in seeking God's will in making connections in ministry service. Our department oversees an exciting tool and opportunity for churches that are seeking God's will in finding a new Pastor or Minister at their church, and for pastors and ministers seeking God's direction for a new place of ministry service. Instead of maintaining and sending resumes to churches from our department as we have done in the past, we are now hosting a Ministry Job Board for churches and ministers through our MBCB website. **If you are a church leader desiring to receive resumes from potential pastors and ministers for a ministry position at your church, go to [www.mbc.org/connect/submit-a-job/](http://www.mbc.org/connect/submit-a-job/) and complete the requested information and submit your post. If you are a pastor or minister seeking opportunities for a full-time or bivocational ministry position, you can review the available ministry positions listed on our Ministry Job Board, and submit your resume to churches, at [www.mbc.org/connect/find-a-job/](http://www.mbc.org/connect/find-a-job/).** On the Ministry Job Board this

year, we posted over 250 open ministry positions for MBCB churches. This year, we also trained 63 pastor/minister search committees; welcomed and connected with 131 new pastors across our state, including 42 pastors who attended our “New Pastor Day” at the MBCB Building in November 2024; and helped numerous churches seeking assistance in identifying interim pastors and supply preachers. Special thanks to Rev. Greg Barker and Elizabeth Lindigrin-Hancock in our Leadership Department for their excellent work in this important area of ministry to our churches and ministers.

- Assisting and encouraging pastors, ministers, and their families in our state to help them with guidance and support in the joys, struggles, and issues of ministry. Last year we ministered to a large number of contacts from pastors and ministers through personal visits, phone calls, emails, and texts, to help them with needs, questions, resources, and mentoring related to their ministries, churches, theological education, and personal/family lives. As part of this ministry, we provided cost-share counseling for 16 ministers and/or their families; provided counsel, guidance, and financial assistance to numerous ministers who were force-terminated; and assisted numerous ministers with guidance and encouragement in their ministry educational pursuits and vocational plans. This year we received and processed 8 applications for benevolent financial assistance from qualifying ministers across our state, providing \$22,250 in assistance. On behalf of these ministers, I thank our MBCB leadership, and all of you as Mississippi Baptists, for your loving help and ministry to these ministers and their families during their time of need.
- Engaging in ministry and events to celebrate and assist our Christian Religious Vocation (CRV) students at our three Baptist colleges: Blue Mountain Christian University, Mississippi Christian University, and William Carey University. We held CRV Banquets at the three campuses to recognize, encourage, and connect with these CRV students as future ministry leaders and servants in our state, attended by a total of 269 students. We held our Student Day at the MBCB building, hosting about 111 students from our three Baptist colleges at the building for breakfast, lunch, and a day of tours to the

departments of the Baptist Building. At Student Day, we share information, resources, and understanding about the structure and ministry of the MBCB and how we can assist them in the calling and ministry God has for them in life, as well as how we can assist the churches where they serve.

- Our Leadership Department also hosted the annual MBCB Preaching Conferences at our three Mississippi Baptist colleges for ministers and students around our state, attended by a total of over 120 people. The 2025 Preaching Conference examined the Gospel of Luke and was led by Dr. Joseph Bird (William Carey University), Dr. Thomas Magers (Blue Mountain Christian University), and Dr. Wayne VanHorn (Mississippi Christian University). Our 2026 MBCB Preaching Conferences will be held on April 13-15, 2026, at our three Mississippi Baptist Colleges and will focus on the Old Testament book of Jeremiah. We encourage and invite all pastors, ministers, students, and church members to join us for this great event.
- Our Leadership Department also enjoyed numerous opportunities to minister with our Associational Mission Strategists in our local Baptist associations throughout our state. We partnered numerous times this year with our AMS's and associations in ministering to individual church and/or minister needs, including training conferences and events.
- Personally, God also blessed this year to provide the chance to preach or speak at over 30 churches and events in our state, as well as the blessing of serving as interim pastor at Hardy Street Baptist Church in Hattiesburg, MS.

Thanks to all of you for the privilege to serve God with you in this ministry capacity, and please pray for us as we continue to update, improve, expand, and plan for even greater ministry service in our future. Please call us any time we can minister with you or to you and your churches in ministry and life as you serve and glorify God and advance the Gospel and Kingdom of Jesus Christ our Lord. God bless you!

## **WOMEN'S MINISTRIES/ WOMAN'S MISSIONARY UNION®**

**Terrie Harwood, President, Mississippi WMU**  
**Tammy Anderson, Executive Director-Treasurer**  
**Amy Massey, Ministry Assistant**

The theme for WMU for the 2024-2026 church year is What JOY! Through this emphasis we have focused on 1 Thessalonians 2:8 which states "because we loved you so much, we were delighted to share with you not only the gospel of God but our lives as well." Our objectives have been to lead Mississippi Baptists to be passionate about the lost; compelled by love; generous in sharing; and to serve with great delight (or joy).

Our mandate continues to be "to make disciples of Jesus who live on mission." This mandate has guided our work as we have encouraged believers to share their faith and make disciples. WMU introduced three new resources to help with the mandate and emphasis this year. "*It Became to Me a Joy*" by author Connie Dixon helped us to understand the true meaning of finding Joy in Christ. "*The Good News According to John*" provided churches with a tool to invite their community to join them for Easter Sunday and hear the gospel preached. And, "*50 Steps with Jesus: Learning to Walk Daily with Our Lord*" gave us a tool to use in discipling new believers.

We have encouraged believers to generously give to four offerings that helped us spread the gospel both at home and abroad. The four offerings were the Annie Armstrong Easter Offering, Edwina Robinson WMU Offering, Margaret Lackey State Offering and Lottie Moon Christmas Offering. All of these offerings exceeded their goals in 2024.

The Edwina Robinson WMU Offering helped us to encourage and support our Mississippi Missionaries by providing Christmas Gift Checks to MK College students from Mississippi; providing transportation to Mississippi MK's attending the MK Re-entry Retreat in Missouri; sponsoring two Mississippi Missionary Fellowships; providing financial gift checks to new IMB appointees from Mississippi and helping the Macedonian Call Foundation to purchase a new vehicle for missionaries to use while on stateside.

The Mississippi WMU Executive Board met twice during the year. The meetings were held at the Garaywa Camp and Conference Center on

November 15-16, 2024 and May 2-3, 2025. We've had several staff changes this year. Justin Craft began working as a part-time RA Consultant in November 2024. Jordan East, Garaywa Camp Director, resigned in December 2024. Hannah Counts started as the new Garaywa Program Director on April 1, 2025. Braelyn Weaver began her work as the new Women's Consultant in June 2025 and Kay Bennett started serving as the part-time Christian Men/Women's Job Corps Consultant on July 1, 2025.

Leadership development remains a priority for our work. We have trained women's ministry leadership teams, provided online training opportunities with both Lifeway and WMU, and offered conferences during our Equipping Leaders Weekend. Equipping Leaders Weekend participants were challenged to share their faith by Greg and Abby Wilton and urged to disciple new believers by Sandy Wisdom Martin. Alicia Wong, the new Lifeway Women's Specialist, was both informative and inspirational for Women's Ministry leaders.

Missions Madness was a regional events took place in the Fall 2024 and the Spring of 2025. The Fall theme was "Saddle Up Your Horses" featuring NAMB missionaries and the Spring theme was "Mounties for Missions" focusing on Canada. Each year over 1,000 children participant and learn about missions during Missions Madness.

WM/WMU provides opportunities to help hurting people while sharing the gospel through Compassion Ministries. Currently, there are six active CMJC/CWJC (CJC) sites and twenty-nine literacy missions sites in Mississippi. On July 24-26, MS CJC site leadership participated in the State Literacy Missions & Christian Men/Women's Job Corps Conference at Garaywa. Fifty-eight people attended the training. Tonya Hancock (National Christian Job Corps Trainer) led the CJC Track on AI skills during the conference. Eight new volunteers were trained in English as a Second Language. Two new volunteers were trained in Tutoring Children and Youth. Seventeen experienced volunteers participated in conferences to enhance ministry skills. Additional ESL Trainings for eight new volunteers were held online for volunteers in DeSoto-Tate Baptist Association, Metro Baptist Association, and Jones Baptist Association. Five new volunteers were trained in Adult Reading and Writing in Pine Belt Baptist Association.



## **GARAYWA Camp & Conference Center**

Roddy Reed, Manager

Hannah Counts, Program Director

Anna Irwin, Administrative Assistant

Dana Massey, Food Service Coordinator

Stan Stanford, Guest Services & Grounds

Garaywa Camp and Conference Center motto is ***Loving God, Making Disciples, Experiencing Missions, & Changing the World.*** From August 12, 2024 – August 12, 2025, we had 2,680 guests. This does not include summer camps or Mother Daughters. In April 2025, we welcomed Mrs. Hannah Counts to our team as the Program Director. We are excited about her coming aboard and what God is planning for in the future of GARAYWA.

Our camp and conference center is used year-round for many different purposes, but all have one thing in common – glorifying God. This summer, we had 949 with 4 professions of faith and 1 rededication. Our total participation with staff and volunteers was 1203. Throughout the year, we host three Mother/Daughter weekends. We had a total of 602 mothers and daughters participate in the Fall 2024 and Spring 2025!

Christian groups come from all over to train disciples, encourage God's people, celebrate what Christ has done, and cultivate plans for spreading the Gospel to the ends of the earth. For more information on booking the conference center or to speak to someone about volunteering at Garaywa, contact Roddy Reed at [rreed@garaywa.org](mailto:rreed@garaywa.org) or Anna Irwin at [airwin@garaywa.org](mailto:airwin@garaywa.org). Thank you for the support of Mississippi Baptists across our state.

## WORSHIP MINISTRIES

Kristopher Smith, Director

Wyndy South, Keyboard/Children's Music Consultant

Cathy Taylor, Ministry Assistant

The **Worship Ministries Department** of the Mississippi Baptist Convention Board continues to passionately pursue its mission to **resource, equip, and encourage** Mississippi Baptist churches and worship leaders. In alignment with Ephesians 4:12, which calls us "to equip his people for works of service, so that the body of Christ may be built up," our department has dedicated the past year to providing vital support and resources to nurture the spiritual growth and ministry effectiveness of worship leaders across the state.

Through **events, training sessions, personal consultations, and ministry roundtables**, we have worked to empower those who lead our congregations in worship. Our efforts include close partnerships with churches in seasons of transition, offering consultation and training for search teams seeking new worship leaders or ministers of music. We remain committed to helping local churches glorify God with biblical, Spirit-led worship.

### CHILDREN'S MUSIC

*Summer Music and Arts Camp for Kids (SMACK)* was held July 8–11 at William Carey University in Hattiesburg. Led by Event Coordinator Hope Smith, with assistance from Melody Mercer and Austin Crabtree, the event welcomed 171 total participants (3rd–6th grade students, adult sponsors, and staff) from 26 churches. This year's theme, "Truth. Love. Forever." was based on Isaiah 40:8 "The grass withers, the flowers fade, but the word of our God remains forever." We are grateful to report that six children made decisions for Christ during the week and another 10 indicated that they would like to talk further with someone about salvation!

*Young Musicians Honor Choir*, led by Wyndy South and guest conductor Wayne Causey, was held September 20–21 at Park Place Baptist Church, Pearl. This auditioned choir of 65 4th–6th graders from across the state participated in a weekend of music and worship, culminating in a live-streamed Saturday evening concert and Sunday morning worship leadership featuring the classic musical *Heroes of the Faith*, which highlights the lives of Moses, Elijah, Deborah and David in the Old Testament scriptures to teach us to follow God's

commands, to not fear when facing the enemy, and to stand strong in our faith.

### **STUDENT MUSIC**

*HeartSong*, our Worship Arts Camp for students in grades 6–12, was held June 24–28 at William Carey University. The theme, “King Forever,” was drawn from Psalm 10:16 “The Lord is King forever and ever.” 135 total participants attended from 17 churches. Under the direction of camp pastor Jacob Glasz, choral director Dr. Brandon Hardin, and worship leader/praise band director Matthew Gaddy, the week featured a variety of worship arts including drama, interpretive movement, signing, and blacklight puppetry. The camp closed with a full worship presentation on Friday night. Through this event students were challenged to grow as worshipers and leaders.

The *Mississippi Baptist All-State Youth Choir & Orchestra (MBASYCO)* included 80 high school students selected through statewide auditions. The group was directed by Kris Smith (choir), Byron Green (orchestra), and coordinated by Elizabeth Knight. Students led worship concerts at Rocky Creek (Lucedale), FBC West Point, LaBelle Haven (Olive Branch), FBC Biloxi, Salem Heights (Laurel), and FBC Madison. They also ministered through worship concerts at the Mississippi Correctional Institute for Women in Pearl. Approximately 2,000 people attended the services during the tour.

### **KEYBOARD MINISTRY**

Ten *Keyboard Festivals* were held January 30–February 6 across five regions, directed by Wyndy South, Keyboard/Children’s Music Consultant. A total of 697 students in grades K–12, representing 270 churches in 72 cities and 31 associations, participated. Students were evaluated on hymns, hymn arrangements, classical repertoire, accompanying, modulation, transposition, and sight-reading. These events were made possible through the support of more than 250 volunteers, adjudicators, and local coordinators.

### **INSTRUMENTAL MINISTRY**

The *Mississippi Baptist Symphony Orchestra (MBSO)*, under the direction of Byron Green, held its annual retreat January 24–25 at First Baptist Church, Florence. The orchestra is composed of approximately 100 players from churches across Mississippi and presented worship concerts at FBC Starkville, FBC Florence, FBC Grenada, and Main Street Baptist, Hattiesburg. The Worship Ministries Department also provides consulting and training to local churches seeking to develop instrumental ministries.

## **SINGING CHURCHMEN & CHURCHWOMEN**

The *Mississippi Singing Churchmen* presented spring worship concerts on March 24–25 at FBC Vicksburg, McLaurin Heights (Pearl), and FBC Magee. Their fall tour took place September 15–16 at FBC Louisville, FBC Oxford, and Belden Baptist Church. The group includes ministers of music and worship leaders from across the state, serving together through choir, orchestra, and handbells.

The *Mississippi Baptist Singing Churchwomen* presented their spring concert on April 6 at FBC West Point and will present a fall worship concert at Parkway Baptist Church, Biloxi on September 28. The Churchwomen also gather each fall for a retreat at Garaywa Camp and Conference Center, offering a time of encouragement, musical preparation, and spiritual renewal.

## **WORSHIP LEADER TRAINING & SUPPORT**

The *Mississippi Worship & Media Conference (MWMC)* was held February 27 at FBC Brookhaven. 162 worship and media leaders from across the state attended the event, which featured breakout sessions for worship leadership, sound engineering, volunteer teams, multi-tracks, and more. Guest speakers included Andrew Causey (BiVoWorship.com), Dr. Will Bishop (William Carey University), Dr. Jonathan McKenzie, and Todd DuBose (FBC Biloxi). Worship was led by *Crescent City Worship* from New Orleans Baptist Theological Seminary.

*Worship Leader Training*, available online at [www.mbc.org/worship](http://www.mbc.org/worship) is a self-paced training and renewal resource designed for Mississippi Baptist worship leaders, bi-vocational ministers, and church volunteers. This resource continues to be used by leaders across the state to develop practical and biblical skills for worship ministry.

## **IN CLOSING**

The Worship Ministries Department is honored to serve alongside Mississippi Baptist churches. Whether through training, equipping, resourcing, or consulting, our desire is to see every church—large or small—led in faithful, Spirit-filled worship that glorifies God and edifies the body of Christ.

*“Let everything that has breath praise the Lord.” —Psalm 150:6*

## **BAPTIST RECORD**

**Tony Martin, Editor**  
**Megan Young, Associate Editor**  
**Lindsey Williams, Writing Specialist**

The Baptist Record, news journal of the Mississippi Baptist Convention, is fully digital. A paid subscription is no longer necessary; the Record can now be accessed free of charge at any time at <https://thebaptistrecord.org>.

Freed from deadlines and physical constraints inherent in the printing process, the Record has been able to move from a weekly publication to a daily. This enables the Record staff to refresh subject matter more rapidly and frequently via the website. The Record is now available worldwide, which was not the case when it was strictly print.

Our goal is to have fresh content on our site every weekday. We are striving to provide information and encouragement to all readers, with an emphasis on Mississippi Baptist life and good news stories of our people.

The digital Record contains many of the popular features found in the print edition of old, including breaking news from around the Baptist world, weekly Sunday School commentaries written by Mississippi Baptists, Bibliocipher puzzle, church news (homecomings, anniversaries, VBS reports, local church happenings, etc.), obituaries, and Baptist college news. A new feature appearing in the digital Record is Magnolia Minds, a regular commentary that covers a variety of subjects and is written by Mississippi Baptists. We're also providing a new game, WordroW, which is very similar to the popular game, Wordle. An additional new feature is a weekly column, In The Margins, written by editor Tony Martin.

For those who don't have access to a computer, anyone with a smartphone and cellular service can read the Record, anytime, anywhere, by using their browser and going to the sites mentioned above.

For those interested in printing hardcopies, a print command is available in the bottom right corner of website pages. Of all the publications you read today, none is more important than The Baptist Record when it comes to spiritually-centered news that you can use both in your daily walk with the Lord and to fulfill your high calling as a follower of Jesus. After perusing just one issue, we believe you'll feel the same way.

## COMMUNICATION SERVICES

**Tanner Cade, Director (through August 2025)**

**Seth Price, Director (September 2025)**

**Judy Chen, Ministry Assistant**

**Bart Lambright and Hope Joy Owens, Graphic Designers**

**The Baptist Record staff (partnership)**

The Communication Services provides resources to our churches and associations toward our goal of equipping local churches to make disciples in Mississippi and around the world!

Along with the Director, the department includes two graphic designers, ministry assistant, and a partnership with The Baptist Record three staff members.

Resources for our churches and associations are:

- **Consultation Services**

Communication Services department was able to regularly assist churches in any area of media. Churches have called for help with social media, websites, live production, and a variety of other specific areas.

- **Mississippi Worship and Media Conference**

In February 2025, we again joined with the Worship Ministries department to host the Mississippi Worship and Media Conference at FBC Brookhaven. Over 100 media and worship ministers gathered for a packed one-day event. The schedule included a large session, breakout sessions, and concluded with an evening worship service led by Crescent City Worship. Several vendor companies, colleges and other ministries were on hand. Some of the breakouts for media and communications included:

- Building Volunteer Teams
- Solid Social Foundation
- Mixing Audio
- Using Ai Tools
- Equipment Demos
- Multitracks Demo
- & AVL Gear Talk

- **Mississippi Baptists Media on Facebook**

A private group on Facebook for media directors and tech teams. We continue to make connections through the group to create a space for ideas and encouragement across the state.

- **Avenues of Communications**

**Branding** – Continued working closely with the Executive Director-Treasurer and Administration to implement the branding strategy of the MBCB through all avenues of communications.

**Mississippi Baptist e-News** – A weekly newsletter goes out informing MS Baptists of all current events. The email includes a short overview of three feature events and then links to all events sponsored by Mississippi Baptists. Currently, over 6,000 emails receive this e-mail.

**Mississippi Baptist – Around the Table** – Through podcasting you will hear the stories, highlights, and discussions of various ministries of Mississippi Baptists. We started the podcast in 2021 to help elevate the discussion of ministry to the table. Our hope is to make known what God is doing throughout Mississippi. The podcasts have been downloaded over 21,000 times since its start.

**Social Media** - You can find Mississippi Baptists on social media sites such as Vimeo ([vimeo.com/msbaptists](https://vimeo.com/msbaptists)); Facebook ([facebook.com/MississippiBaptist](https://facebook.com/MississippiBaptist)); Instagram (@MSBaptists); and YouTube (@MSBaptists). Through mid-August, over 550,000 people have seen content on MBCB's Facebook page.

**Website** – MBCB.org is the home base for all information related to Mississippi Baptists. Through August, over 400,000 pages have been viewed. The most popular information includes: MBCB staff, ministry job board, events, camps, bible drills, find a church/association, and pastoral information.

**Production Services** – The department continues to produce and assist other departments in their production needs. Numerous videos were produced such as the Monthly Update video by Dr. Shawn Parker, Margaret Lackey Videos, CP Videos, Event highlights, promotional content, and much more. The designers have tackled well over 100 work orders from MBCB departments throughout the year. Also, the whole department worked together to produce the Mississippi Baptist CP Connections Magazine.

A USB jump drive containing the 2024 Annual and Book of Reports of the Mississippi Baptist Convention Board in digital format was mailed to every church in our state.

We are excited to serve our churches and associations in any way possible. Thank you for letting us come alongside you and make disciples.



## **COMPUTER INFORMATION SERVICES**

**Debbie Thomas, Director**

**Dale Bridges, Programmer/Analyst**

The Business Services division has overall responsibilities for the Computer Information Services (CIS). CIS supports every area of work at the Board by providing all computer services. These services include the support and monitoring of the MBCB computer network server and IBM Power Server S10 containing files and databases. CIS also manages the MBCB telephone system network and the security firewall.

CIS maintains a Windows PC Network of over 80 desktop pcs and laptops and 25 laser printers spanning all departments of the MBCB. Laptops are provided to each Board consultant for 24/7 local and remote access to their MBCB e-mail.

Custom written and other supported systems include General Ledger, Church Ledger, payroll, employee database, mail file, specialized Microsoft Access programs, and advertising for The Baptist Record. In addition, CIS manages historical data spanning over 50 years in house and SBC Workspace. Administration of MBCB databases includes various types of specialized reporting, mailing lists, etc.

## **DISASTER RELIEF**

**Hubert Yates, Director**

**Deanna Vail, Ministry Assistant**

**John M. Henry, Disaster Relief/Construction**

### **Disaster Relief**

For the past 49 years, Mississippi Baptists have committed themselves to bringing help, healing, and hope in the name of Christ to those affected by disasters through the active response of many volunteers. Volunteers are prepared with several specialty areas of ministry through training so that they can be effective in a disaster response. These volunteers are focused not just on the physical needs of the survivors but also on the emotional and spiritual needs revealed by the struggles that they face.

In the last quarter of 2024, MS Baptist Disaster Relief's attention was focused on assisting our regional and national partners in and through the Southern Baptist Disaster Relief network. The Southern Baptist Disaster Relief network brings together the ministry work of the 42 Southern Baptist State Conventions in the area of disaster relief. Hurricanes Helene and Milton had made landfall in FL in late September/early October creating the largest deployment of the Southern Baptist Disaster Relief Network since Hurricane Katrina impacted the Mississippi Gulf Coast in 2005. Mississippi Baptist Disaster Relief deployed chainsaw, feeding, shower/laundry, incident management, assessors, and chaplains to South Carolina, Georgia, and Florida. In Georgia, MSBDR was requested to provide site management for a five county area surrounding the southeastern Georgia towns of Douglas and Alma. These areas had received the eyewall of Hurricane Helene. Although over 100 miles inland, the area was devastated by high winds, downed trees, and an extended power outage. MSBDR provided services to over 500 homeowners requesting assistance and recorded 8 professions of faith. In Florida, MSBDR provided a mobile field kitchen that provided hot meals in the Tampa area following Hurricane Milton's landfall. In total, SBC DR provided 52 sites in 7 states to meet the needs of those affected.

As 2025 begin to unfold, Mississippi was faced with multiple small storms in January and February to which our volunteers responded locally to meet the needs of their respective communities. In March 2025, MSBDR deployed to meet the needs of Tylertown, Taylorsville, and Elliott to meet the needs created by multiple tornadoes that struck the state. This simultaneous, multi-

site deployment was accomplished by the dedicated hard work of the volunteers of MSBDR. The three sites provided assistance to over 450 homeowners in the three communities/counties. In April 2025, MSBDR volunteers were on the scene in Mt. Pleasant, MS following a tornado that affected Tate, Marshall, Tippah, and Benton counties. In May 2025, our volunteer teams returned to Northwest MS assisting homeowners in Hernando following a tornado.

In addition, Regional Disaster Relief training events in Basic Chainsaw, Chaplaincy, Clean-up/Recovery, and Mass Feeding was conducted at numerous locations across the state

- FBC/Wiggins, Wiggins (Gulf Coast Association)
- FBC/Meridian, Meridian (Lauderdale Association)
- Park Place Baptist Church, Pearl (Rankin Association)
- Friendship Baptist Church, Ecu (Pontotoc Association)
- Hillview Baptist Church, Greenwood, (Carroll/Montgomery Association).

Mississippi Baptist Disaster Relief currently has 1887 volunteers credentialed to serve in times of disaster and crisis.

### **Campers on Mission**

Campers on Mission seek to take the gospel to campgrounds, parks, and churches across Mississippi and North America. Mississippi COM meets throughout the year to do missions, revivals, construction projects, and fellowship. Mississippi COM is an active group of Mississippi Baptists available to assist churches, associations, and ministries with light construction and repair needs.

## STEWARDSHIP/PRAYER MINISTRIES

Rick Blythe, Director  
Amy McKay, Ministry Assistant

This has been a year of celebrating the centennial of the **Cooperative Program**. Three “CP 100” celebration dinners were held this year across our state. There was great attendance at each one, and a spirit of excitement for the future of the Cooperative Program was evident among the attendees. I want to thank the three churches that hosted the dinners – FBC OXFORD, FBC BILOXI, and FBC MADISON. Thank you for your gracious hospitality. The Cooperative Program offers a unified giving plan for Southern Baptists to fund the advancement of the Gospel regionally, statewide, nationally, and globally. It allows churches everywhere to participate in a collective mission effort, regardless of the church's size. In the 100 years since the establishment of the Cooperative Program, Mississippi Baptists have given over 1.3 billion dollars through the Cooperative Program.

Dr. Jeff Iorg, President of the Executive Committee of the Southern Baptist Convention, was the featured speaker at each dinner. His message was powerful and one all Southern Baptists need to hear. Dr. Iorg stressed that Southern Baptists have been a force for good, and it is primarily due to the churches of the Southern Baptist Convention, which have given faithfully and sacrificially through the Cooperative Program. You can watch the video of Dr. Iorg's message by following this link: <https://vimeo.com/1073954524>.

The CP celebration continued when dozens of Pastors, leaders of SBC agencies and institutions, and State Convention Directors gathered in Memphis, Tennessee, on May 13, 2025, to sign the “Declaration of Cooperation.” On May 13, 1925, messengers to the Southern Baptist Convention gathered in the brand-new Ellis auditorium and voted to begin the Cooperative Program. Though the Ellis Auditorium is gone, the leaders were able to gather just a few yards away from the original location to recommit to a cooperative partnership. Dr. Shawn Parker, Executive Director-Treasurer of the Mississippi Baptist Convention Board, was present to add his name to the “Declaration of Cooperation” on behalf of all Mississippi Baptists.

Our office has distributed the “COOPERATIVE PROGRAM TRAINING KIT: GIVE LOCALLY, IMPACT GLOBALLY” to Mississippi Baptist Convention Board churches. The kit will help ENGAGE diverse age groups within your church to

better understand the broad impact of the Cooperative Program. Use the kit to EQUIP the people toward a shared mission of fulfilling the Great Commission. Inside the kit, you will discover several useful tools. There are suggestions on utilizing the kit to engage church members in understanding CP. There is a facilitator guide and fifteen copies of the CP bulletin. The backbone of the kit is the thumb drive. This drive contains:

- Five Videos
  - What is CP?
  - Education/Missions – Connection of CP dollars to education/missions.
  - Misconceptions about CP.
  - Why Support CP?
  - One Session Overview
- How CP Works PowerPoint Presentation
- Social Media Graphics
- Study Guides – download, print, and use in conjunction with the videos

All of the resources listed above, including the videos, are available at <https://mbcb.org/cooperative-program-training-kit/>. CP bulletins will be updated annually.

Jesus said we should pray consistently and never quit (Luke 18:1). With that encouragement in mind we offer prayer resources for your church. The “Concentric Circles of Prayer” and “21 Day Revival Preparation Prayer Guide” are two resources available, and they are free. You can call and order copies or download them from the convention board’s website. That web address is: <https://mbcb.org/get-support/prayer>.

God is generous, and He calls His people to a lifestyle of generosity. If your church needs to be reminded of this truth, let me suggest the “One Day Stewardship Revival.” On a Sunday of the pastor’s choosing, I will gladly come to your church at no cost, teach a lesson to all the adults called “The Circle of the Tithe,” and preach in the morning worship service. The pastor, key leaders, and I will have lunch at the church and have an afternoon session looking at the church budget, a 10-year giving history of the church, the church’s tithe potential and tithe challenge, and I will offer practical steps to take and resources available to strengthen stewardship and generosity in the church.

I have led three churches through the “Challenge to Build” capital campaign in 2025. If your church needs to raise capital above and beyond the general fund needs of the church, then Challenge to Build might be what you are looking for. CTB is a great way to raise funds for a new sanctuary, education/fellowship building, or to renovate existing facilities. CTB has been around for over 40 years, has been used by dozens of churches, is cost-effective, and highly effective. Call our office for a free consultation. I will come to your church and meet with the pastor, deacons, and/or building committee to discuss the need for a capital campaign.

We are a resource center for your church. If you need our assistance or help, please reach out to us. If you want to discuss anything related to the Cooperative Program, Prayer, Stewardship, or Challenge to Build, give us a call or send us an email. We count it a joy to serve the Lord by serving His Church and helping to meet the needs of His servants!

## **FINANCIAL SERVICES**

**Ashley Herring, Director**

**Tim Ruth, Financial Services Representative**

**Gayla Thompson and Greg Kinsley, Accountants**

Our department is responsible for the financial transactions of the Mississippi Baptist Convention Board (MBCB). Mississippi Baptists continued their historical pattern of generosity in financial support of missions during 2024. This was evidenced by our processing nearly \$55 million given for mission efforts around the world.

We have internal controls in place to ensure that each gift is properly recorded and appropriately distributed. Among the controls related to the receipt of gifts are separation of duties of the personnel handling cash and verifying gift amounts, gift designations, and monthly acknowledgements to donors.

Distribution of funds is determined by the type of gift received. Designated gifts are distributed according to donor instructions. Cooperative Program (CP) gifts are distributed according to the CP budget. During 2024, approximately 10,000 checks and electronic payments were processed to disburse mission funds, pay vendors, and provide the services necessary for the ministries of the MBCB. General business responsibilities include the maintenance of property and casualty insurance coverage, financial reporting, and our telecommunications systems. The financial records of the MBCB are audited each year. A copy of the audited financial statements is included in both the book of reports and the convention annual.

The CP budget approval process begins when each MBCB department submits their budget request to Financial Services. We compile the requests and provide them to MBCB administration for review. Once approved by administration, those requests are part of a presentation to the Board's Budget Committee, which includes requests from our institutions and agencies. A recommended budget from the Budget Committee must be approved by the Executive Committee, the full 100-member Board, and then voted on by messengers at the annual convention.

We can assist churches with the planning of staff compensation packages and can provide information on employee insurance and retirement benefits

offered through GuideStone Financial Resources. Contact Tim Ruth for more information on these services.



**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Audited Financial Statements**  
**December 31, 2024 and 2023**

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## INDEPENDENT AUDITORS' REPORT

The Executive Committee  
Mississippi Baptist Convention Board

### Opinion

We have audited the accompanying financial statements of Mississippi Baptist Convention Board (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mississippi Baptist Convention Board as of December 31, 2024 and 2023, and its statements of activities, functional expenses and 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mississippi Baptist Convention Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Mississippi Baptist Convention Board'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mississippi Baptist Convention Board'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.

A handwritten signature in black ink, reading "Grantham Wade Rice".

Ridgeland, Mississippi  
August 12, 2025

**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		
Assets:		
Cash and Cash Equivalents (Note 2)	\$ 25,682,912	\$ 26,116,714
Prepaid Expenses and Other Assets	250,676	200,018
Supplies Inventories	22,595	25,323
Investments (Note 6)	19,606,049	19,149,275
Notes and Other Receivable (Note 7)	372,332	511,201
Property and Equipment, Net (Note 8)	<u>12,525,892</u>	<u>10,973,134</u>
<b>Total Assets</b>	<b><u>\$ 58,460,456</u></b>	<b><u>\$ 56,975,665</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities:		
Accounts Payable	\$ 332,948	\$ 834,436
Cooperative Program Allocations Payable	2,014,423	1,872,326
Designated Funds Payable (Note 9)	692,804	320,565
Postretirement Benefit Obligation (Note 10)	9,022,761	9,571,327
Other Liabilities	<u>98,065</u>	<u>364,320</u>
<b>Total Liabilities</b>	<b><u>12,161,001</u></b>	<b><u>12,962,974</u></b>
Net Assets:		
Net Assets without Donor Restrictions (Note 3)	31,663,567	30,194,425
Net Assets with Donor Restrictions (Note 4)	<u>14,635,888</u>	<u>13,818,266</u>
<b>Total Net Assets</b>	<b><u>46,299,455</u></b>	<b><u>44,012,691</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 58,460,456</u></b>	<b><u>\$ 56,975,665</u></b>

See accompanying notes to financial statements.

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**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Statement of Activities**  
**Year Ended December 31, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support:			
Cooperative Program (Note 11)	\$ 10,115,937	\$ 20,604,040	\$ 30,719,977
Special Purpose Programs (Note 12)	61,942	1,979,662	2,041,604
State Missions	-	2,426,394	2,426,394
Baptist Record	3,250	-	3,250
Central Hills Baptist Retreat Programs	-	488,741	488,741
Garaywa Camp and Conference Center Programs	-	428,577	428,577
Missions Mobilization	-	15,000	15,000
Other	539,114	39,395	578,509
Other Additions:			
Dividend and Interest Income, Net of Expenses	1,973,967	32,520	2,006,487
Realized Gain on Investments and Other Assets	69,678	4,976	74,654
Unrealized Gain on Investments, Net	533,608	48,482	582,090
Miscellaneous	181,875	(11,750)	170,125
Net Assets Released From Restrictions (Note 5)	25,238,415	(25,238,415)	-
<b>Total Support and Other Additions</b>	<b>38,717,786</b>	<b>817,622</b>	<b>39,535,408</b>
Expenses:			
Program Services	35,782,295	-	35,782,295
Management and General	1,438,402	-	1,438,402
Fundraising Expenses	168,528	-	168,528
<b>Total Expenses</b>	<b>37,389,225</b>	<b>-</b>	<b>37,389,225</b>
Postretirement - Related Changes Other Than Net Periodic Postretirement Cost (Note 10)	140,581	-	140,581
<b>Change in Net Assets</b>	<b>1,469,142</b>	<b>817,622</b>	<b>2,286,764</b>
<b>Net Assets, Beginning of Year</b>	<b>30,194,425</b>	<b>13,818,266</b>	<b>44,012,691</b>
<b>Net Assets, End of Year</b>	<b>\$ 31,663,567</b>	<b>\$ 14,635,888</b>	<b>\$ 46,299,455</b>

See accompanying notes to financial statements.

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**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Statement of Activities**  
**Year Ended December 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support:			
Cooperative Program (Note 11)	\$ 10,031,904	\$ 20,481,176	\$ 30,513,080
Special Purpose Programs (Note 12)	87,179	2,112,830	2,200,009
State Missions	-	2,246,217	2,246,217
Baptist Record	3,377	-	3,377
Central Hills Baptist Retreat Programs	-	390,837	390,837
Garaywa Camp and Conference Center Programs	-	433,753	433,753
Missions Mobilization	-	15,000	15,000
Other	399,818	39,006	438,824
Other Additions:			
Dividend and Interest Income, Net of Expenses	1,859,056	28,577	1,887,633
Realized Gain (Loss) on Investments, Net	33,233	(11,842)	21,391
Unrealized Gains on Investments	854,324	80,575	934,899
Miscellaneous	112,520	(14,005)	98,515
Net Assets Released From Restrictions (Note 5)	25,411,235	(25,411,235)	-
<b>Total Support and Other Additions</b>	<b>38,792,646</b>	<b>390,889</b>	<b>39,183,535</b>
Expenses:			
Program Services	36,397,741	-	36,397,741
Management and General	1,183,650	-	1,183,650
Fundraising Expenses	170,990	-	170,990
<b>Total Expenses</b>	<b>37,752,381</b>	<b>-</b>	<b>37,752,381</b>
Postretirement - Related Changes Other Than Net Periodic Postretirement Cost (Note 10)	1,598,770	-	1,598,770
<b>Change in Net Assets</b>	<b>2,639,035</b>	<b>390,889</b>	<b>3,029,924</b>
<b>Net Assets, Beginning of Year</b>	<b>27,555,390</b>	<b>13,427,377</b>	<b>40,982,767</b>
<b>Net Assets, End of Year</b>	<b>\$ 30,194,425</b>	<b>\$ 13,818,266</b>	<b>\$ 44,012,691</b>

See accompanying notes to financial statements.

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**MISSISSIPPI BAPTIST CONVENTION BOARD**  
Statement of Functional Expenses  
Year Ended December 31, 2024

	Program Services						Management and General	Fundraising	Total
	Cooperative Program Distributions	Convention Board Operating Expenses	State Missions	Special Purpose and Other Programs	Church Retirement and Protection Plan	Total Program			
Church Insurance	\$ -	\$ -	\$ -	\$ -	\$ 127,590	\$ 127,590	\$ -	\$ -	\$ 127,590
Church Retirement Contributions	-	-	-	-	358,200	358,200	-	-	358,200
Depreciation	-	569,017	-	-	-	569,017	37,542	3,557	610,116
Direct Expenses	20,375,706	126,026	681,001	1,107,370	-	22,290,103	-	-	22,290,103
Disaster Relief Victim Assistance	-	-	318,607	-	-	318,607	-	-	318,607
Employee Travel	-	274,738	17,762	23,472	-	315,972	-	-	315,972
Guest Travel and Honorarium	-	406,971	56,296	452,829	-	916,096	-	-	916,096
Office Supplies	-	36,755	50,702	1,031	-	88,488	-	-	88,488
Other Ministry Expenses	-	1,227,865	530,824	537,849	-	2,296,538	400,149	64,884	2,761,571
Part Time Help and Seasonal Staff	-	40,069	223,536	735	-	264,340	-	-	264,340
Post Retirement Benefits	-	263,415	-	-	-	263,415	48,974	4,494	316,883
Printing and Postage	-	534,121	42,676	25,202	-	601,999	-	-	601,999
Professional Services	-	61,302	243,523	-	-	304,825	-	-	304,825
Property Insurance	-	107,739	133,551	-	-	241,290	43,978	8,082	293,350
Repairs and Maintenance	-	794,342	157,992	-	-	952,334	-	-	952,334
Salary and Benefits	-	4,942,507	358,580	-	-	5,301,087	885,160	83,358	6,269,605
Security Training	-	-	-	35,832	-	35,832	-	-	35,832
Utilities	-	284,030	252,532	-	-	536,562	22,599	4,153	563,314
<b>Total</b>	<b>\$ 20,375,706</b>	<b>\$ 9,668,897</b>	<b>\$ 3,067,582</b>	<b>\$ 2,184,320</b>	<b>\$ 485,790</b>	<b>\$ 35,782,295</b>	<b>\$ 1,438,402</b>	<b>\$ 168,528</b>	<b>\$ 37,389,225</b>



**MISSISSIPPI BAPTIST CONVENTION BOARD**  
Statement of Functional Expenses  
Year Ended December 31, 2023

	Program Services							Total
	Cooperative Program Distributions	Convention Board Operating Expenses	State Missions	Special Purpose and Other Programs	Biloxi Property	Church Retirement and Protection Plan	Total Program	
Church Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,530	\$ 119,530	\$ 119,530
Church Retirement Contributions	-	-	-	-	-	369,100	369,100	369,100
Depreciation	-	526,357	-	-	-	-	526,357	554,825
Direct Expenses	19,734,174	352,663	549,229	1,006,160	-	-	21,642,226	21,642,226
Disaster Relief/Victim Assistance	-	-	632,588	-	-	-	632,588	632,588
Employee Travel	-	244,874	18,935	19,745	-	-	283,554	283,554
Guest Travel and Honorarium	-	353,415	55,890	526,856	-	-	936,161	936,161
Office Supplies	-	36,170	3,636	1,625	-	-	41,431	41,431
Other Ministry Expenses	-	1,040,959	758,453	284,039	-	-	2,083,451	2,481,053
Part Time Help and Seasonal Staff	-	45,807	153,101	412	-	-	199,320	199,320
Post Retirement Benefits	-	395,953	-	-	-	-	395,953	463,100
Printing and Postage	-	568,205	47,501	26,019	-	-	641,725	641,725
Professional Services	-	55,884	217,356	-	-	-	273,240	273,240
In-Kind Expense	-	-	-	-	1,203,480	-	1,203,480	1,203,480
Property Insurance	-	114,118	104,539	-	-	-	218,657	270,984
Repairs and Maintenance	-	1,119,426	112,039	-	-	-	1,231,465	1,231,465
Salary and Benefits	-	4,815,078	388,870	-	-	-	5,203,948	5,986,155
Security Training	-	-	-	50,280	-	-	50,280	50,280
Utilities	-	114,117	231,158	-	-	-	345,275	372,164
<b>Total</b>	<b>\$ 19,734,174</b>	<b>\$ 9,783,026</b>	<b>\$ 3,273,295</b>	<b>\$ 1,915,136</b>	<b>\$ 1,203,480</b>	<b>\$ 488,630</b>	<b>\$ 36,397,741</b>	<b>\$ 37,752,381</b>
						Management and General	Fundraising	Total
						\$ -	\$ -	\$ -
						25,481	2,987	554,825
						-	-	21,642,226
						-	-	632,588
						-	-	283,554
						-	-	936,161
						-	-	41,431
						326,781	70,821	2,481,053
						-	-	199,320
						60,588	6,559	463,100
						-	-	641,725
						-	-	273,240
						-	-	1,203,480
						44,253	8,074	270,984
						-	-	1,231,465
						703,807	78,400	5,986,155
						-	-	50,280
						22,740	4,149	372,164
						\$ 1,183,650	\$ 170,990	\$ 37,752,381

**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 2,286,764	\$ 3,029,924
Adjustments To Reconcile Change in Net Assets To		
Net Cash Provided By Operating Activities:		
Depreciation	610,116	554,825
Net Periodic Postretirement Benefit Cost	316,883	463,100
Net Realized and Unrealized Gains on Investments and Other Assets	(644,480)	(956,290)
(Gain) Loss on Disposal of Assets	(12,264)	70,348
Change In:		
Prepaid Expenses and Other Assets	(50,658)	(70,182)
Supplies Inventories	2,728	2,670
Other Assets	-	1,203,480
Accounts Payable and Other Liabilities	(767,743)	555,226
Cooperative Program Allocations Payable	142,097	(170,643)
Designated Funds Payable	372,239	(23,136)
Postretirement Benefit Obligation	(865,449)	(2,455,623)
<b>Net Cash Provided By Operating Activities</b>	<u>1,390,233</u>	<u>2,203,699</u>
Cash Flows From Investing Activities:		
Purchases of Investments	(7,076,220)	(7,189,675)
Proceeds from Sales and Maturities of Investments	7,263,926	6,099,148
Collections of Notes Receivable	549,596	1,126,552
Advances on Notes Receivable	(410,727)	(1,008,163)
Purchases of Property, Plant and Equipment	(2,150,610)	(524,112)
<b>Net Cash Used In Investing Activities</b>	<u>(1,824,035)</u>	<u>(1,496,250)</u>
<b>Net Increase (Decrease) in Cash</b>	(433,802)	707,449
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>26,116,714</u>	<u>25,409,265</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 25,682,912</u>	<u>\$ 26,116,714</u>

See accompanying notes to financial statements.

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**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2024 and 2023**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Mississippi Baptist Convention Board (the Board or the Convention Board) serves as the missions organization for Southern Baptists in Mississippi. The purpose of the Convention Board is to equip local churches to make disciples in Mississippi and around the world. Convention Board ministries are designed according to the Biblical model of Acts 1:8. By promoting and supporting Christian missions at the local church, throughout the state, and around the world, Southern Baptists in Mississippi work together in establishing and furthering God's Kingdom. The Convention Board coordinates its national and international mission efforts with the Southern Baptist Convention and acts in a fiduciary capacity for donations by member churches of the Mississippi Baptist Convention (the Convention). The Board is a nonprofit religious society.

Basis of Accounting

The financial statements of the Board are presented on the accrual basis in accordance with U.S. generally accepted accounting principles (GAAP).

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The general types of donations entrusted to the Board are as follows:

- (i) *Cooperative Program* - Pursuant to the budget adopted by the Convention, these are funds that are either (i) distributed by the Board to the various agencies and institutions affiliated with the Convention or (ii) used in operations and programs of the Board. Funds received by the Convention to be distributed to the various agencies and institutions affiliated with the Convention are recorded as net assets with donor restrictions until the funds are distributed. At that time, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Funds to be used for operations and programs of the Board are recorded as net assets without donor restrictions in accordance with GAAP.
- (ii) *Designated gifts* - In accordance with donor-imposed restrictions, these funds are either (i) gifts designated by donors to be forwarded to member associations, agencies or institutions for their specific use, which are recorded as liabilities of the Board until they are forwarded (Note 9) or (ii) non-Cooperative Program gifts designated by donors for Board programs that are recorded as net assets with donor restrictions until the funds are distributed. At that time, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Board designated funds are designated for specific purposes as determined by the Convention Board or the Executive Committee of the Board and are recorded as net assets without donor restrictions – Board Designated.

Net assets with donor restrictions are assets restricted by the donor for specific purposes and/or the passage of time. Donor restricted gifts for which restrictions are met within the same year as the gifts are received are reported as net assets with donor restrictions support and net assets released from restrictions in the statements of activities. To the extent that restricted resources from multiple donors are available for the same purpose, the Board expends such gifts on a first-in, first-out basis. Net assets required by donors to be held in

**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2024 and 2023**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Presentation (Continued)

perpetuity are shown as net assets with donor restrictions. However, the income on these assets is generally available to meet various ministry needs. In some cases, the income, or a portion thereof, is required to be reinvested in net assets with donor restrictions.

The Board reports gifts of property, plant and equipment as net assets without donor restrictions 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 net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Board reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash Equivalents

The Board considers temporary investments with an original maturity of three months or less to be cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. Investments in common and collective trusts are reported at their redemption value as determined by the Mississippi Baptist Foundation (MBF), which is based on the fair value of the underlying assets. Donated gifts are recorded at the estimated fair value at the date of gift. Investment income, including realized and unrealized gains and losses, are included in support without donor restrictions unless the income is restricted by donor or law.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost, if purchased, or at acquisition date appraised value, if donated. Additions or betterments of \$1,000 or more are capitalized, while maintenance and repairs are charged to operations as incurred. Depreciation is calculated over the estimated useful lives of the assets using the straight-line method. Buildings are depreciated over 40 years. Useful lives on equipment and furniture range from 3 to 10 years.

The Board applies Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 360, Property, Plant and Equipment. ASC 360 addresses financial accounting and reporting for the impairment or disposal of long-lived assets. ASC 360 requires that long-lived assets, such as property, plant and equipment, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized to the extent the carrying amount of the asset exceeds its fair value. Assets to be disposed of are separately presented in the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale are presented separately in the asset and liability sections of the statement of financial position.

**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2024 and 2023**

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**NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Supplies Inventories

Supplies inventories are stated at the lower of cost or market.

Income Taxes

The Board is a tax-exempt entity as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from Federal income taxes on related income pursuant to Section 501(a) of the Code. Management of the Board believes it has no material uncertain tax positions, and accordingly, it has not recognized any liability for unrecognized tax benefits.

Use of Estimates

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

The Board has classified net assets as either with donor restrictions or without donor restrictions based on management's assessment of the donor's intention based on available documentation. In cases where documentation from the donor could not be located, nor could definitive evidence be obtained from other sources as to the appropriate category of net assets, management has used judgment to determine the appropriate classification.

In-Kind Contribution

In order to comply with FASB ASC 958-605, the Mississippi Baptist Convention Board reports donated in-kind contributions on the statement of activities in the period they are received at their estimated fair values. There were no in-kind contributions for the years ended December 31, 2024 and 2023.

Lease Standard

The Mississippi Baptist Convention Board elected to adopt FASB issued ASU 2016-02, Leases (Topic 842), which clarifies the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. The Mississippi Baptist Convention Board did not have any leases recorded, therefore, the adoption of the new standard did not have a significant impact on the Mississippi Baptist Convention Board's financial statements.

Risks and Uncertainties

The Board's investments include funds which invest in various types of investment securities across a variety of markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Board's financial statements.

**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2024 and 2023**

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**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Functional Allocation of Expenses

The cost of providing the Board's programs and other activities have been summarized on a functional basis in the statement of activities. The schedule of functional expense presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services, management and general and fundraising based on management's estimates.

Postretirement Benefits

The Board provides certain healthcare and life insurance benefits for retired employees. Covered employees become eligible for these benefits at retirement after meeting minimum age and service requirements. The plan is currently unfunded.

The Board applies the recognition and disclosure provisions of FASB ASC Topic 715, *Compensation - Retirement Benefits*.

Subsequent Events

The Board has evaluated subsequent events from the financial reporting date through August 12, 2025, the date on which the financial statements were available to be issued.

**NOTE 2      CASH, OTHER FINANCIAL ASSETS AND LIQUIDITY**

The Board manages its financial assets to provide sufficient liquidity for general expenditures within one year of the statement of financial position date. Financial assets available for general use within one year as of December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 25,682,912	\$ 26,116,714
Investments	<u>19,606,049</u>	<u>19,149,275</u>
<b>Total Financial Assets at Year End</b>	45,288,961	45,265,989
Less Amounts With Limits On Usage:		
Spendable Net Assets With Donor Restrictions	(14,581,900)	(13,769,580)
Endowment Investments Restricted in Perpetuity	(53,988)	(48,686)
Cooperative Program Allocations and Designated Funds Payable	(2,707,227)	(2,192,891)
Spendable Net Assets With Board Designations, Inclusive of Unfunded Postretirement Benefit Obligation	<u>(19,868,075)</u>	<u>(22,301,288)</u>
<b>Total Financial Assets Available For         General Use Within One Year</b>	<u>\$ 8,077,771</u>	<u>\$ 6,953,544</u>

The Board has a goal to maintain financial assets, which consist of cash and investments, on hand to meet 90 days of normal operating expenses which were approximately \$7,723,000 and \$7,670,000 for the years ended December 31, 2024 and 2023, respectively.

**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2024 and 2023**

**NOTE 3      NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions were comprised of the following as of December 31:

	<u>2024</u>	<u>2023</u>
<b>Total Undesignated</b>	\$ 11,795,492	\$ 7,893,137
Designated By Board for the Following:		
Capital Needs	8,535,559	10,136,358
Spendable for Programs	1,072,286	1,116,256
<b>Total Board Designations</b>	<u>9,607,845</u>	<u>11,252,614</u>
Quasi Endowment:		
General Activities	4,341,284	4,626,151
Reserve for Salaries, Benefits, Retirees and		
Unfunded Deferred Compensation	5,918,946	6,422,523
<b>Total Quasi Endowment</b>	<u>10,260,230</u>	<u>11,048,674</u>
<b>Total Board Designated</b>	<u>19,868,075</u>	<u>22,301,288</u>
<b>Total Net Assets Without</b>		
<b>Donor Restrictions</b>	<u>\$ 31,663,567</u>	<u>\$ 30,194,425</u>

**NOTE 4      NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were comprised of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specific Purpose:		
State Mission Activities	\$ 7,314,533	\$ 6,847,753
Special Gifts	7,267,367	6,921,827
<b>Total Purpose Restrictions</b>	14,581,900	13,769,580
Perpetual Restriction	53,988	48,686
<b>Total Net Assets With Donor Restrictions</b>	<u>\$ 14,635,888</u>	<u>\$ 13,818,266</u>

**NOTE 5      NET ASSETS RELEASED FROM DONOR RESTRICTIONS**

During the years ended December 31, 2024 and 2023, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2024</u>	<u>2023</u>
Purpose of Restrictions Accomplished:		
Cooperative Program Distributions	\$ 19,500,723	\$ 19,734,174
State Missions	3,067,582	3,273,294
Special Purpose and Other Programs	2,184,320	1,915,137
Church Annuity	485,790	488,630
<b>Total Net Assets Released from</b>		
<b>Donor Restrictions</b>	<u>\$ 25,238,415</u>	<u>\$ 25,411,235</u>

**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2024 and 2023**

**NOTE 6 INVESTMENTS**

FASB ASC Topic 820, *Fair Value Measurement*, 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 820 also establishes a framework for measuring fair value and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. These inputs are summarized into three levels:

- Level 1 inputs are unadjusted quoted prices in active markets for identical securities.
- Level 2 inputs include quoted prices for similar securities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the investments. Such inputs include market interest rates, volatilities and yield curves.
- Level 3 inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement including the reporting entity's own assumptions in determining the fair value of the investment.

A summary of investments at fair value at December 31, 2024 and 2023 follows:

	<u>2024</u>	<u>2023</u>
Investments Managed By:		
Mississippi Baptist Foundation (MBF):		
General Fund	\$ 4,009,067	\$ 3,722,236
Money Market Fund	574,872	521,566
Common Trust Fund	343,661	325,808
	<u>4,927,600</u>	<u>4,569,610</u>
GuideStone Financial Resources (Mutual Funds):		
Balanced Fund	2,689,254	2,749,360
Conservative Fund	2,683,289	2,701,226
Growth Fund	2,717,935	2,816,386
Other	34,356	61,475
	<u>8,124,834</u>	<u>8,328,447</u>
Regions (US Government):	6,553,615	6,251,218
<b>Total Investments</b>	<u>\$ 19,606,049</u>	<u>\$ 19,149,275</u>

The investments managed by the Mississippi Baptist Foundation are common and collective trust funds and are classified as Level 2. The General Fund is allocated 30% to the Mississippi Baptist Foundation Equity Fund (Equity Fund) and 70% to the Mississippi Baptist Foundation Fixed Income Fund (Fixed Income Fund). The Equity Fund is primarily invested in U.S. and international stocks and the Fixed Income Fund is primarily invested in U.S. government securities, corporate bonds and international fixed income securities.

The investment funds managed by GuideStone Financial Resources are primarily invested in publicly traded, exchange-listed mutual funds and are classified as Level 1.

The investment funds managed by Regions, are primarily invested in fixed income (US Government funds) and are classified as Level 1.



**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2024 and 2023**

**NOTE 6     INVESTMENTS (CONTINUED)**

The Mississippi Baptist Foundation and GuideStone Financial Resources of the Southern Baptist Convention are separate entities and are considered related parties.

The overall investment objective of the Board is to invest in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Board primarily invests in publicly traded, exchange listed mutual funds and common and collective trust funds.

**NOTE 7     NOTES AND OTHER RECEIVABLES**

On June 22, 2023, the Board advanced \$500,000 to Blue Mountain Christian University (BMCU) with repayment to be made over 60 months at \$8,334 per month from future Cooperative Program allocations to BMCU. The balance due was \$349,988 and \$449,996 at December 31, 2024 and 2023, respectively and is included in the total notes and other receivable in the statement of financial position at December 31, 2024 and 2023.

**NOTE 8     PROPERTY, PLANT AND EQUIPMENT**

A summary of property, plant and equipment at December 31, 2024 and 2023 follows:

	<b>2024</b>	<b>2023</b>
Land and Improvements	\$ 3,963,013	\$ 3,963,013
Buildings	12,650,049	12,650,049
Equipment and Furniture	8,130,590	7,448,540
Construction in Progress - Central Hills	1,441,993	-
<b>Total Property and Equipment</b>	<b>26,185,645</b>	<b>24,061,602</b>
Less Accumulated Depreciation	(13,659,753)	(13,088,468)
<b>Total Property, Plant and Equipment, Net</b>	<b>\$ 12,525,892</b>	<b>\$ 10,973,134</b>

**NOTE 9     DESIGNATED FUNDS**

Gifts for designated funds are in addition to Cooperative Program gifts and are treated as agency transactions and not reflected in the accompanying statements of activities. A summary of transactions in designated funds payable follows:

	<b>Associational Missions</b>	<b>North American Missions</b>	<b>International Missions</b>	<b>Miscellaneous</b>	<b>Total</b>
Balance, December 31, 2022	\$ 400	\$ 27,970	\$ 315,077	\$ 254	\$ 343,701
Receipts	4,882,590	3,749,527	8,356,182	2,252,601	19,240,900
Disbursements	4,881,790	3,729,222	8,401,292	2,251,732	19,264,036
Balance, December 31, 2023	1,200	48,275	269,967	1,123	320,565
Receipts	4,990,783	3,863,370	8,676,358	2,182,047	19,712,558
Disbursements	4,990,289	3,846,972	8,320,466	2,182,592	19,340,319
Balance, December 31, 2024	\$ 1,694	\$ 64,673	\$ 625,859	\$ 578	\$ 692,804

**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2024 and 2023**

**NOTE 10    BENEFIT PLANS**

*Postretirement Benefit Plan*

The Board sponsors a postretirement benefit plan for eligible employees upon their retirement, which provides certain health care and life insurance benefits, as well as longevity gifts for retiring participants. Subject to a monthly cap, the Board pays 100% of the premiums related to providing the postretirement health care coverage for eligible participants, and in some cases, a portion of the premiums related to dependent's coverage. The Board also pays 100% of the premiums related to providing life insurance coverage for eligible participants. Eligibility for postretirement benefits is described and approved through established Board policy. At the time of retirement, the Board provides longevity gifts to certain retiring participants that are based on years of service.

The Board applies FASB ASC 715, *Compensation- Retirement Benefits*, which requires the recognition of the funded status of defined benefit pension and other postretirement plans as an asset or liability.

During the years ended December 31, 2024 and 2023, postretirement-related changes were recognized that increased (decreased) net assets without donor restrictions by \$140,581 and \$1,598,770, respectively, and were included in the accompanying statements of activities.

The postretirement benefit plan's benefit obligation, none of which is funded, (based upon a December 31 measurement date) and amounts recognized in the Board's financial statements follow:

	<u>2024</u>	<u>2023</u>
Change in Accumulated Benefit Obligation:		
Accumulated Benefit Obligation at Beginning of Year	\$ 9,571,327	\$ 11,563,850
Service Cost	12,398	32,349
Interest Cost	433,483	548,119
Actuarial Gain (Loss) and Change in Assumptions	(269,580)	(1,716,138)
Benefits Paid	<u>(724,867)</u>	<u>(856,853)</u>
Accumulated Benefit Obligation at End of Year	<u>\$ 9,022,761</u>	<u>\$ 9,571,327</u>
Amounts Recognized in Net Assets Without Donor Restrictions Other than Net Periodic Postretirement Benefit Cost:		
Prior Service Cost	\$ 837,462	\$ 954,830
Net Gain	1,354,658	1,096,709
<b>Total</b>	<u>\$ 2,192,120</u>	<u>\$ 2,051,539</u>
Components of Net Periodic Postretirement Benefit Cost:		
Service Cost	\$ 12,399	\$ 32,349
Interest Cost	433,483	548,119
Amortization of Unrecognized Prior Service Cost	(117,368)	(117,368)
Actuarial Loss and Change in Assumptions	<u>(11,631)</u>	<u>-</u>
Net Periodic Postretirement Benefit Cost	<u>\$ 316,883</u>	<u>\$ 463,100</u>

**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2024 and 2023**

**NOTE 10    BENEFIT PLANS (CONTINUED)**

*Postretirement Benefit Plan (Continued)*

The weighted average discount rate used to determine the benefit obligation and the net periodic postretirement cost was 5.33% and 4.7% as of December 31, 2024 and 2023, respectively.

Actual benefits paid on behalf of retired participants totaled \$724,867 and \$856,853 for the years ended December 31, 2024 and 2023, respectively. There were 107 retired participants at December 31, 2024 and 111 retired participants as of December 31, 2023, resulting in an annual average per participant cost of \$6,774 and \$7,719, respectively.

Based upon the number of expected retirees and the results of an actuarial analysis, the Board expects the benefits to be paid for the postretirement benefit plan in each year from 2025 to 2029 to be approximately \$760,000, \$762,000, \$783,000, \$807,000, and \$823,000, respectively. The aggregate benefits expected to be paid in the five years from 2030 to 2034 are approximately \$3,637,000. The expected benefits are based on the same assumptions used to measure the Board's benefit obligation at December 31, 2024.

The expected long-term healthcare trend rate used to value the accumulated postretirement benefit obligation was 7.90% (5.00% for post-65 ages) for medical and 11.40% (6.60% for post-65 ages) for prescription drugs as of December 31, 2024, and is assumed to decrease linearly to ultimate rates of 4.37% (4.37% for post-65 ages) and 4.87%, respectively, in 2032. The expected long-term healthcare trend rate used to value the accumulated postretirement benefit obligation was 6.80% (4.40% for post-65 ages) for medical and 9.90% (6.60% for post-65 ages) for prescription drugs as of December 31, 2023, and is assumed to decrease linearly to ultimate rates of 4.37% (4.40% for post-65 ages) and 4.87%, respectively, in 2031.

*Defined Contribution Plan*

The Board also sponsors a contributory savings plan covering all full-time employees. Participating employees may contribute up to 5% of their annual salary, subject to regulatory limits and length of service. The Board makes matching contributions of 100% of the employee's contribution and also makes an additional annual base contribution of 10% of the employee's salary. The Board contributed approximately \$585,000 and \$568,000 to this plan during the years ended December 31, 2024 and 2023, respectively.

**NOTE 11    COOPERATIVE PROGRAM SUPPORT**

A summary of the cooperative program allocation of support 2024 and 2023 follows:

	<u>2024</u>	<u>2023</u>
Southern Baptist Convention	\$ 12,131,242	\$ 11,900,101
Christian Education	5,625,742	5,725,401
Baptist Children's Village	737,306	749,026
Board of Ministerial Education	369,963	384,038
Christian Action Commission	311,296	305,246
Historical Commission	117,493	91,799
Mississippi Baptist Foundation	381,290	388,580
Board Capital Needs	610,187	724,906
Church Annuity	486,153	497,338
Associations	137,095	189,983
Board Programs	9,568,162	9,306,998
Missions Mobilization	244,048	249,664
	<u>\$ 30,719,977</u>	<u>\$ 30,513,080</u>

**MISSISSIPPI BAPTIST CONVENTION BOARD**  
**Notes to Financial Statements**  
**Years Ended December 31, 2024 and 2023**

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**NOTE 11    COOPERATIVE PROGRAM SUPPORT (CONTINUED)**

Cooperative Program gifts exceeding each fiscal year's budget are allocated through the Challenge portion of the budget adopted by Convention messengers. Total Challenge Funds received during the year ended December 31, 2024, were \$704,636 which were not included in the above allocation of support. There were no challenge funds in 2023.

**NOTE 12    SPECIAL PURPOSE PROGRAM SUPPORT**

A summary of special purpose program support 2024 and 2023 follows:

	<u>2024</u>	<u>2023</u>
Disaster Relief	\$ 754,631	\$ 1,159,301
Special Funds	626,933	374,275
Student Mission Funds	166,741	122,519
North American Mission Board Strategic Support	300,000	300,000
Missions Mobilization	105,792	133,479
Other - Without Donor Restrictions	61,942	87,179
Other - With Donor Restrictions	25,565	23,256
	<u>\$ 2,041,604</u>	<u>\$ 2,200,009</u>

**NOTE 13    CONCENTRATIONS OF RISK**

The Board has cash balances in accounts held by various banking institutions at December 31, 2024 and 2023 in excess of federally insured limits. These excess cash balances totaled \$4,803,595 on December 31, 2024 and \$3,625,845 on December 31, 2023. The Board mitigates this risk by using only high-quality financial institutions.

**NOTE 14    OTHER ASSET**

In October of 1998, the Mississippi Baptist Convention Board purchased approximately six acres for a new church in Biloxi. A reversion clause was included in the warranty deed stating that if the property ever ceases to function as a Southern Baptist Church, title of the property and all improvements would revert back to the Mississippi Baptist Convention. This reversion took place on June 5, 2022 as part of the dissolution of Bridge Community Church, Inc. The fair market value of the property of \$1,203,480 was recorded as in-kind contribution in 2022 and is included in other assets on the Statement of Financial Position at December 31, 2022. At the Executive Committee meeting on March 7, 2023, the Executive Committee authorized the transfer of ownership of the property to Harbor City Church with the same revisionary clause and was recorded as an in-kind expense in the Statement of Functional Expenses for the year ending December 31, 2023.

**NOTE 15    SUBSEQUENT EVENTS**

The Henderson Point property (approximately 34 acres) is under contract for \$7.5 million, with a potential closing in 2026 (or 2027, with contractual extensions).

# **BOARD of MINISTERIAL EDUCATION**

## **2025 OFFICERS**

*Jason Webb, President ..... Magee*  
*Neil Tullos, Vice President..... Wiggins*  
*Anne Albritton, Secretary ..... Madison*

## **BOARD MEMBERS**

*Austin Bahm ..... Hattiesburg*  
*Chris Cunningham ..... Clinton*  
*Lee Faler ..... Collins*  
*Chris Moore ..... New Albany*  
*Brian Rushing ..... Waveland*  
*Reid Stevens ..... Forest*  
*Louis Zinc ..... Oxford*

## **CAMPUS REPRESENTATIVES**

*Ronald Meeks ..... Blue Mountain Christian University*  
*Evan Lenow ..... Mississippi College*  
*Joseph Bird ..... William Carey University*

## **BOARD OF MINISTERIAL EDUCATION**

**Rev. Jason Webb, President**  
**Rev. Neil Tullos, Vice President**  
**Mrs. Anne Albritton, Secretary**

The Board of Ministerial Education was founded by the Mississippi Baptist Convention in 1885 for the purpose of assisting ministers to secure a college education. This Board originally assisted only licensed and ordained ministers. In 1987, an amendment to the MS Baptist Convention Constitution expanded the Board's work to include all qualified church-related vocational students who are enrolled in one of Mississippi's Baptist colleges. Ministerial Aid recipients must have made a documented public commitment to Southern Baptist ministry and be a member of a contributing Southern Baptist church, in addition to meeting other BME requirements. During the 2024-2025 academic year, the Board of Ministerial Education approved a total of \$380,500 in monthly grants to 201 ministerial students attending Blue Mountain Christian University, Mississippi College or William Carey University. The students received \$230/month during the academic year. It is always a privilege to serve the students in this way.

In 2020, the Board adopted a Vocational Ministry Covenant to be signed by the student when he or she applies for Ministerial Aid. This covenant reflects their desire to serve in full-time SBC ministry. Most serve a lifetime in ministry, and it's encouraging to see the future leaders of the church express their desire to choose this as their vocational path. In 2021, the Board faced the challenge of conducting interviews via Zoom technology due to the pandemic. The Board members had a wonderful experience interviewing students in person in the fall of 2022. It is a joy to watch these graduates go out into the world serving Christ. The majority of this year's graduates are in seminary, and many are also serving churches. Ministerial graduates of our Mississippi Baptist colleges are serving all over the United States and throughout the world carrying the gospel of Christ.

The Board of Ministerial Education also administers six scholarship funds which are in trust with the Mississippi Baptist Foundation. Annual scholarship awards of \$1,000 are made to seven deserving ministerial students from interest on these funds.

Approximately 94.5% of the Board of Ministerial Education's annual budget goes directly to student aid. We thank the Mississippi Baptist Convention for the privilege of assisting these students as they prepare for ministry.

# Board Of Ministerial Education

## Financial Report

### For the period ended December 31, 2024

	2024	Month of December	Jan 1, 2024 - Dec 31, 2024
<b>Funds Received</b>			
Miscellaneous - Prior Year Surplus	3,540.00	\$ 0.00	\$ 0.00
Special Scholarships Income	0.00	6,952.91	6,952.91
Designated Gift Income	0.00	2,586.13	2,586.13
Interest Income	0.00	0.00	0.00
Income from Repaid Grants	0.00	0.00	0.00
Cooperative Program Income	380,500.00	380,499.96	380,499.96
<b>Total Income</b>	<b>384,040.00</b>	<b>390,039.00</b>	<b>390,039.00</b>
<b>Funds Disbursed</b>			
<b>Student Aid Disbursement</b>			
Blue Mountain Christian University	93,650.00	61,550.00	61,550.00
Mississippi College	140,500.00	141,940.00	141,940.00
William Carey University	125,850.00	128,730.00	128,730.00
Blue Mt CU / Summer	0.00	0.00	0.00
Mississippi College / Summer	0.00	0.00	0.00
William Carey University / Summer	0.00	0.00	0.00
Special Aid	1,000.00	7,000.00	7,000.00
Special Scholarships	0.00	0.00	0.00
Emergency Aid (net)	0.00	0.00	0.00
<b>Total to Students</b>	<b>361,000.00</b>	<b>339,220.00</b>	<b>339,220.00</b>
<b>Operational Expense</b>			
Board Secretary	18,540.00	18,540.00	18,540.00
Office Supplies/Printing/Postage	1,200.00	447.86	447.86
Board Members Meetings/Travel	3,000.00	4,179.97	4,179.97
Board Members Annual Banquet	0.00	0.00	0.00
Misc/Memorials/Gifts	300.00	104.33	104.33
<b>Total Operational Expense</b>	<b>23,040.00</b>	<b>23,272.16</b>	<b>23,272.16</b>
<b>Net of Income/Expenses</b>	<b>0.00</b>	<b>\$ 27,546.84</b>	<b>\$ 27,546.84</b>
<b>Beginning Cash Balance - Jan 1, 2024</b>			<b>192,993.25</b>
<b>Current Balance</b>			<b>\$ 220,540.09</b>
<b>Cash held in reserve</b>			<b>\$ 0.00</b>
<b>Available cash</b>			<b>\$ 220,540.09</b>

**REPORT**  
*of the*  
**EDUCATION**  
**COMMISSION**

**2025 OFFICERS**

*Ken Hester, Chairman .....Pontotoc*  
*Billy Stewart, Vice Chairman .....Jackson*  
*Derrick Wilson, Secretary ..... Olive Branch*

**OTHER MEMBERS**

*Shannon Aker ..... Brookhaven*  
*Byron Benson ..... Caledonia*  
*Wade Bush ..... Laurel*  
*Willie Greer ..... Meridian*  
*Pam Harrison..... Meridian*  
*Brian McKee .....Summit*  
*Jeremy Nicholas..... Starkville*  
*Tom Prather .....Clinton*  
*Ben Skipper .....Petal*

**Blue Mountain Christian University**  
**Mississippi College**  
**William Carey Univeristy**



## EDUCATION COMMISSION

**Dr. Ken Hester, Chairman**

Mississippi Baptists play a vital role in our state's oldest college (Mississippi College), our state's biggest medical school (William Carey University), and our state's newest nursing school (Blue Mountain Christian University). Our state's doctors, lawyers, teachers, coaches, and ministers are just some of the people that serve His Kingdom in our state from our Baptist Schools. Our Baptist School graduates touch generations of lives during decades of service to the Lord Jesus.

It has been my privilege to serve as chairman of the Education Commission of the Mississippi Baptist Convention. The commission cultivates the interest and financial assistance of Mississippi Baptists on behalf of Christian higher education. The Education Commission manages education funds, through the Convention Board to the Convention concerning all corporate efforts in the field of Christian higher education.

It has been an honor to serve with the dedicated members of the Education Commission. We are very blessed to have Dr. Barbara McMillin (Blue Mountain Christian University), Dr. Blake Thompson (Mississippi College), and Dr. Ben Burnett (William Carey University) serving our Baptist institutions. Their dedicated and cooperative leadership is much appreciated. I also appreciate Dr. Bill Hurt, Convention President, for his presence and participation in our meetings and work.

Dr. Shawn Parker, our Executive Director-Treasurer, brings exceptional leadership and support to the Commission's ministry. Dr. Parker's attendance at our meetings gives much needed insight and encouragement to the Presidents and to the members of the Education Commission. Dr. Parker also gives Convention updates pertinent to our schools and displays genuine interest in wanting the Commission to serve effectively and efficiently.

The Education Commission typically meets once a year on each of our college campuses. Each president gives a report from their college on important matters like student life, facilities, finances, faculty, campus needs and goals. The host school will have two students give testimonies of their experience while at the school. Each Commission member would tell you that this is the most rewarding part of the meeting. What a wonderful blessing to hear the

impact our campuses are having on these students and on other students on all three campuses. The testimonies are evidence that giving through the Cooperative Program positively impacts Mississippi students through Christian education. I would like to inform Mississippi Baptists that the Commission is working to assure that this money is invested well for the advancement of His kingdom.

In conclusion, please pray for our colleges and their leadership. They are standing firm that a Biblical world view in higher education is a legitimate education in a world of increasing secular pressure. Please pray and encourage students to consider our Mississippi Baptist schools. We thank you for your contributions to the Cooperative Program. Such contributions are not only investment in Christian higher education, but it is also an investment in people's lives that impacts so many other lives.

## **BLUE MOUNTAIN CHRISTIAN UNIVERSITY**

**Barbara Childers McMillin, President**

Founded in 1873 as a Christian liberal arts college and affiliated with Mississippi Baptists since 1920, Blue Mountain Christian University (BMCU) assists students in developing intellectual integrity, academic excellence, civility, and character. Unapologetically Christian in its approach to teaching and learning, Blue Mountain Christian University prepares students to be leaders in their chosen professions, in their churches, and in their communities.

BMCU recruits undergraduate and graduate students who are committed to scholarship, servant leadership, and service in church and community. The student-centered campus exhibits a climate of personal attention, respect and high expectations in all modes of delivery. Students are guided to reach their God-given potential with the leadership of professionals who share the common bond of Christian faith and who are committed to excellence.

Undergraduate students at BMCU may earn the Bachelor of Arts, Bachelor of Science, Bachelor of Science in Education, Bachelor of Music, Bachelor of Music Education, or the Bachelor of Science in Nursing degrees. Graduate students may earn either the Master of Education in Elementary Education, Master of Education in Literacy/Reading K-12, Master of Education-Secondary Education – Biology, the Master of Business Administration, or the Master of Science in Kinesiology. The majority of undergraduate students are enrolled in the areas of business, education, religion/Christian ministry, kinesiology, psychology, nursing and the natural sciences.

### **ACCOMPLISHMENTS OF THE UNIVERSITY**

- Spring enrollment for 2025 was 882.
- The Class of 2025 included 99 women and 62 men for a total of 161 graduates, 25 of whom received the master's degree. Graduates were from 14 states (Mississippi, Alabama, Arkansas, Arizona, California, Florida, Illinois, Kentucky, Missouri, Ohio, Oklahoma, Tennessee, Texas, and Utah) and 7 foreign countries (Chile, England, Germany, South Africa, Spain, Sweden, and Taiwan). The majority of the class members were from the Mississippi counties of Tippah, Alcorn, Lafayette, Pontotoc, and Prentiss. This year's commencement brought the number of alumni to a total of 8,927 alumni (268 of whom are graduates of the master's program).
- The University enrolled a total of seventeen students in the Honors College during the fall 2024 and spring 2025 academic year. Five of these

students graduated in 2024-2025. Four additional students were admitted to the Honors College for Fall 2025 and one student was added to the Honors Program. Dr. Stewart Bennett, Chair of the Honors Council, provided leadership in programming of co-curricular activities for the Honors College. Three honors students won first place, and another won second place in their respective fields of study at this year's Mississippi Honors Conference held in Hattiesburg, Mississippi. The Honors students also completed a community service project and helped raise money and awareness for the Oasis Medical Center: Pregnancy Care Center in Corinth, Mississippi.

- The University enrolled Dual Credit Students from Marshall County Schools, New Albany High School, Corinth High School, Tupelo Christian Preparatory School, Northpoint Christian School, and Tunica Academy.
- BMCU School of Nursing graduated the inaugural class of 10 students on August 2, 2024. Upon graduation, all students were employed in the nursing field. Of the traditional students taking the nursing licensure examination, all successfully passed on the first attempt (100%). The BSN program received Stage III Full Accreditation by the Mississippi IHL on April 17, 2025. The program also received approval for an accelerated track to begin in Fall 2025. Six students completed the BSN traditional track in May 2025. All students that wanted to be employed were employed at graduation. The SON also added a B.S. in Integrated Health Sciences and Public Health, both through LCMC RIZE.
- Teaching and Learning Center: During the 2024-2025 academic year, the Teaching and Learning Center (TLC) hosted 3,461 visits and conducted 757 academic coaching/tutoring sessions. Sixteen groups/classes met in the TLC. The Director proctored fifteen tests/exams, and the Center hosted ACAT tests in English and Biology. The Center served 40% of the undergraduate population.
- The Department of Biblical Studies was active in ministering to the churches of Mississippi. The most notable contribution was the Youth Missions and Apologetics Conference. The Conference, designed for 7<sup>th</sup> through 12<sup>th</sup> graders, highlighted the need to share the Word abroad and defend the gospel at home. The members of the Department provided training for area pastors and church leaders through a number of means, including area and state conferences. Dr. Ronald Meeks wrote *Preaching from Joshua: A Homiletical Treatment of the Book of Joshua* and taught the study to pastors and church leaders at the Northeast Mississippi Pastor's Conference and numerous churches. Dr. Thomas Magers wrote *Preaching from Luke*, which was presented for the Leadership Department of the Mississippi Baptist Convention at BMCU, at Camp Garaywa, Clinton, and at William Carey University. Dr. Magers provided leadership and Bible teaching at Gaston Baptist Church and Ingomar Baptist

Church where he served on staff. Dr. Meeks spoke on 120 occasions in 35 churches doing pulpit supply, Bible studies, and revivals. In addition, the Department consulted with over 35 churches who were looking for recommendations for church staff.

- Department of Social & Behavioral Sciences: Dr. Stewart Bennett, chair of the Department, spoke at the Civil War Round Table of North Alabama and of Memphis about “The Battle of Brice’s Crossroads”; spoke Online to the Civil War Round Table of New Jersey concerning “The Struggle for the Life of the Republic: Charles Dana Miller and the 76<sup>th</sup> Ohio Volunteer Infantry.” He continued work toward publication on “Battles Won and Lost: The Battle for Atlanta” manuscript and toward publication for the “*Alexander William Reese: Personal Recollections of the Late Civil War in the United States*” manuscript. He met with Career Counselors/students at nineteen area high schools and recruited at college fairs in Tennessee, distributing BMCU Social and Behavioral Sciences posters to career coaches. Assistant Professor, Dr. Michael Megelsh, completed *Adelbert Ames, the Civil War, and the Creation of Modern America*, Kent State University Press, 2024 and has another book, *Mayhem: Massacres During the Civil War Era*, under contract with LSU Press. In addition, he has published various articles and worked on digital history projects. He was also instrumental in student recruitment through phone, Preview Days, and tracking department scholarships.

Dr. Jeffrey Sweatt, Associate Professor of Psychology, presented a session in chapel on Suicide Prevention and Treatment Options to faculty, students, and staff. He supervised/facilitated the Psychology Club Christmas gift collection for MS Department of Mental Health- Region IV Timber Hills child and adolescent clients. Finally, he was involved in recruitment for the department including Preview Days, calling prospective students and advising with department scholarship awards. Dr. Sweatt also received the “Faculty of the Year” award for 2024-2025. Dr. Laura Pannell, Assistant Professor of Psychology, gave presentations on Elderly and Vulnerable Adult Law Enforcement Training for the Mississippi Law Enforcement Academies and Walk A Mile in an Elder’s Shoes for the North Mississippi Licensed Professional Counselors Association. She also presented “University Resources for Caregivers” at the University of Mississippi Medical Center MIND Center and guided the Blue Mountain faculty and Staff through a “Mental Health Toolkit.” Dr. Pannell coordinated and streamlined the Online Psychology program. We also recruited for the program at several high schools and college fairs as mentioned above.

Mr. John Mayer, Assistant Professor of Criminal Justice, initiated the “Blue Line Award” for an outstanding criminal justice student. He has re-evaluated the Criminal Justice courses, adding experiential learning to the curriculum, and will

spearhead the return of the Criminal Justice as an online program. He has recruited students through Preview Days, phone calls, and marketing materials.

- **School of Education:** The School of Education at Blue Mountain Christian University has experienced significant growth and positive transformation over the past year. Under the leadership of newly appointed Dean of Education, Dr. Ashley Coleman and a refreshed elementary education faculty team, the department has sharpened its focus on recruitment, retention, and innovation in teacher preparation.

In Summer 2025, faculty represented BMCU at the Educators Rising National Conference in Orlando, Florida, where they engaged with aspiring educators from over 25 states—strengthening recruitment pipelines and building excitement for the profession.

Partnerships with local school districts remain a cornerstone of the department's mission. This year, the department launched an exciting new initiative: the Teacher Academy Consortium. Beginning Fall 2025, high school students enrolled in Teacher Academy programs across the region will visit the BMCU campus to participate in hands-on, faculty-led workshops. Topics will include classroom management, data-driven instruction, differentiation, scaffolding, and literacy best practices. This initiative reflects BMCU's commitment to growing future educators and fostering early connections between high school students and higher education.

- **The Department of Fine Arts:** The Chorale offered numerous concerts throughout the year (fall and spring concerts on campus), the annual Festival of Lessons and Carols in December, and a Night of Worship in the spring. The Night of Worship on campus was also presented to the 2 local churches that participated with us in a combined Worship Choir during the spring semester. In the fall semester the Chorale participated in the MS Baptist Convention with a mass choir worship leading ensemble. Three student recitals were presented (tuba, violin, and voice). The band presented two concerts on campus for the fall and spring semesters.

The FA Department hosted a guest concert artist, Dr. Scott Carrell, pianist on April 10, 2025 along with a student masterclass that afternoon. The BMCU Theatre Department presented two play productions: Cinderella Confidential (October 3-5, 2024) and Bigger Than Life: American Folktales and Legends (March 5-7, 2025). The Chorale and Exalt ensemble led worship at 5 different churches throughout the year.

- The School of Business added a B.S. In Digital Marketing through LCMC RIZE during 2024-2025.

- The School of Kinesiology added a minor in Gaming and Esports Management through LCMC RIZE during the 2024-2025 year.

- The Department of Communications (includes Language, Literature, and Speech/Theater) added an emphasis in TESOL to the B.A. in English.
- The Department of Mathematics and Natural Sciences moved the B.S. in Computer Science to fully online through LCMC RIZE. The department was also approved to add a concentration in Nutrition to the B.S. in Biology through LCMC RIZE.
- The Office of Student Success and Career Services: During the 2024–2025 academic year, the Office of Student Success and Career Services served over 253 students through career preparation services such as résumé critiques, job search assistance, mock interviews, etc. This significantly exceeds the previous year's total of 96 students and surpasses the office's goal of increasing engagement by at least 20%. The growth reflects continued efforts to expand outreach and support students in their career readiness journey. Also, the Office of Student Success and Career Services played a pivotal role in the development of the 2025-2030 Quality Enhancement Plan (QEP). In the upcoming year, the office will facilitate the implementation and assessment of newly development QEP in hopes of supporting and growing the university's retention numbers.
- Honors College: The University enrolled a total of seventeen students in the Honors College during the fall 2024 and spring 2025 academic year. Five of these students graduated in 2024-2025. Four additional students were admitted to the Honors College for Fall 2025 and one student was added to the Honors Program. Dr. Stewart Bennett, Chair of the Honors Council, provided leadership in programming of co-curricular activities for the Honors College. Three honors students won first place, and another won second place in their respective fields of study at this year's Mississippi Honors Conference held in Hattiesburg, Mississippi. The Honors students also completed a community service project and helped raise money and awareness for the Oasis Medical Center: Pregnancy Care Center in Corinth, Mississippi.

### **DENOMINATIONAL SERVICE INVOLVEMENT**

During the 2024-2025 academic year, the Baptist Student Union at Blue Mountain Christian University participated in mission trips to Mission Arlington, Mississippi Delta, and Guadalajara, Mexico, involving 26 students. During the summer, seven students served as summer missionaries through BSU. Two students served at summer camps. One student served on the state BSU Student Mission Team, which appoints and trains summer missionaries.

## **SPECIAL RECOGNITIONS**

- Jack Moser was named the Southern States Athletic Conference (SSAC) Faculty Athletic Representative of the Year
- Women's Basketball won its first ever SSAC Tournament Championship
- Women's Basketball earned its first ever National Association of Intercollegiate Athletics (NAIA) Opening Round bid in the national tournament
- BMCU Women's Basketball senior Crystin Guy was named the SSAC Tournament MVP
- The Topper bass fishing team finished ranked No. 11 in the nation
- Powerlifting boasted four national collegiate champions and 11 All-Americans
- Baseball head coach Taylor Clark earned his 100<sup>th</sup> career victory
- Men's Golf achieved its highest national NAIA ranking ever at No. 21 in March
- Men's Golf member Pontus Nordstrom was named BMCU's first-ever Third-Team All-American in men's golf
- BMCU's entire Men's Athletic Department earned the SSAC Sportsmanship Award
- 62 total NAIA Scholar-Athletes
- Cross Country member Braxton Enzor was named the SSAC A.O. Duer Scholarship Award Winner
- Cross Country member Will Porter earned his third straight bid to the NAIA National Championships
- Athletics earns NAIA Champions of Character Five-Star Gold Medal for the 25<sup>th</sup> straight year
- With the announcement coming later this summer, it is expected BMCU will have a total of 13 NAIA Scholar Teams

## **CAMPUS FACILITIES**

Numerous upgrades were made to the University's facilities throughout 2024-25. These include:

- Repaired A/C unit in Stevens Residence Hall (student housing)
- Replaced A/C unit in the Science Lab
- Recoated floors in Tyler Gym
- Installed HVAC compressor in Johnnie Armstrong Gal-ry (Athletic Offices facility)



- Renovated and upgraded Topper Shop (campus store)
- Site prep work for the Nursing classroom facility (demolishing and removing the LaPrade building)
- Upgraded flooring in the Wellness Center
- Repaired water leak at Ray Dining Hall
- New entrance sign BMCU purchased and installed
- Purchased heaters for the baseball and softball dugouts and locker rooms
- Installed new swings on campus
- Rebuilt and roofed the Southplex student housing facility
- Purchased a new AC compressor for Whitfield Residence Hall (student housing)
- Painted rooms and bathrooms in Whitfield Residence Hall
- Replaced A/C compressors and two new condensing coils in Ray Dining Hall
- Repaired Cross Country Track
- Purchased an event floor covering for Tyler Gymnasium
- Repaired A/C unit at The Loft (student housing)
- Repaired/Replaced section of the sewer line across campus
- Purchased and installed signs on the outfield fences of the softball and baseball fields
- Installed TPO strips over existing roofs for two units at Southplex, two units at Mountain Village, and one at the Band Hall
- Repaired and painted walls in Stevens Residence Hall
- Repaired walls & cracks in Haynie House, Washburn House, and Travis House
- Installed 8 new 120-volt receptacles for events at the Intramural Field
- Installed new stove, water heater and repaired deck at Marshall House (staff housing)
- Extended parking at Southplex (student housing)
- Installed handicap rails in restroom at Dining Hall
- Repaired floor in Southplex annex
- Repaired bathroom floors in Honors House (student housing)
- Installed new electric service entrance (2 new 200 amp disconnect) to Coward-Martin Hall (School of Education).

## **BUDGET AND RESOURCES**

Blue Mountain Christian University continues to be a faithful steward of the funds received from the Mississippi Baptist Convention as well as donations from alumni and friends of the University. During the 2024-2025 fiscal year, the University received \$998,353.72 (\$1,098,353.72 less \$100,000 deduction for nursing loan) (as of June 30, 2025) from the Convention through the Cooperative Program. The Board of Trustees adopted a revised income budget of \$14,061,674 for FY 2024-2025. Undergraduate tuition was \$555 per semester hour for undergraduate students; \$577 for education graduate students; and \$665 per semester hour for MBA graduate students.

FINANCIAL REPORT

BLUE MOUNTAIN CHRISTIAN UNIVERSITY

BLUE MOUNTAIN, MISSISSIPPI

YEARS ENDED JUNE 30, 2025 AND 2024

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STEPHANIE CLIFTON, CPA  
SHONDA DAVIS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Blue Mountain Christian University  
Blue Mountain, Mississippi

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of Blue Mountain Christian University (a Mississippi non-profit corporation), which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, statement of functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Blue Mountain Christian University as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blue Mountain Christian University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 generally accepted auditing standards and *Government Auditing Standards* 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Blue Mountain Christian University'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blue Mountain Christian University'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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Financial Responsibility Supplemental Schedule, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the Financial Responsibility Supplemental Schedule are fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2025, on our consideration of Blue Mountain Christian University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Blue Mountain Christian University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Blue Mountain Christian University's internal control over financial reporting and compliance.



Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
September 18, 2025

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2025 AND 2024

<u>ASSETS</u>	2025	2024
Cash and Cash Equivalents	\$ 1,451,625	\$ 1,686,723
Student Accounts Receivable, Net	407,641	628,140
Other Accounts Receivable	636,465	584,209
Contributions Receivable, Net	770,904	202,350
Cash and Cash Equivalents - Restricted	770,743	821,724
Investments, at Fair Value	18,269,986	17,163,880
Property, Plant and Equipment, Net	16,858,109	15,819,132
Right-of-Use Assets, Finance Leases	190,671	254,228
Loan Receivable	237,875	237,875
Other Assets	1,206	1,206
	<hr/>	<hr/>
Total Assets	\$ 39,595,225	\$ 37,399,467
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Accounts Payable	\$ 781,920	\$ 194,836
Accrued Expenses	327,698	296,567
Deferred Revenue and Student Refunds	481,974	622,151
Notes Payable - Short Term	1,028,915	2,539,812
Finance Lease Payable - Short Term	63,367	61,603
Notes Payable - Long Term	5,861,221	3,010,541
Finance Lease Payable - Long Term	205,459	268,820
	<hr/>	<hr/>
Total Liabilities	8,750,554	6,994,330
	<hr/>	<hr/>
<u>NET ASSETS</u>		
Without Donor Restrictions	8,523,712	9,074,268
With Donor Restrictions:		
Other Restricted by Purpose and Time	913,720	1,050,668
Restricted in Perpetuity	21,407,239	20,280,201
Total With Donor Restrictions	<hr/> 22,320,959 <hr/>	<hr/> 21,330,869 <hr/>
	<hr/>	<hr/>
Total Net Assets	30,844,671	30,405,137
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 39,595,225	\$ 37,399,467
	<hr/>	<hr/>

The accompanying notes to the financial statements  
are an integral part of these statements.



BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025

	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	TOTAL
<u>REVENUES AND SUPPORT</u>			
Student Tuition and Fees, Net of Scholarships of \$6,848,463	\$ 4,075,487	\$	\$ 4,075,487
Gifts from Individuals and Organizations	1,925,642	899,567	2,825,209
Support from MS Baptist Convention Board	1,040,024		1,040,024
Auxiliary Enterprises	2,732,664		2,732,664
Fundraising Income	224,397		224,397
Other Income and Grants	2,068,181		2,068,181
Net Assets Released from Restrictions, Operating Item:			
Cost of Operations and General and Administrative	1,634,601	(1,634,601)	
Total Revenues and Support	13,700,996	(735,034)	12,965,962
<u>EXPENSES</u>			
Program Services			
Instruction	4,196,252		4,196,252
Intercollegiate Athletics	2,504,734		2,504,734
Library	225,611		225,611
Academic Support	375,194		375,194
Student Services	568,886		568,886
Admissions Expense	787,688		787,688
Public Relations	120,116		120,116
Auxiliary Enterprises	1,473,535		1,473,535
Total Program Services	10,252,016		10,252,016
General & Administrative			
General & Administrative	3,298,562		3,298,562
Plant Operations & Maintenance	1,111,638		1,111,638
Total General & Administrative	4,410,200		4,410,200
Fundraising	176,521		176,521
Total Expenses	14,838,737		14,838,737
Increase (Decrease) in Net Assets from Operating Activities	(1,137,741)	(735,034)	(1,872,775)
<u>NON-OPERATING ACTIVITIES</u>			
Investment Income		3,281,425	3,281,425
Interest Income	12,374	82,588	94,962
Gain (Loss) on Sale	26,751		26,751
Other Income	54,572		54,572
Interest Expense	(393,910)		(393,910)
Depreciation and Amortization	(750,901)		(750,901)
Net Assets Released from Restrictions, Capital	1,638,889	(1,638,889)	
Total Non-Operating Income (Loss)	587,775	1,725,124	2,312,899
Increase (Decrease) in Net Assets	(549,966)	990,090	440,124
Beginning Net Assets (Note 21)	9,074,268	21,330,869	30,405,137
Ending Net Assets	\$ 8,524,302	\$ 22,320,959	\$ 30,845,261

The accompanying notes to the financial statements  
are an integral part of these statements.

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024

	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	TOTAL
<u>REVENUES AND SUPPORT</u>			
Student Tuition and Fees, Net of Scholarships of \$6,577,073	\$ 4,305,017	\$	\$ 4,305,017
Gifts from Individuals and Organizations	1,285,798	1,046,650	2,332,448
Support from MS Baptist Convention Board	1,047,804		1,047,804
Auxiliary Enterprises	2,713,716		2,713,716
Event Income	25,102	32,951	58,053
Other Income and Grants	390,643		390,643
Net Assets Released from Restrictions, Operating Item:			
Cost of Operations and General and Administrative	1,651,125	(1,651,125)	
Total Revenues and Support	11,419,205	(571,524)	10,847,681
<u>EXPENSES</u>			
Program Services			
Instruction	3,801,748		3,801,748
Intercollegiate Athletics	2,654,620		2,654,620
Library	211,373		211,373
Academic Support	410,223		410,223
Student Services	511,325		511,325
Admissions Expense	710,016		710,016
Public Relations	144,122		144,122
Auxiliary Enterprises	1,367,370		1,367,370
Total Program Services	9,810,797		9,810,797
General & Administrative			
General & Administrative	2,644,910		2,644,910
Plant Operations & Maintenance	1,132,972		1,132,972
Total General & Administrative	3,777,882		3,777,882
Fundraising	113,314		113,314
Total Expenses	13,701,993		13,701,993
Increase (Decrease) in Net Assets from Operating Activities	(2,282,788)	(571,524)	(2,854,312)
<u>NON-OPERATING ACTIVITIES</u>			
Investment Income		1,766,499	1,766,499
Interest Income	12,609	82,632	95,241
Other Income	442,607		442,607
Interest Expense	(345,822)		(345,822)
Depreciation and Amortization	(749,695)		(749,695)
Net Assets Released from Restrictions, Capital	501,940	(501,940)	
Total Non-Operating Income (Loss)	(138,361)	1,347,191	1,208,830
Increase (Decrease) in Net Assets	(2,421,149)	775,667	(1,645,482)
Beginning Net Assets (Note 21)	11,495,417	20,555,202	32,050,619
Ending Net Assets	\$ 9,074,268	\$ 21,330,869	\$ 30,405,137

The accompanying notes to the financial statements  
are an integral part of these statements.

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2025

	Program Services				
EXPENSES	Instruction	Admissions	Intercollegiate Athletics	Library	Academic Support
Salaries and Wages	\$ 3,075,822	\$ 356,002	\$ 889,058	\$ 115,223	\$ 235,524
Social Security Taxes	220,183	25,656	66,158	8,649	17,683
Retirement Plan Contribution	181,811	16,320	46,664	7,000	18,154
Other Employee Benefits	173,173	40,647	78,858	4,945	15,358
Advertising and Promotion	790	300	6,500		
Depreciation and Amortization					
Insurance	356		127,696		
Interest					
Services, Supplies and Other	523,753	316,666	720,365	89,794	88,475
Travel	20,364	32,097	569,435		
Total Expense	<u>\$ 4,196,252</u>	<u>\$ 787,688</u>	<u>\$ 2,504,734</u>	<u>\$ 225,611</u>	<u>\$ 375,194</u>

			General & Administrative			
Student Services	Auxiliary Enter.	Public Relations	Plant		Fundraising	Total
			General & Admin.	Operations & Maint.		
\$ 402,815	\$ 104,412	\$ 84,283	\$ 981,501	\$ 231,707	\$	\$ 6,476,347
30,167	7,621	5,734	70,392	16,720		468,963
19,675	2,805	2,949	88,987	4,245		388,610
37,842	9,109	12,306	80,294	19,107		471,639
	220	4,762				12,572
			750,901			750,901
120			11,000	169,132		308,304
			393,910			393,910
79,853	1,349,262	10,082	2,047,333	670,742	176,521	6,072,846
(1,586)	106		19,055	(15)		639,456
<u>\$ 568,886</u>	<u>\$ 1,473,535</u>	<u>\$ 120,116</u>	<u>\$ 4,443,373</u>	<u>\$ 1,111,638</u>	<u>\$ 176,521</u>	<u>\$ 15,983,548</u>

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2024

	Program Services				
EXPENSES	Instruction	Admissions	Intercollegiate Athletics	Library	Academic Support
Salaries and Wages	\$ 2,905,258	\$ 341,526	\$ 934,229	\$ 105,722	\$ 225,903
Social Security Taxes	213,433	24,618	68,373	7,945	17,069
Retirement Plan Contribution	191,793	18,699	42,731	2,890	18,122
Other Employee Benefits	152,253	34,580	81,279	9,498	12,343
Advertising and Promotion	3,335	750	6,500		
Depreciation and Amortization					
Fundraising					
Insurance	660		98,755		
Interest					
Services, Supplies and Other	317,483	257,146	773,677	85,112	136,491
Travel	17,533	32,697	649,076	206	295
Total Expense	<u>\$ 3,801,748</u>	<u>\$ 710,016</u>	<u>\$ 2,654,620</u>	<u>\$ 211,373</u>	<u>\$ 410,223</u>

			General & Administrative			
Student Services	Auxiliary Enter.	Public Relations	General & Admin.	Plant	Fundraising	Total
				Operations & Maint.		
\$ 377,421	\$ 125,231	\$ 90,606	\$ 945,968	\$ 239,663	\$	\$ 6,291,527
27,940	9,221	6,423	68,213	17,093		460,328
24,641	2,622	2,914	86,000	5,206		395,618
33,695	7,412	6,452	81,380	19,791		438,683
		10,900	(38)			21,447
				749,695		749,695
					113,314	113,314
			11,190	178,073		288,678
				345,822		345,822
45,729	1,222,769	26,827	2,528,910	(422,423)		4,971,721
1,899	115		18,804	52		720,677
<u>\$ 511,325</u>	<u>\$ 1,367,370</u>	<u>\$ 144,122</u>	<u>\$ 3,740,427</u>	<u>\$ 1,132,972</u>	<u>\$ 113,314</u>	<u>\$ 14,797,510</u>

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<u>OPERATING ACTIVITIES</u>		
Cash Inflows for Operations:		
Student Tuition and Fees, Room and Board & Meals	\$ 6,944,354	\$ 6,637,167
Gifts from Individuals and Organizations	2,204,399	2,710,637
Support from MS Baptist Convention Board	1,040,024	1,049,664
Auxiliary Enterprises	199,252	128,123
Fundraising Income	224,397	58,053
Other Income	2,068,181	390,643
Cash Outflows for Operations:		
Payments for Salaries, Benefits and Payroll Taxes	(7,734,323)	(7,580,111)
Payments to Vendors	(6,420,918)	(6,218,472)
Net Cash Provided by Operating Activities	<u>(1,474,634)</u>	<u>(2,824,296)</u>
<u>INVESTING ACTIVITIES</u>		
Proceeds from Interest	15,986	16,050
Proceeds from Investment Income	1,106,106	632,787
Proceeds from Sale of Land, Buildings and Equipment	44,456	0
Purchases of Land, Buildings and Equipment	(959,108)	(243,186)
Net Cash Provided by Investing Activities	<u>207,440</u>	<u>405,651</u>
<u>FINANCING ACTIVITIES</u>		
Proceeds from Debt	1,731,534	2,103,000
Proceeds from Grant and Other Income	54,572	442,607
Payments of Note Payable and Capital Lease Obligations	(453,348)	(1,395,874)
Payments of Interest	(351,643)	(148,876)
Net Cash Provided by Financing Activities	<u>981,115</u>	<u>1,000,857</u>
Change in Cash and Cash Equivalents	(286,079)	(1,417,788)
Cash and Cash Equivalents at Beginning of Year	<u>2,508,447</u>	<u>3,926,235</u>
Cash and Cash Equivalents at End of year	<u>\$ 2,222,368</u>	<u>\$ 2,508,447</u>
<u>SUPPLEMENTAL DISCLOSURES</u>		
Equipment Acquired by Capital Lease	<u>\$ 0</u>	<u>\$ 0</u>
Buildings and Equipment Acquired by Long-Term Debt	<u>\$ 0</u>	<u>\$ 0</u>
Contributions of Equipment and Buildings	<u>62,000</u>	<u>\$ 0</u>

The accompanying notes to the financial statements  
are an integral part of these statements.

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

NOTE 1. ORGANIZATION

Blue Mountain Christian University (the University), a private institution of higher learning, was founded in 1873. The campus is located in Blue Mountain, Mississippi. The University is incorporated as a not-for-profit corporation and is a tax exempt organization under 501(C)(3) of the Internal Revenue Code.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the University are summarized below:

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

(B) Use of Estimates - The University prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which require that management make estimates and assumptions that affect the reported amounts. Such estimates include allowance for doubtful accounts receivable. Actual results could differ from those estimates.

(C) The University reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

(1) Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

(2) Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in the class if the donor limited their use, as are its donor-restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for the



BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(2) Net Assets With Donor Restrictions - Continued

acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

(D) Tuition and fees are recognized as revenue in the fiscal year in which the educational services are provided. Institutional aid, in the form of scholarships and discounts, reduces the price of tuition for students receiving such aid. As such, institutional aid is referred to as tuition discount and represents the difference between the stated charges for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student. Financial aid provided to students was \$6,848,463 in 2024 and \$6,577,073 in 2024.

Tuition and fees received in advance of services performed are considered contract liabilities and recorded as deferred revenue and presented as Advance Payments by Students in the Statements of Financial Position.

Auxiliary services exist to furnish goods or services to students, faculty, staff, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of auxiliary services is that they are managed as an essentially self-supporting activity.

Auxiliary services revenue includes revenues from contracts with customers to provide student housing and dining facilities, a campus bookstore, and a wellness center. Performance obligations for housing and dining services are delivered over the academic terms. Consequently, revenue from housing and dining services is recognized ratably as services are rendered. Campus bookstore and wellness center revenue are recognized at the time of sale.

(E) Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(F) Cash and cash equivalents consist of cash on hand or in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less.

(G) Investments are stated at fair market value. Changes in unrealized gains and losses resulting from changes in fair value are reflected in the statement of activities and changes in net assets. Dividends and interest are recognized as they are earned.

(H) Property, Plant and Equipment - Property, plant and equipment are carried at cost or, if donated, at the estimated fair market value at the date of donation. The University uses cost and asset durability as determining factors for capitalization. Depreciation is expensed over the estimated useful life of depreciable assets, which is 15 years for land improvements, 20 to 60 years for buildings and improvements, 5 to 7 years for equipment and furniture and 20 years for library collections, and is computed using the straight line method. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Maintenance and repairs are charged to operations and significant purchases and improvements are capitalized. Property, plant and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

(I) Promises to give consist of unconditional promises to give that are expected to be collected in future years. Promises to give are reported as donor restricted support unless explicit donor stipulations or circumstances surrounding the pledge make clear the donor intended it to be used to support activities of the current period. Promises to give are reviewed for collectibility and a provision for doubtful promises to give is recorded based on management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

(J) Endowment and Long-term Investments - The University records purchases at costs, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return or loss is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Purchases and sales of investments are reported on the trade date.

Endowment investments consist of investments purchased with the following resources:

Donor-restricted perpetual endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the organization's activities.

The investment and spending policies for the Endowment Fund are discussed in Note 7.

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(K) The organization receives contributions in a form other than cash or investments. Most are donated supplies, which are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy.

(L) The cost of providing the organization's programs and other activities is summarized on a function basis in the Statement of Activities and Statement of Functional Expense. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on personnel employed in each program area. Salaries and wages, benefits, and payroll taxes for administrative faculty and staff are allocated to general and administrative.

Depreciation, interest and plant operations and maintenance is allocated to general and administrative.

Telephone and internet services, insurance, supplies and miscellaneous expenses that can be directly identified to a program are allocated to program expense. All other telephone and internet services, insurance, supplies and miscellaneous expenses are allocated to general and administrative.

Every three years, or when new programs are added, the basis on which costs are allocated are evaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. Additionally, advertising costs are expensed as incurred.

(M) Advertising Costs - Costs for advertising, including radio, television and newspaper advertisements, are expensed as incurred. Total advertising costs for the years ended June 30, 2025 and 2024, were \$16,377 and \$21,447, respectively.

(N) Federal Income Tax - The University is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(C)(3). An annual information return, Form 990, is filed as required to continue the University's exemption from federal income tax.

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 3. STUDENT AND OTHER ACCOUNTS RECEIVABLE

Student accounts receivable are stated at the amount of consideration from the student of which the University has an unconditional right to receive. The University records an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collections information and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the student.

Student accounts receivable at June 30, 2025 and 2024, consisted of the following:

	2025	2024
Student tuition and fees	\$ 805,549	\$ 929,017
Less: Allowance for doubtful accounts	(397,908)	(300,877)
Net Student Accounts Receivable	<u>\$ 407,641</u>	<u>\$ 628,140</u>

Other accounts receivable at June 30, 2025 and 2024, consisted of the following:

Miscellaneous receivables from:		
Mississippi Baptist Foundation	\$ 209,381	\$ 207,124
Mississippi Baptist Convention Board	77,085	77,085
Others	350,000	300,000
Total	<u>\$ 636,466</u>	<u>\$ 584,209</u>

NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

The University's primary source of revenue from contracts with customers are from tuition and fees, and auxiliary enterprises revenue as presented in the statement of activities and changes in net assets. There were no impairment losses on receivables from contracts with customers during fiscal years ended June 30, 2025 and 2024.

A summary of revenue from contracts with customers related to gross tuition and fees for the year ended June 30, 2025 and 2024 disaggregated by the major classification of student type is as follows:

Student Classifications	2025	2024
Undergraduate Tuition and Fees	\$ 9,826,493	\$ 9,826,814
Undergraduate Online Programs Tuition and Fees	425,345	566,765
Graduate Tuition and Fees	<u>672,112</u>	<u>488,224</u>
Total Gross Tuition and Fees	<u>\$ 10,923,950</u>	<u>\$ 10,881,803</u>

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS - Continued

A summary of revenue from contracts with customers related to auxiliary enterprises revenue for the years ended June 30, 2025 and 2024 disaggregated by type is as follows:

Student Classifications	2025	2024
Housing	\$ 1,296,998	\$ 1,384,413
Dining Services	1,182,268	1,056,988
Other Auxiliary Income	253,398	272,315
Total Auxiliary Enterprises Revenue	<u>\$ 2,732,664</u>	<u>\$ 2,713,716</u>

The activity and balances for deferred revenue and student refunds from contracts with customers for years ended June 30, 2025 and 2024 are shown in the following tables.

	Tuition, Fees and Housing	Other Deferred Revenue	Total
Deferred Revenue Balance at June 30, 2024	\$ 230,493	\$ 391,650	\$ 622,143
Revenue Recognized	(230,493)	(100,000)	(330,493)
Payments Received for Future Performance Obligations	38,795		38,795
Deferred Revenue Balance at June 30, 2025	38,795	291,650	330,445
Student Refunds	151,529		151,529
Total Deferred Revenue and Student Refunds	<u>\$ 190,324</u>	<u>\$ 291,650</u>	<u>\$ 481,974</u>

NOTE 5. INVESTMENTS

The University's investments, at estimated fair value, consisted of the following at June 30:

	2025		2024	
	Cost	Approximate Fair Value	Cost	Approximate Fair Value
<u>WITHOUT DONOR RESTRICTION</u>				
Diamond and Ruby Rings	\$ 45,500	\$ 45,500	\$ 45,500	\$ 45,500

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 5. INVESTMENTS - Continued

	2025		2024	
	Cost	Approximate Fair Value	Cost	Approximate Fair Value
<u>WITH DONOR RESTRICTION</u>				
Mississippi Baptist Foundation:				
	13,421,392	15,861,756	13,665,104	14,387,640
	345,384	394,833	338,602	351,408
Blue Mountain Christian University:				
	55,425	68,374	48,897	62,358
	484,568	319,366	484,568	315,810
Joyce Williams Anderson				
	1,147,095	1,524,732	1,171,856	1,446,281
Real Estate	55,425	55,425	554,883	554,883
Total Investments	<u>\$ 15,554,789</u>	<u>\$ 18,269,986</u>	<u>\$ 16,309,410</u>	<u>\$ 17,163,880</u>

The following schedule summarizes the components of net investment income as shown in the statement of activities:

	2025
	With Donor Restrictions
Capital Gains (Losses) and Dividends	\$ 1,310,923
Realized Gains (Losses)	108,280
Unrealized Gains (Losses)	1,862,222
	<u>\$ 3,281,425</u>

NOTE 6. FAIR VALUE MEASUREMENTS

The University follows guidance with respect to accounting and reporting for the fair value of its financial assets and liabilities. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in principal or most advantageous market for the asset or liability in an orderly transaction between participants on the measurement date. Fair value requires an organization to determine the unit of account, the mechanism of hypothetical transfer, and the appropriate markets for the asset or liability being measured.

This guidance also established a hierarchy of valuation inputs on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 6. FAIR VALUE MEASUREMENTS - Continued

maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The three input levels are as follows:

- (A) Level 1 Investments with values that are based on quoted market prices in active markets include active listed equities.
- (B) Level 2 Investments that trade in markets that are not considered to be active, but that are valued based on quoted market prices, dealer quotations, or alternative pricing sources supported by observable inputs, including U.S. government agency securities.
- (C) Level 3 Investments and financial instruments that have significant unobservable inputs, as they trade infrequently or not at all. The valuation of the real estate falls under level 3, as there are no significant observable inputs. The values of these investments represent the ownership interest in the net asset value.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, and other factors. The University considers observable data to be that market data which is readily available and reliable and provided by independent sources.

The categorization of a financial instrument within the hierarchy is therefore based upon the pricing transparency of the instrument and does not necessarily correspond to the University's perceived risk of that investment. The following tables summarize the financial instruments reported within the consolidated statements of financial position carried at fair value as of June 30, 2025 and 2024, by caption and level within the fair value accounting hierarchy:

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 6. FAIR VALUE MEASUREMENTS - Continued

Assets at Fair Values as of June 30, 2025				
	Level 1	Level 2	Level 3	Total
<u>WITHOUT DONOR RESTRICTION</u>				
Diamond and Ruby Rings	\$	\$ 45,500	\$	\$ 45,500
<u>WITH DONOR RESTRICTION</u>				
Mississippi Baptist Foundation:				
Pooled Assets		15,861,756		15,861,756
Annuity		394,833		394,833
Blue Mountain Christian University:				
Corporate Stock	68,374			68,374
Mutual Funds		319,366		319,366
Joyce Williams Anderson Foundation		1,524,732		1,524,732
Real Estate			55,425	55,425
Total Investments Measured at Fair Value	<u>\$ 68,374</u>	<u>\$ 18,146,187</u>	<u>\$ 55,425</u>	<u>\$ 18,269,986</u>
Assets at Fair Values as of June 30, 2024				
	Level 1	Level 2	Level 3	Total
<u>WITHOUT DONOR RESTRICTION</u>				
Diamond and Ruby Rings	\$	\$ 45,500	\$	\$ 45,500
<u>WITH DONOR RESTRICTION</u>				
Mississippi Baptist Foundation:				
Pooled Assets		14,387,640		14,387,640
Annuity		351,408		351,408
Blue Mountain Christian University:				
Corporate Stock	62,358			62,358
Mutual Funds		315,810		315,810
Joyce Williams Anderson Foundation		1,446,281		1,446,281
Real Estate			554,883	554,883
Total Investments Measured	<u>\$ 62,358</u>	<u>\$ 16,546,639</u>	<u>\$ 554,883</u>	<u>\$ 17,163,880</u>

Financial instruments such as those above, involve, to varying degrees, elements of market risk and credit risk in excess of the amounts recorded on the consolidated statements of financial position. For the University, market risk represents the potential loss due to the decrease in the value of financial instruments; credit risk represents the maximum potential loss due to possible nonperformance of contract terms by obligors and counter parties.

During the year ended June 30, 2025, the University reclassified certain real estate previously reported as *Investments to Property, Plant, and Equipment*. The reclassification was made



BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 6. FAIR VALUE MEASUREMENTS - Continued

because the real estate, which had been held primarily for investment purposes, is now being used in the University's operations as housing.

At the time of reclassification, the carrying value of the real estate was \$554,883, which became the basis for the property, plant, and equipment category. The reclassified assets will be depreciated over their estimated useful lives in accordance with the University's depreciation policy. No gain or loss was recognized upon reclassification.

As of June 30, 2025, the carrying amount of real estate reclassified to property, plant, and equipment was \$499,458.

NOTE 7. ENDOWMENT

The University's endowment funds consist of (a) unrestricted funds functioning as endowment through designation by the Board and (b) donor-restricted endowment funds. The earnings of the University's endowment funds support education and the mission of the University. Net assets associated with endowment funds, including unrestricted funds functioning as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

Effective in 2012 the state of Mississippi adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which govern the management and use of donor-restricted endowment funds held by charitable institutions in the state of Mississippi. Accounting principles generally accepted in the United States provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of UPMIFA and also improve disclosures about an organization's endowment (both donor-restricted and funds functioning as endowment).

Consistent with UPMIFA and Board policy, the University classifies as permanently restricted net assets the original value of gifts (including subsequent gifts) of donor-restricted endowments and, if applicable, accumulations of donor-restricted endowments as required by the donor. Accumulated earnings of donor-restricted endowments are classified as temporarily restricted net assets until distributed in accordance with UPMIFA and Board policy.

The University's endowment net asset composition by type of fund was as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions Perpetual	Total
Donor-restricted Funds	\$	\$ 21,407,239	\$ 21,407,239
Board-Designated Funds	158,125		158,125
Total	<u>\$ 158,125</u>	<u>\$ 21,407,239</u>	<u>\$ 21,565,364</u>

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 8. ENDOWMENT - Continued

	2024		
	Without Donor Restrictions	With Donor Restrictions Perpetual	Total
Donor-restricted Funds	\$	\$ 20,280,201	\$ 20,280,201
Board-Designated Funds	175,507		175,507
Total	<u>\$ 175,507</u>	<u>\$ 20,280,201</u>	<u>\$ 20,455,708</u>

The University's endowment net assets changed as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions Perpetual	Total
Endowment Net Assets, Beginning	\$ 175,507	\$ 20,280,201	\$ 20,455,708
Investment Return			
Investment Income		3,281,425	3,281,425
Total Investment Return		3,281,425	3,281,425
Interest Income		82,588	82,588
Contributions		203,835	203,835
Other Income	23,005		23,005
Other Expense	(40,387)		(40,387)
Endowment Distribution		(2,440,810)	(2,440,810)
Endowment Net Assets, Ending	<u>\$ 158,125</u>	<u>\$ 21,407,239</u>	<u>\$ 21,565,364</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions Perpetual	Total
Endowment Net Assets, Beginning	\$ 164,499	\$ 19,124,804	\$ 19,289,303
Investment Return			
Investment Income		1,766,499	1,766,499
Total Investment Return		1,766,499	1,766,499
Interest Income		82,632	82,632
Contributions		245,733	245,733
Other Income	70,930		70,930
Other Expense	(59,922)		(59,922)
Endowment Distribution		(939,467)	(939,467)
Endowment Net Assets, Ending	<u>\$ 175,507</u>	<u>\$ 20,280,201</u>	<u>\$ 20,455,708</u>

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 7. ENDOWMENT - Continued

These balances represent the portion of perpetual endowment funds that is required to be retained permanently by donor stipulation or law. The endowment investments are overseen by the Mississippi Baptist Convention Board (MBCB). The MBCB utilizes strategies to achieve the objectives of the University and allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable risk control parameters to ensure prudence and care in the execution of the investment program.

NOTE 8. RETIREMENT PLAN CONTRIBUTIONS

The University and its employees participate in a retirement plan administered by the Southern Baptist Annuity Board. The University's contributions to this plan amounted to \$388,609 and \$395,518, for the years ended June 30, 2025 and 2024, respectively. Since the University cannot determine its relative position in the entire Annuity Board plan, additional plan benefit information is not available.

NOTE 9. LEASES

The University leases field lighting for its Sportplex. The field lighting has a lease term of 7 years. The lease is long-term and will transfer to the University at the end of the lease term.

Right-of-Use assets acquired under finance leases, inclusive of those where title transfers at the end of the lease, are recorded in Property, Plant and Equipment, Net and was \$516,994 as of June 30, 2025. Accumulated amortization associated with finance leases was \$326,323 as of June 30, 2025.

Lease cost recognized in the Statement of Functional Expenses is summarized as follows:

	<u>2025</u>
Finance Lease Cost:	
Amortization of Lease Assets	\$ 63,557
Interest on Lease Liabilities	<u>12,971</u>
Total Finance Lease Cost	<u><u>\$ 76,528</u></u>

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 9. LEASES - Continued

Other information about lease amounts recognized in the financial statements is as follows:

	2025
Weighted-Average Remaining Lease Term - Finance Leases	4.00
Weighted-Average Discount Rate - Finance Leases	3.933%
Lease liabilities were as follows:	2025
Gross Lease Liabilities - Finance Leases	\$ 268,826
Less: Imputed Interest	(7)
Present Value of Lease Liabilities	268,819
Less: Current Portion of Lease Liabilities	(63,367)
Total Long-Term Lease Liabilities	\$ 205,452

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

Physical plant and equipment are shown at cost or at fair market value at date of gift for property acquired by gift.

Property, plant and equipment consisted of the following at June 30:

	2025	2024
Land and Improvements	\$ 2,084,034	\$ 2,074,209
Buildings and Improvements	17,711,394	17,688,829
Equipment and Furniture	7,383,107	6,736,513
Library Books and Equipment	941,614	941,614
Finance Lease Right-of-Use Assets	516,994	516,994
Construction in Progress	1,360,837	315,466
Total	29,997,980	28,273,625
Less: Acc. Depreciation and Amortization	(12,949,200)	(12,200,265)
Total	\$ 17,048,780	\$ 16,073,360

Depreciation and amortization expense has been computed over the following estimated useful lives of assets utilizing the straight-line method. Depreciation expense was \$750,901 and \$749,695 for the years ended June 30, 2025 and 2024, respectively.

	Estimated Useful Life
Land Improvements, Buildings and Improvements	20/50 Years
Furniture, Equipment and Library Books	5/50 Years

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2025	2024
Property, Plant & Equipment	\$ 691,632	\$ 759,722
Instruction	20,417	48,913
Intercollegiate Athletics	104,899	84,510
General and Administrative	68,391	103,664
Scholarships/Awards	28,381	53,859
Total temporarily restricted net assets	<u>\$ 913,720</u>	<u>\$ 1,050,668</u>

Net assets were released from donor imposed restrictions by incurring expenses satisfying the purpose or time restrictions specified by the donors as follows:

	2025	2024
Purpose restriction accomplished:		
Instruction	\$ 303,150	\$ 420,607
Intercollegiate Athletics	40,259	110,206
Property, Plant & Equipment	123,615	95,266
General & Administrative	60,671	271,025
Scholarships and Awards	278,129	316,494
Total restrictions released	<u>\$ 805,824</u>	<u>\$ 1,213,598</u>

For the year ended June 30, 2025, \$73,908 was spent on property, plant and equipment was capitalized. For the year ended June 30, 2024, \$451,250 spent on property, plant and equipment was capitalized.

NOTE 12. LOAN RECEIVABLE

	2025	2024
Perkins Loans	<u>\$ 237,875</u>	<u>\$ 237,875</u>

NOTE 13. CONCENTRATION OF CREDIT RISK

- (A) Concentrations of credit risk with respect to student accounts receivable are limited due to the large number of students comprising the University's student base.
- (B) The University invests in a professionally managed portfolio that contains mutual funds. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.
- (C) Financial instruments that potentially subject the University to concentrations of credit risk consist principally of bank deposit accounts. The University's deposits and certificates of deposit are covered by federal depository insurance (FDIC) for the first \$250,000 on

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 14. CONCENTRATION OF CREDIT RISK - Continued

- (C) interest and noninterest bearing accounts. The Mississippi Baptist Foundation's Short Term Fund is not covered by federal depository insurance.

The following deposits are subject to credit risk to the extent they exceed \$250,000.

	<u>2025</u>
Interest Bearing Accounts:	
The Peoples Bank	\$ 2,122,368

NOTE 15. SUBSEQUENT EVENTS

The University evaluated its June 30, 2025, financial statements for subsequent events through September 18, 2025, the date the financial statements were available to be issued. The University is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

NOTE 16. PROMISES TO GIVE

Unconditional promises are included in the financial statements as promises to give and revenue of the appropriate net asset category. The University maintains an allowance for doubtful accounts for estimated credit losses resulting from collection risks, including the inability of donors to make required payments under contractual agreements. The allowance for doubtful accounts is reported as a reduction of promises to give on the statement of financial condition. The adequacy of this allowance is determined by evaluating historical payment trends and current economic conditions.

Management expects unconditional promises to be realized in the following periods at June 30, 2025 and 2024:

Without Donor Restrictions

	<u>2025</u>	<u>2024</u>
One to five years	\$ 839,995	\$ 102,000
More than five years	0	0
Subtotal	<u>839,995</u>	<u>102,000</u>
Allowance for uncollectible promises to give	<u>0</u>	<u>0</u>
Total	<u>\$ 839,995</u>	<u>\$ 102,000</u>

With Donor Restrictions

	<u>2025</u>	<u>2024</u>
One to five years	\$ 100,350	\$ 100,350
More than five years	0	0
Subtotal	<u>100,350</u>	<u>100,350</u>
Allowance for uncollectible promises to give	<u>0</u>	<u>0</u>
Total	<u>\$ 100,350</u>	<u>\$ 100,350</u>

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 17. NOTES PAYABLE

Notes payable consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
<u>The Peoples Bank</u>		
Operating capital, payable on 10-23-25 including 3.00% interest, secured by money market account	\$ 650,100	\$ 650,100
<u>The Peoples Bank</u>		
Operating capital, payable on 8-31-26 including 6.75% interest, secured by money market account	2,000,000	1,528,000
<u>The Peoples Bank</u>		
Real estate purchase, payable in monthly installments of \$354 including 3.50% interest, secured by real estate, final payment 6-29-31	52,006	54,391
<u>The Peoples Bank</u>		
Building purchase, payable in monthly installments of \$2,746 including 4.875% interest, secured by building and 9 acres of land, final payment 10-08-34	246,711	267,088
<u>The Peoples Bank</u>		
Capital construction project, payable in monthly installments of \$13,442 including 7.25% interest, secured by University properties, final payment 5-30-29	1,051,536	1,139,915
<u>BNA Bank</u>		
Capital construction project, payable in monthly installments of \$3,537 including 3.25% interest, secured by building and land, final payment 6-28-36	389,453	421,007
<u>BNA Bank</u>		
Building purchase, payable in monthly installments of \$7,718 including 5.75% interest, secured by building, final payment 8-03-27	342,927	423,209

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 17. NOTES PAYABLE - Continued

	<u>2025</u>	<u>2024</u>
<u>BNA Bank</u>		
Building purchase, payable in monthly installments of \$1,388 including 4.75% interest, secured by building, final payment 5-15-27	99,769	111,359
<u>TLM Investments, LLC</u>		
Building purchase, payable in monthly installments of \$630 including 5.00% interest, secured by building, final payment 5-1-34	54,281	59,018
<u>BNA Bank</u>		
Capital improvements, payable in monthly installments of \$5,708 including 8.50% interest, secured by building, final payment 6-30-30	274,415	327,328
<u>The Peoples Bank</u>		
Capital improvements, payable in monthly installments of \$2,186 including 4.25% interest, secured by building, final payment 7-5-27	318,112	330,534
<u>BNA Bank</u>		
Equipment purchase, payable in monthly installments of \$7,515 including 4.75% interest, secured by Simulation and Skills Equipment, final payment 4-27-27	151,292	238,404
<u>BNA Bank</u>		
Capital Improvements, payable on 6-3-29 including 5.50% interest, secured by USDA Tax Exempt Bonds Series 2025	629,767	0
<u>The Peoples Bank</u>		
Capital Improvements, payable on 6-3-29 including 5.50% interest, secured by USDA Tax Exempt Bonds Series 2025	629,767	0
	\$ 6,890,136	\$ 5,550,353
Less: current portion	(3,028,915)	(2,539,812)
Total Long Term Debt	<u>\$ 3,861,221</u>	<u>\$ 3,010,541</u>



BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 17. NOTES PAYABLE - Continued

Maturities of notes payable are as follows:

Year Ending June 30,	Amount
2026	\$ 1,028,915
2027	2,379,171
2028	333,310
2029	354,080
2030	292,881
Thereafter	2,501,779
	<u>\$ 6,890,136</u>

Interest cost of \$335,886 and \$266,630 were incurred for the years ended June 30, 2025 and 2024, respectively.

NOTE 18. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30 are:

Financial Assets:	2025	2024
Cash and Cash Equivalents	\$ 2,222,368	\$ 2,508,447
Student Accounts Receivable, Net	407,641	628,140
Other Accounts Receivable	636,465	584,209
Contributions Receivable, Net	770,904	202,350
Investments, at Fair Value	18,269,986	17,163,880
Loan Receivable	237,875	237,875
Advances Receivable	2,430,000	2,430,000
Total Financial Assets	<u>24,975,239</u>	<u>23,754,901</u>
Less Financial Assets held to meet Donor- Imposed Restrictions:		
Purpose Restricted Net Assets (Note 12)	(913,720)	(1,050,668)
Donor Restricted Endowment Funds (Note 7)	(22,019,272)	(20,280,201)
Less Financial Assets not Available within One Year:		
Contributions Receivable	(383,954)	(98,988)
Loan Receivable	(237,875)	(237,875)
Advances Receivable	<u>(2,430,000)</u>	<u>(2,430,000)</u>
Amount Available for General Expenditures within One Year	<u>\$ (1,009,582)</u>	<u>\$ (342,831)</u>

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 19. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions may occur between unrestricted, temporarily restricted and permanently restricted funds to account for goods received or services rendered. Transactions between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as advances which represents the interfund loans. All other outstanding balances between funds are reported as due to/from other funds. The effects of interfund receivables and payables have been eliminated on the combined statement of financial position.

Advances

During the year ending June 30, 2017, the permanently restricted fund advanced \$1,500,000 to the unrestricted fund to aid in capital improvements. During the year ending June 30, 2018, the permanently restricted fund advanced an additional \$930,000 to the unrestricted fund to aid in capital improvements. Terms of the loan include interest at 3.25%. At June 30, 2025, the total of long-term portions of the advances were \$2,430,000.

	Unrestricted Fund	Permanently Restricted Fund
Advances Payable (Receivable)	\$ (2,430,000)	\$ 2,430,000

NOTE 20. RELATED PARTIES

The University did not enter into any contracts or transactions with related parties for the fiscal years ended June 30, 2025 and 2024.

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2025 AND 2024

NOTE 22. INFORMATION USED IN DETERMINING THE DEPARTMENT OF EDUCATION'S FINANCIAL RESPONSIBILITY COMPOSITE SCORE

Section 498(c) of the Higher Education Act of 1965, as amended, requires for-profit and non-profit institutions to annually submit audited financial statements to the Department of Education (ED) to demonstrate they are maintaining the standards of financial responsibility necessary to participate in the Title IV programs. One of the many standards ED utilizes to gauge the financial responsibility of an institution is a composite of three ratios derived from an institution's audited financial statements.

The financial information below provides the correspondence between certain values presented in the University's consolidated financial statements and the values as they are included in the determination of the ratios used by ED to gauge the University's financial responsibility:

**Property, Plant and Equipment, Net**

	2025
Property, plant, and equipment - pre-implementation	\$ 10,265,591
Less: subsequent depreciation and disposals	<u>(454,028)</u>
Property, plant and equipment, including construction in progress, net of accumulated depreciation - pre-implementation	9,811,563
Property, plant and equipment - post-implementation with outstanding debt for original purchase, net of accumulated depreciation	1,531,675
Property, plant and equipment - post implementation without outstanding debt for original purchase, net of accumulated depreciation	4,154,034
Construction in progress	1,360,837
Lease right-of-use assets, net	<u>190,671</u>
Property, plant and equipment, net	<u>\$ 17,048,780</u>

**Notes Payable**

Long-term debt - for long-term purposes - pre-implementation	\$ 1,740,943
Long-term debt - for long-term purposes - post-implementation	<u>2,767,919</u>
Long-term debt, net	<u>\$ 4,508,862</u>

Blue Mountain Christian University  
Financial Responsibility Supplemental Schedule  
Year Ended June 30, 2025

Ratio Element	Element Amount	Reference to Financial Statements and/or Notes
<b>Primary Reserve Ratio</b>		
<b>Expendable Net Assets</b>		
<u>Net Assets</u>		
Net assets without donor restrictions	\$ 8,523,712	Statement of Financial Position
Net assets with donor restrictions	22,320,959	Statement of Financial Position
Net assets with donor restriction: restricted in perpetuity	21,407,239	Statement of Financial Position
<u>Property, Plant and Equipment, Net</u>		
Property, plant and equipment, including construction in progress - pre-implementation	9,811,563	Note 22
Property, plant and equipment - post implementation with outstanding debt for original purchase	1,531,675	Note 22
Property, plant and equipment - post implementation without outstanding debt for original purchase	4,154,034	Note 22
Construction in progress	1,360,837	Note 22
<u>Right of use - finance lease, net</u>		
Right of use - finance lease, net - pre-implementation	-	Not Applicable
Right of use - finance lease, net - post-implementation	190,671	Note 22
<u>Notes and bonds payable obtained for long-term purposes</u>		
Notes and bonds payable obtained for long-term purposes, net - pre-implementation	1,740,943	Note 22
Notes and bonds payable obtained for long-term purposes, net - post implementation	2,767,919	Note 22
<u>Lease Obligations</u>		
Lease obligations - pre-implementation	-	Not Applicable
Lease obligations - post-implementation	268,826	Statement of Financial Position
<u>Other Items</u>		
Intangible assets	-	Not Applicable
Secured and unsecured related party receivables	-	Not Applicable
Post-employment defined benefit pension liabilities	-	Not Applicable
Annuities, term endowments, life income funds with donor restrictions	-	Not Applicable

Blue Mountain Christian University  
Financial Responsibility Supplemental Schedule  
Year Ended June 30, 2025

Ratio Element	Element Amount	Reference to Financial Statements and/or Notes
<b>Primary Reserve Ratio - continued</b>		
<b>Expenses and Losses</b>		
Total operating expenses without donor restrictions	\$ 15,798,774	Statement of Activities
Total non-operating expenses without donor restrictions	-	Statement of Activities
Net investment losses	-	Not Applicable
Pension-related changes other than net periodic costs	-	Not Applicable
<b>Equity Ratio</b>		
<b>Modified Assets</b>		
Net assets without donor restrictions	\$ 8,523,712	Statement of Financial Position
Net assets with donor restriction	22,320,959	Statement of Financial Position
Intangible assets	-	Not Applicable
Secured and unsecured related party receivables	-	Not Applicable
<b>Modified Assets</b>		
Total assets	\$ 39,595,225	Statement of Financial Position
Right of use - finance lease, net - pre-implementation	-	Not Applicable
Secured and unsecured related party receivables	-	Not Applicable
Intangible assets	-	Not Applicable
Lease obligations - pre-implementation	-	Not Applicable
<b>Net Income Ratio</b>		
Change in net assets without donor restrictions	\$ (549,966)	Statement of Activities
Total revenue and gains without donor restrictions	15,236,634	Statement of Activities

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA #</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education:</u>		
Student Financial Assistance Programs		
Federal Family Supplemental Educational Opportunity Grants	84.007	\$ 49,830
Federal Work Study Program	84.033	46,843
Federal Pell Grant Program	84.063	1,676,408
Federal Direct Student Loans	84.268	2,091,334
Federal Teach Education Assistance for University and Higher Education Grants (TEACH)	84.379	<u>2,443</u>
Total Student Financial Assistance Programs		<u>3,866,858</u>
<u>Appalachian Regional Commission</u>		
Appalachian Area Development	23.002	<u>80,000</u>
<u>U.S. Department of Education</u>		
Fund for the Improvement of Postsecondary Education	84.116	<u>1,530,000</u>
Total Federal Expenditures		<u><u>\$ 5,476,858</u></u>

The accompanying notes are an integral  
part of this statement.

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Blue Mountain Christian University (the University) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

The U.S. Department of Education has been designated as the University's cognizant agency for the Single Audit.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. STUDENT LOAN PROGRAMS

The University administers the following federal loan program:

	CFDA #	Outstanding Balance at June 30, 2025
Perkins Student Loan	<u>84.037</u>	<u>\$ 237,875</u>

Total loan expenditures and disbursements of the program for the year ended June 30, 2024 are as follows:

	<u>Disbursements</u>
Perkins Student Loan	<u>\$ 0</u>

The above expenditures include disbursements and expenditures such as loans to students and administrative expenditures.

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued  
JUNE 30, 2025

NOTE 4. DIRECT LOAN PROGRAMS

During the fiscal year ending June 30, 2025, the University processed the following amount of new loans under the Direct Loan Program (which includes Stafford Loans and Parents' Loans for Undergraduate and Graduate Students):

	<u>CFDA #</u>	<u>Amount Authorized</u>
Subsidized Stafford Loans	84.268	\$ 816,063
Unsubsidized Stafford Loans	84.268	985,570
Parents' Loans for Undergraduate Students	84.268	<u>289,701</u>
		<u>\$ 2,091,334</u>



# LINDSEY, DAVIS AND ASSOCIATES

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CERTIFIED PUBLIC ACCOUNTANTS

STOCKHOLDERS  
DEAN CAVINESS, CPA  
STEPHANIE CLIFTON, CPA  
SHONDA DAVIS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees  
Blue Mountain Christian University  
Blue Mountain, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Blue Mountain Christian University (a Mississippi non-profit corporation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2025.

## **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Blue Mountain Christian University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Blue Mountain Christian University's internal control. Accordingly, we do not express an opinion on the effectiveness of Blue Mountain Christian University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Blue Mountain Christian University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lindsey Davis".

Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
September 18, 2025

# LINDSEY, DAVIS AND ASSOCIATES

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SHONDA DAVIS

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees  
Blue Mountain Christian University  
Blue Mountain, Mississippi

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Blue Mountain Christian University's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Blue Mountain Christian University's major federal programs for the year ended June 30, 2025. Blue Mountain Christian University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Blue Mountain Christian University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect of its major federal programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Blue Mountain Christian University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Blue Mountain Christian University's compliance with the compliance requirements referred to above.

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### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Blue Mountain Christian University's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Blue Mountain Christian University's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Blue Mountain Christian University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Blue Mountain Christian University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Blue Mountain Christian University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Blue Mountain Christian University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
September 18, 2025

BLUE MOUNTAIN CHRISTIAN UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	
84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)	
84.033	Federal Work Study Program (FWS)	
84.063	Federal Pell Grants (PELL)	
84.268	Federal Direct Student Loans	
84.379	Federal Teacher Education Assistance for College and Higher Education Grants (TEACH)	
Dollar threshold used to distinguish between Type A and Type B Programs:	\$	750,000
Auditee qualified as low-risk auditee?	Yes	

SCHEDULE B - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SCHEDULE C - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No matters were reported.

# MISSISSIPPI COLLEGE

Blake Thompson, President

## Mississippi College

Mississippi College, affiliated with the Mississippi Baptist Convention, is a private, co-educational, Christian university of liberal arts and sciences with more than 4,100 students from 43 states and 43 countries. Founded in 1826, MC is the oldest institution of higher learning in Mississippi. MC is home to 85 undergraduate majors and 50 master's programs, and offers doctorates of jurisprudence, educational leadership, and professional counseling. MC seeks to be a university recognized for academic excellence and commitment to the cause of Christ.

## Leadership

In his eighth year as president, Dr. Blake Thompson has guided the University through a period of renewed enrollment growth, announced an academic scholarship program unmatched in the state, introduced innovative programs of study, enhanced the historic Clinton campus, and led the largest renovation of the MC School of Law in two decades. The MC president has partnered with the City of Clinton to enhance economic development in the community, served a one-year term as president of the Mississippi Association of Colleges, and served as president of the Mississippi Association of Independent Colleges and Universities since 2020. Thompson is currently overseeing plans for the University's 2026 Bicentennial Celebration, which will mark the first 200th anniversary of an institution of higher learning in Mississippi.

## Institutional Profile

- Mississippi College has been affiliated with the Mississippi Baptist Convention since 1850.
- Mississippi College's McMillan Center for Study Abroad routinely sends students to study with academic programs in Taiwan, Spain, France, the United Kingdom, Costa Rica, and South Korea.
- Mississippi College's undergraduate student/faculty ratio is 14:1.
- The average ACT score for incoming freshmen in fall 2024 was 24.

## Key Performance Indicators

- There were 4,164 students enrolled for fall 2024, with 585 of those being first-time, full-time freshmen.

- For the third year in a row, the passage rate for first-time MC Physician Assistant National Certifying Examination (PANCE) test takers was 100 percent. PA-Direct, MC's direct admissions program for undergraduate students, accepted its sixth group of candidates to the 30-month graduate program, which works with UMMC, federal clinics, hospitals, and other facilities to share educational resources, clinical rotations, and clerkship sites.
- MC Law is the No. 1 Army JAG feeder school in the United States, was named the No. 8 Most Devout Law School in America by *preLaw* magazine and is ranked No. 26 nationwide for its placement of graduates in federal clerkships by *U.S. News & World Report*.

### **National Prominence**

- Mississippi College is the only private university in the state of Mississippi to be named to the Wall Street Journal/College Pulse 2025 Best Colleges in the U.S. The listing, which focuses on student outcomes, includes performance indicators that help parents, students, and families determine which colleges and universities offer the best overall academic experience.
- The National Association of School Nurses, one of the most respected professional nursing school organizations in the U.S., selected Estelle Watts, assistant professor in MC's School of Nursing, for induction into the National Academy of School Nursing. She is one of only eight nursing professionals nationwide, and the only one from Mississippi, to receive the honor.
- For the second straight year, Michael J. Highfield, MC Provost and Executive Vice President, served as a panelist at the Federal Reserve Bank of Atlanta's Banking Outlook Conference. Speaking to a group of the nation's leading banking professionals, regulators, and industry leaders, Highfield discussed emerging trends, economic forecasts, and regulatory developments affecting financial institutions.

### **Campus Events**

- Lt. Col. Oliver L. North (Ret.), a highly decorated combat officer, Freedom Alliance founder, best-selling author, and former cable television host, delivered the keynote address during MC's May 2025 Commencement. The longtime host of "War Stories with Oliver North" on the Fox News Channel witnessed his granddaughter, Elizabeth St. Claire "Posey" Simmons, receive her bachelor's degree in public relations as part of commencement exercises.
- The building that houses the Baptist Healthplex, as well as MC's Physician Assistant Program, was formally named the Gayle Long Wicker Wellness Center during MC's Homecoming festivities on Oct. 25, 2024. One of the University's most distinguished graduates, Wicker was the first female to be



elected student body president at MC and was its first female admissions counselor. She is also the wife of U.S. Senator Roger Wicker.

- The first major project produced by the Institute for Southern Storytelling at MC, the documentary film *Eudora*, won a 2025 Southeastern Regional EMMY® Award for Outstanding Photography (Long Form).
- The Institute for Southern Storytelling at MC hosted the inaugural Storyfest, a celebration of storytelling through books and film, on March 27, 2025. In collaboration with the City of Clinton's Red Brick Roads Music and Arts Festival, the event featured a screening of award-winning author Michael Farris Smith's short film, "Chasing Rabbits," and a conversation with Mississippi native and actor Gary Grubbs.
- MC and the Clinton community learned what it means to be a "Choctaw" when members of the Mississippi Band of Choctaw Indians visited the Clinton campus March 24, 2025, in what has become an annual event, to showcase their culture and traditions during "Choctaw Expressions." The celebration featured storytelling sessions; a stickball, crafts, and games exhibition; and a visit from MBCI Chief Cyrus Ben and Leilani Elyse Allen, the 2024-25 Choctaw Indian Princess.

### **Christian Commitment**

- The Institute for Christian Leadership, a new interdisciplinary initiative of MC, seeks to highlight how faith is integrated across the various schools and departments at MC. The first initiative of the institute, the Parke Fellows program, was announced during MC's 2025 Convocation on August 11, 2025, and is named in honor of Dr. Ivan Parke, a beloved and longtime Christian Studies faculty member.
- There were multiple professions of faith of students during the 2024-25 academic year and at summer camps, where 38 students responded to the Gospel, 46 rededicated their lives to Christ, and 25 were called to the ministry.
- MC has 103 students majoring or minoring in Christian Studies (86 majors and 17 minors).
- Under the direction of Tyler Kemp, the MC Department of Music's Christian performance ensemble, Worship Collective, continued its ministry of music, sharing the Gospel through authentic worship, and leading weekly Chapel services on campus and performances at local church events.
- Numerous MC faculty, staff, and students served local churches through pulpit supply, staffing, consulting, and volunteering.
- Twelve students participated in MC's Baptist Student Union-led Spring Break mission trip to St. Augustine, Florida. The BSU partnered with local churches, ministries, and JAX BCM throughout the week.

- Through the 2024-25 academic year, 19 students served through BSU summer missions across six continents, partnering with the North American Mission Board, the International Mission Board, and the Mississippi Baptist Convention Board.

### **Athletics**

- The MC baseball team advanced to the GSC Tournament for the first time since 2019, earning a regional berth and advancing to the regional final for the first time in its Division II history, losing to the eventual national champion. The Choctaws finished the season with 35 victories, the third-most in program history and the second 30-win season under head coach Jeremy Haworth.
- The MC women's golf team finished the season with its highest ranking in program history, placing 53rd in the nation and 23rd regionally. Freshman Ashlynd Madden earned All-Gulf South Conference honors.
- For the first time in school history, both the MC men's and women's tennis teams reached the NCAA postseason. The women's team captured its first GSC Championship and earned its first NCAA South Regional victory. Emma Roberts was named First Team All-GSC and earned ITA All-American honors. Alex Benichou Blanchard finished No. 4 nationally in singles, repeated as GSC Player of the Year, and received ITA All-American honors. Roberts and Blanchard are the first ITA All-Americans in program history.
- The MC volleyball team earned its fifth consecutive trip to the GSC Tournament. Lydia Paulette broke the school record for career kills and points to earn All-Gulf South Conference, All-Region, and AVCA All-American Honorable Mention honors.
- The MC women's basketball team clinched a berth in the GSC Tournament for the second straight season, and the fourth since returning to Division II competition. Karly Ivy became the first Choctaw to be named to the preseason All-Gulf South Conference team, while Tiara Abron earned postseason All-GSC honors, the first since the program returned to Division II.

### **Facilities**

- Renovations to the first floor of the Leland Speed Library on the MC Clinton campus were completed during the summer of 2025. These renovations focused on repurposing underutilized space and providing a new home for MC's Student Success Center. The Center's goals are to support students academically, connect students with campus resources, and encourage students to discover and grow their talents and skills in pursuit of degree completion and meaningful careers that serve God and others. The center

offers student success coaching, accessibility services, career development, campus tutoring services, the Choctaw Career Closet, and the Writing Center.

- MC Law has completed several projects as part of a multimillion-dollar renovation that is transforming the Law School's buildings into a modern, downtown campus. Reimagined interior spaces include a spacious, first-floor library; a reading room; quiet study rooms; a new main entrance to the central classroom building, lobby and reception area; and renovated classrooms, teaching, meeting, and gathering spaces.

### **Financial Strength**

- Mississippi College's economic impact in Clinton and metro Jackson is significant. The University is Clinton's largest employer, with net assets at the beginning of FY2025 of \$226 million and an endowment of more than \$105 million. University leaders are thankful for major support from the Mississippi Baptist Convention and churches statewide to work towards its mission to achieve academic excellence and a commitment to the cause of Christ.



# **Mississippi College**

## **Independent Auditor's Report and Consolidated Financial Statements**

May 31, 2025 and 2024



Mississippi College  
Contents  
May 31, 2025 and 2024

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<b>Independent Auditor's Report.....</b>	<b>1</b>
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Notes to Financial Statements .....	10

## **Independent Auditor's Report**

Management, Board of Trustees and Audit Committee  
Mississippi College  
Clinton, Mississippi

### ***Opinion***

We have audited the consolidated financial statements of Mississippi College, which comprise the consolidated statements of financial position as of May 31, 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 accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mississippi College as of May 31, 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Mississippi College, 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 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 Mississippi College's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery

intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mississippi College'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 Mississippi College'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.

**Forvis Mazars, LLP**

Jackson, Mississippi  
September 11, 2025

**Mississippi College**  
**Consolidated Statements of Financial Position**  
**May 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 26,625,790	\$ 31,423,389
Restricted cash	5,267,795	3,110,382
Accounts receivable, net	1,353,982	583,773
Loans receivable, net	84,304	109,046
Investments	117,355,174	117,566,674
Contributions receivable, net	6,328,506	2,375,510
Beneficial interest in external trusts	9,841,490	9,300,235
Land, buildings, and equipment, net	109,919,618	106,728,118
Collections	1,536,756	1,536,756
Other assets	1,405,437	1,196,323
<b>Total Assets</b>	<b>\$ 279,718,852</b>	<b>\$ 273,930,206</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 2,833,777	\$ 2,980,947
Accrued salaries	2,773,535	2,568,790
Accrued pension obligation	13,556,871	14,441,285
Deposits held for others	307,551	306,440
Bonds and notes payable	21,204,449	23,030,899
Other liabilities	4,859,605	3,885,253
<b>Total Liabilities</b>	<b>45,535,788</b>	<b>47,213,614</b>
<b>Net Assets</b>		
Without donor restrictions	86,945,354	91,274,450
With donor restrictions	147,237,710	135,442,142
<b>Total Net Assets</b>	<b>234,183,064</b>	<b>226,716,592</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 279,718,852</b>	<b>\$ 273,930,206</b>

*See Notes to Consolidated Financial Statements*

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**Mississippi College**  
**Consolidated Statement of Activities**  
**Year Ended May 31, 2025**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating Activities</b>			
<b>Revenues and other support</b>			
Student income	\$ 38,361,398	\$ 7,700	\$ 38,369,098
Contributions and grants – operating	3,386,634	7,344,934	10,731,568
Auxiliary enterprises	22,508,909	17,719	22,526,628
Sales and services	49,889	-	49,889
Other income	1,454,003	1,013,485	2,467,488
Investment return designated for operations	1,545,480	-	1,545,480
Net assets released from restrictions	7,164,323	(7,164,323)	-
<b>Total Revenues and Other Support</b>	<b>74,470,636</b>	<b>1,219,515</b>	<b>75,690,151</b>
<b>Expenses</b>			
Instructional	33,023,578	-	33,023,578
Academic support	4,084,869	-	4,084,869
Student services	15,478,255	-	15,478,255
Student aid	4,238,676	-	4,238,676
Auxiliary services	9,988,140	-	9,988,140
Institutional support	15,641,483	-	15,641,483
<b>Total Expenses</b>	<b>82,455,001</b>	<b>-</b>	<b>82,455,001</b>
<b>Change in Net Assets from Operations</b>	<b>(7,984,365)</b>	<b>1,219,515</b>	<b>(6,764,850)</b>
<b>Nonoperating Activities</b>			
Contributions and grants, nonoperating	-	2,411,493	2,411,493
Net assets released from restrictions for capital acquisitions	334,961	(334,961)	-
Investment return, net	2,199,967	7,918,456	10,118,423
Change in beneficial interest in external trusts	-	541,255	541,255
Change in additional minimum pension liability	798,097	-	798,097
Other nonoperating changes	322,244	39,810	362,054
	<b>3,655,269</b>	<b>10,576,053</b>	<b>14,231,322</b>
<b>Total Change in Net Assets</b>	<b>(4,329,096)</b>	<b>11,795,568</b>	<b>7,466,472</b>
<b>Net Assets, Beginning of Year</b>	<b>91,274,450</b>	<b>135,442,142</b>	<b>226,716,592</b>
<b>Net Assets, End of Year</b>	<b>\$ 86,945,354</b>	<b>\$ 147,237,710</b>	<b>\$ 234,183,064</b>

See Notes to Consolidated Financial Statements

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**Mississippi College**  
**Consolidated Statement of Activities**  
**Year Ended May 31, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating Activities</b>			
<b>Revenues and Other Support</b>			
Student income	\$ 37,457,197	\$ -	\$ 37,457,197
Contributions and grants - operating	2,878,390	5,595,687	8,474,077
Auxiliary enterprises	20,207,661	11,000	20,218,661
Sales and services	49,461	-	49,461
Other income	1,650,479	1,061,780	2,712,259
Investment return designated for operations	1,707,852	-	1,707,852
Net assets released from restrictions	8,835,659	(8,835,659)	-
<b>Total Revenues and Other Support</b>	<b>72,786,699</b>	<b>(2,167,192)</b>	<b>70,619,507</b>
<b>Expenses</b>			
Instructional	33,304,066	-	33,304,066
Academic support	4,730,955	-	4,730,955
Student services	12,914,443	-	12,914,443
Student aid	5,409,564	-	5,409,564
Auxiliary services	10,418,711	-	10,418,711
Institutional support	16,944,665	-	16,944,665
<b>Total Expenses</b>	<b>83,722,404</b>	<b>-</b>	<b>83,722,404</b>
<b>Change in Net Assets from Operations</b>	<b>(10,935,705)</b>	<b>(2,167,192)</b>	<b>(13,102,897)</b>
<b>Nonoperating Activities</b>			
Contributions and grants, nonoperating	-	618,148	618,148
Net assets released from restrictions for capital acquisitions	1,480,366	(1,480,366)	-
Investment return, net	3,122,272	17,189,187	20,311,459
Change in beneficial interest in external trusts	-	861,333	861,333
Change in additional minimum pension liability	2,665,338	-	2,665,338
Other nonoperating changes	249,565	41,655	291,220
	<b>7,517,541</b>	<b>17,229,957</b>	<b>24,747,498</b>
<b>Total Change in Net Assets</b>	<b>(3,418,164)</b>	<b>15,062,765</b>	<b>11,644,601</b>
<b>Net Assets, Beginning of Year</b>	<b>94,692,614</b>	<b>120,379,377</b>	<b>215,071,991</b>
<b>Net Assets, End of Year</b>	<b>\$ 91,274,450</b>	<b>\$ 135,442,142</b>	<b>\$ 226,716,592</b>

See Notes to Consolidated Financial Statements

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Mississippi College  
Consolidated Statement of Functional Expenses  
Year Ended May 31, 2025

	Program Services					Management and General	
	Instructional	Academic Support	Student Services	Student Aid	Auxiliary Services	Total Program Services	Institutional Support
Salaries and benefits	\$ 23,902,950	\$ 2,107,303	\$ 7,379,972	\$ -	\$ 485,348	\$ 33,875,573	\$ 8,048,731
Student aid	51,000	-	2,000	4,238,676	-	4,291,676	3,780
Occupancy	113,664	101,176	47,325	-	2,517,364	2,779,529	120,262
Professional services	733,524	193,320	1,686,919	-	4,918,260	7,532,023	1,583,801
Supplies	637,862	40,677	631,091	-	188,669	1,498,299	840,592
Travel	512,862	117,466	1,375,118	-	6,921	2,012,367	119,152
Plant expenses, including depreciation	5,876,839	726,939	2,754,493	-	1,777,478	11,135,749	2,783,541
Information technology	74,996	759,246	14,782	-	-	849,024	70,901
Office expenses	311,272	38,742	171,379	-	61,583	582,976	246,220
Advertising	39,998	-	4,753	-	-	44,751	49,615
Other	768,611	-	1,410,423	-	32,517	2,211,551	1,774,888
	\$ 33,023,578	\$ 4,084,869	\$ 15,478,255	\$ 4,238,676	\$ 9,988,140	\$ 66,813,518	\$ 15,641,483
							\$ 82,455,001

Mississippi College  
Consolidated Statement of Functional Expenses  
Year Ended May 31, 2024

	Program Services						Total Program Services	Management and General		Total
	Instructional	Academic Support	Student Services	Student Aid	Auxiliary Services	Institutional Support				
Salaries and benefits	\$ 24,312,959	\$ 2,646,997	\$ 6,613,297	\$ -	\$ 1,024,151	\$ 8,304,135	\$ 34,597,404	\$ 8,304,135	\$ 42,901,539	
Student aid	-	-	14,900	5,312,098	-	-	5,326,998	15,658	5,342,656	
Occupancy	121,806	84,794	52,313	-	2,856,619	382,205	3,115,532	382,205	3,497,737	
Professional services	829,680	214,596	908,994	-	4,402,032	2,214,019	6,355,302	2,214,019	8,569,321	
Supplies	800,162	58,718	506,007	-	212,702	776,626	1,577,589	776,626	2,354,215	
Travel	462,564	134,068	1,500,353	-	5,415	156,375	2,102,400	156,375	2,258,775	
Plant expenses, including depreciation	5,497,829	780,985	2,131,914	-	1,719,919	2,797,222	10,130,647	2,797,222	12,927,869	
Information technology	51,334	714,298	14,854	-	107,768	71,986	888,254	71,986	960,240	
Office expenses	330,517	47,027	176,784	-	63,884	291,945	618,212	291,945	910,157	
Advertising	55,282	-	20,277	-	-	257,577	75,559	257,577	333,136	
Other	841,933	49,472	974,750	97,466	26,221	1,676,917	1,989,842	1,676,917	3,666,759	
	\$ 33,304,066	\$ 4,730,955	\$ 12,914,443	\$ 5,409,564	\$ 10,418,711	\$ 16,944,665	\$ 66,777,739	\$ 16,944,665	\$ 83,722,404	

**Mississippi College**  
**Consolidated Statements of Cash Flows**  
**Years Ended May 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Operating Activities</b>		
Change in net assets	\$ 7,466,472	\$ 11,644,601
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	7,274,843	7,022,572
Realized and unrealized gains on investments	(9,734,653)	(19,572,723)
Gain on disposal of fixed asset	-	(144,010)
Restricted nonoperating contributions	(2,411,493)	(618,148)
Change in investment in Baptist Healthplex	(120,049)	(14,236)
Change in beneficial interest in external trusts	(541,255)	(861,333)
Change in accrued pension obligation	(884,414)	(2,325,855)
Changes in		
Accounts receivable	(770,209)	536,428
Contributions receivable	(3,952,996)	134,424
Other assets	(89,065)	(6,793)
Accounts payable and accrued expenses	(147,170)	74,343
Accrued salaries	204,745	(782,363)
Deposits held for others	1,111	9,063
Other liabilities	974,352	(75,857)
<b>Net Cash Used in Operating Activities</b>	<u>(2,729,781)</u>	<u>(4,979,887)</u>
<b>Investing Activities</b>		
Purchase of fixed assets	(10,443,653)	(6,748,589)
Purchase of investments	(2,181,921)	(1,445,288)
Proceeds from sale and maturities of investments	12,118,801	9,972,666
Proceeds from sale of land, buildings, and equipment	-	144,010
Repayments from student loans	31,165	258,030
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>(475,608)</u>	<u>2,180,829</u>
<b>Financing Activities</b>		
Payments of government advances for student loans	-	(24,983)
Payments of long-term debt	(1,846,290)	(1,805,000)
Proceeds from issuance of long-term debt	-	7,474,800
Restricted nonoperating contributions	2,411,493	618,148
<b>Net Cash Provided by Financing Activities</b>	<u>565,203</u>	<u>6,262,965</u>
<b>Net Change in Cash, Cash Equivalents, and Restricted Cash</b>	<u>(2,640,186)</u>	<u>3,463,907</u>
<b>Cash, Cash Equivalents, and Restricted Cash, Beginning of Year</b>	<u>34,533,771</u>	<u>31,069,864</u>
<b>Cash, Cash Equivalents, and Restricted Cash, End of Year</b>	<u><u>\$ 31,893,585</u></u>	<u><u>\$ 34,533,771</u></u>

See Notes to Consolidated Financial Statements

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**Mississippi College**  
**Consolidated Statements of Cash Flows**  
**Years Ended May 31, 2025 and 2024**

**(Continued)**

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 26,625,790	\$ 31,423,389
Restricted cash	5,267,795	3,110,382
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>\$ 31,893,585</b>	<b>\$ 34,533,771</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the year for interest	\$ 721,164	\$ 502,492
Donated investment acquired through noncash contributions	\$ 135,000	\$ -

*See Notes to Consolidated Financial Statements*

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## **Note 1. Nature of Operations and Summary of Significant Accounting Policies**

### ***Nature of Operations***

Mississippi College (University) is a private, not-for-profit institution of higher education. The University is governed by a 30-member board of trustees elected by the Mississippi Baptist Convention.

The University provides educational services at the undergraduate, graduate, and postdoctoral levels. Founded in 1826, the University is the oldest institution of higher learning and one of the largest private universities in the state of Mississippi. As a Christian institution, the University values the integration of faith and learning throughout the educational process.

The University has two campuses. The main campus is located in Clinton, Mississippi, and the School of Law is located approximately 20 miles away in Jackson, Mississippi. The University's revenues are predominantly derived from student tuition, room, and other fees. The majority of students come from the southeast United States; however, the University attracts students throughout the country and abroad.

The Mississippi College Foundation, Inc. (Foundation) was formed in 2004. The Foundation is composed of members selected and approved by the Board of Trustees. The Foundation owns one asset, and the University is the only voting member. The Foundation provides advisory management of the University's investment property and endowment assets to the Board of Trustees.

### ***Principles of Consolidation***

The consolidated financial statements include the accounts of the University and the Foundation. All significant intercompany accounts and transactions have been eliminated in consolidation.

### ***Basis of Presentation***

The consolidated financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which require it to report information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the University. These net assets may be used at the discretion of the University's management and Board of Trustees.
- **Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors and grantors. Some restrictions are temporary in nature; those restrictions will be met by actions of the University or by the passage of time. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity

### ***Measure of Operations***

The consolidated statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the University's ongoing educational activities and supporting services. Investment return not subject to restriction or endowment is treated as operating. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature or restricted for long-term purposes.

### ***Cash and Cash Equivalents***

The University's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for funds on deposit with bond trustees or held in the investment portfolio which are invested for long-term purposes.

**Mississippi College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2025 and 2024**

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Restricted cash consists of debt proceeds restricted for capital expenditures and the Debt Service Reserve Fund. See Note 11 for the Debt Service Reserve Fund.

At May 31, 2025, the University's cash accounts exceeded federally insured limits by approximately \$600,000.

***Concentrations of Credit Risk***

Financial instruments that potentially subject the University to concentrations of credit risk consist principally of cash and cash equivalents and investments. The University maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The University's cash and cash equivalents accounts have been placed with high, credit-quality financial institutions. The University has not experienced, nor does it anticipate, any losses with respect to such accounts.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with 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.

***Student Receivables, Loans, and Credit Policies***

The University's student accounts receivable are stated at the amount of consideration from students, of which the University has an unconditional right to receive. The University records an allowance for credit losses at the amount which represents management's estimate of the amount that will ultimately be uncollected. The University reviews the adequacy of its allowance for credit losses on an ongoing basis, using historical payment trends and analysis of receivables aging, existing economic conditions adjusted for current conditions and reasonable and supportable forecasts, and makes adjustments in the allowance as necessary. The University assesses a late penalty each semester on accounts that are not paid in accordance with University guidelines. Accounts are written off to bad debt expense and sent to a collection agency after the University has exhausted reasonable efforts to collect the balance owed. Any monies received as payment of old debts are recorded as miscellaneous income in the period received.

Loans receivable are primarily related to student financial aid programs funded principally with federal advances to the University under the Nursing Loan Program and institutional programs. The amount advanced to the University from the federal government is reported as government advances for student loans on the consolidated statements of financial position.

The allowance for credit losses is based upon historical collection experience, management's judgment, and other relevant factors. Past due or delinquency is determined based on original contractual terms. Loans are charged off to bad debt only after all attempts for collection have been reasonably exhausted.

***Investments and Investment Return***

Investments are recorded at estimated fair value. In the case of less marketable investments, principally real estate, value is based on either external events which substantiate a change in fair value or a reasonable methodology that exists to capture and quantify changes in fair value. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. In some instances, those changes in fair value may require the use of estimates. Accordingly, such values may differ from the values that would have been used had a ready market for the investments existed.

The University's investments include various types of investment securities and investment vehicles. Investment securities are exposed to several risks, such as interest rate, currency, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of



investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the University's consolidated financial statements. Investments received by gift are recorded at fair value at the date of donation and are adjusted to fair value annually.

Investment return 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, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

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

The University maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

### ***Beneficial Interest in External Trusts***

The University is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the University. The University has legally enforceable rights or claims to such assets, including the right to income therefrom. The fair value of these interests is recorded in the net assets with donor restrictions class, and the investment income (loss) of beneficial interest in external trusts is recorded in the with donor restrictions portion of the consolidated statements of activities.

### ***Annuities and Split Interest Agreements***

The University manages various gift annuities as a trustee. Gift annuities consist of nontrust assets donated to the University in exchange for a fixed payment for the life of the beneficiary(ies). Gift annuity assets are recorded at their fair value. These assets are included in investments. The associated liabilities to beneficiaries are calculated based on various actuarial assumptions and are recorded in other liabilities.

The University's charitable remainder trusts held by third parties are shown at fair value of the underlying assets, which approximate the discounted present value of the anticipated cash flows as of May 31, 2025 and 2024. The recorded fair values were \$4,219,183 and \$3,900,691 at May 31, 2025 and 2024, respectively, and are recorded as beneficial interest in external trusts on the consolidated statements of financial position.

### ***Land, Buildings, and Equipment***

Land, buildings, and equipment are shown at 1947 appraised values, with subsequent additions at cost or at fair value at the date of gift. The University capitalizes all capital purchases with a unit cost greater than \$5,000 and an expected useful life of more than one year. Purchases of books and other library media with lives extending beyond one year are capitalized as a group in the year purchased and depreciated over five years. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years. Interest cost incurred during construction is capitalized as part of the cost of capital projects.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	35-40 years
Leasehold improvements	5-10 years
Machinery and equipment	3-5 years
Furniture and fixtures	3-5 years

### ***Long-Lived Asset Impairment***

The University 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 are 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.

No asset impairment was recognized during the years ended May 31, 2025 and 2024.

### ***Collections***

The University has capitalized its collections since its inception. If purchased, items accessioned into the collection are capitalized at cost, and, if donated, they are capitalized at their fair value on the accession date. Gains or losses on the sale of collection items are reported in the consolidated statements of activities as with or without donor restrictions, depending on donor restrictions, if any, placed on the item at the time of accession. The University has a policy to use proceeds from deaccessioned items for the acquisition of new collection items.

### ***Asset Retirement Obligations***

Asset retirement obligations (AROs) are legal obligations associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the University records changes in the ARO liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The University eliminates ARO liabilities when the related obligations are settled. The ARO liability is included in other liabilities in the consolidated statements of financial position.

### ***Deposits Held for Others***

Deposits held for others include deposits from various organizations for which the University serves as an agent as of May 31, 2025 and 2024.

### ***Deferred Revenue***

Revenues that relate to summer school activities or other future activities are deferred to the period in which they are earned and are included in other liabilities in the consolidated statements of financial position.

### ***Debt Issuance Costs***

Debt issuance costs are amortized by the effective interest method over the remaining terms of the related debt and are included in bonds and notes payable in the consolidated statements of financial position.

### ***Self-Funded Insurance***

The University maintains a self-funded health insurance benefit plan. Specific and aggregate stop-loss coverage on the health plan is maintained to limit the ultimate exposure of the University. A liability of \$413,417 and \$441,230 as of May 31, 2025 and 2024, respectively, is provided for estimated claims incurred but not reported and employee premiums withheld in advance. The liability is included in accounts payable and accrued expenses in the consolidated statements of financial position. Management reviews this accrual on an ongoing basis and believes it is adequate to cover such claims. A portion of net assets without donor restrictions has been designated for the specific use of the plan. The amount is approximately equal to the cash on hand for the plan less the liabilities as described above.

**Contributions**

Contributions are provided to the University either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the University overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year, as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

**Fundraising Activities**

Fundraising activities are recorded as institutional support expenditures as incurred and approximated \$1,716,000 and \$1,683,000 in 2025 and 2024, respectively.

**Revenue Recognition**

Tuition revenue is recognized over the term of the semester as the University provides services to students. Revenue is reported at the amount of consideration which the University expects to be entitled in exchange for providing tuition and auxiliary services. The University determines the transaction price based on standard charges for goods and services provided, reduced by discounts provided for scholarships, and other price concessions provided to students. Deferred tuition and fees are reported as deferred revenue and are included in other liabilities in the consolidated statements of financial position. Tuition and fees revenue, which is included as student income

Mississippi College  
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on the consolidated statements of activities, is generated from an enrolled student population of approximately 4,300. Student income is shown on the statements of activities net of tuition discounts of \$47,763,666 and \$42,214,402 in 2025 and 2024, respectively. A tuition discount represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student.

**Coronavirus and Other Aid**

During the year ended May 31, 2022, the University was awarded \$2,261,297 of Governor’s Emergency Education Relief Fund (GEERF) funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, of which \$763,234 was drawn and expended during the year ended May 31, 2023. \$1,498,063 of GEERF funds were drawn and expended during the year ended May 31, 2024.

During the year ended May 31, 2025, the University was also awarded approximately \$400,000 and \$129,000 of federal work-study program and federal supplemental educational opportunity grants, respectively, to award during the year ending May 31, 2026. During the year ended May 31, 2024, the University was also awarded approximately \$400,000 and \$128,000 of federal work-study program and federal supplemental educational opportunity grants, respectively, to award during the year ending May 31, 2025. These awards have not been recognized in the respective consolidated financial statements.

**Income Taxes**

The University is exempt from income tax under Internal Revenue Code (IRC) Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. The University has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The University has determined there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

**Functional Allocation of Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Direct identifiable expenses are charged to program services and management and general. Certain other costs have been allocated among program services and management and general. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Occupancy, plant expenses	Percent of total expenses

**Significant Donor**

The University is affiliated with the Mississippi Baptist Convention Board (MBCB) and receives contributions for general operating purposes and capital needs. Contributions received from the MBCB totaled approximately \$2,229,000 and \$2,256,000 for the years ended May 31, 2025 and 2024, respectively. Additionally, for the years ended May 31, 2025 and 2024, approximately 25% and 32%, respectively, of contributions received came from one donor, who was the MBCB. Contributions from other related parties totaled approximately \$375,000 and \$253,000 for 2025 and 2024, respectively.

### ***Reclassification***

Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 financial statement presentation. These reclassifications had no effect on the change in net assets.

## **Note 2. Revenue from Contracts with Students**

### ***Tuition and Auxiliary Enterprises***

Revenue from contracts with students for tuition and auxiliary enterprises is reported at the amount that reflects the consideration to which the University expects to be entitled in exchange for providing instruction, housing, meal plans, and other services. These amounts are due from students, third-party payers, and others and include variable consideration for institutional scholarships and awards.

Revenue is recognized as performance obligations are satisfied, which is ratable over the academic term. Generally, the University bills students prior to the beginning of the semester. Under the terms, students' accounts receivable are due in full before classes begin. Students must pay the previous semester balance in full prior to beginning a new semester.

If a student withdraws prior to the beginning of the academic term or prior to the last day of the first week, the student is entitled to a full refund. If a student withdraws after the first week, the refund is reduced ratably through the fifth week.

Tuition and auxiliary services revenue are considered to be separate performance obligations. The University allocates the fees charged to student tuition, housing, meal plans, and other services based on standalone charges to students for tuition and those services.

### ***Transaction Price and Recognition***

The University determines the transaction price based on standard charges for goods and services provided, reduced by certain institutional scholarships and aid provided in accordance with the University's policy for granting merit-based aid. The University determines its estimates of explicit price concessions based on its discount policies and merit awards.

### ***Contract Balances***

The following table provides information about the University's receivables and contract liabilities (deferred revenue) from contracts with customers:

	<b>2025</b>	<b>2024</b>
Student receivables, beginning of year	\$ 383,721	\$ 163,437
Student receivables, end of year	\$ 332,461	\$ 383,721
Contract liabilities, beginning of year	\$ 1,387,994	\$ 1,191,774
Contract liabilities, end of year	\$ 2,561,828	\$ 1,387,994

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***Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations***

Because all of its performance obligations relate to contracts with a duration of less than one year, the University has elected to apply the optional exemption provided in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transactional price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to providing instruction and housing to students. The performance obligations for these contracts are generally completed when the academic term is completed.

The University expects to recognize \$2,561,828 of deferred revenue in fiscal year 2026. During 2025 and 2024, the University recognized \$1,387,993 and \$1,191,774, respectively, of deferred revenue.

***Disaggregation of Revenue***

The composition of revenue recognized over time for the years ended May 31, 2025 and 2024 follows. The University has no revenue recognized at a point in time.

	<u>2025</u>	<u>2024</u>
Student income	\$ 38,361,398	\$ 37,457,197
Student housing	\$ 22,316,321	\$ 19,972,935
Other auxiliary revenue	\$ 192,588	\$ 234,726

***Financing Component***

The University has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from students and third parties for the effects of a significant financing component due to the University's expectation that the period between the time the service is provided to a student and the time the student or a third-party payer pays for that service will be one year or less.

***Contract Costs***

The University has applied the practical expedient provided by FASB ASC 340-40-25-4, and all incremental student contract acquisition costs are expensed as they are incurred, as the amortization period of the asset that the University otherwise would have recognized is one year or less in duration.

**Note 3. Accounts Receivable**

Accounts receivable are summarized as follows as of May 31:

	<u>2025</u>	<u>2024</u>
Student receivables	\$ 632,461	\$ 1,083,721
Allowance for credit losses	(300,000)	(700,000)
Student receivables, net	332,461	383,721
Grants receivables	988,516	83,102
Other receivables	33,005	116,950
	<u>\$ 1,353,982</u>	<u>\$ 583,773</u>

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**Note 4. Loans Receivable**

Loans receivable are summarized as follows as of May 31:

	<u>2025</u>	<u>2024</u>
Nursing loan program	\$ 1,587	\$ 1,684
Institutional loan program	<u>82,719</u>	<u>405,544</u>
	84,306	407,228
Allowance for credit losses		
Beginning of year	(298,182)	(435,167)
Write-offs	<u>298,180</u>	<u>136,985</u>
	<u>(2)</u>	<u>(298,182)</u>
	<u><u>\$ 84,304</u></u>	<u><u>\$ 109,046</u></u>

The University made uncollateralized loans which were funded through the revolving loan funds for federal nursing loans, for which the University acted as an agent for the federal government in administering the loan program. The University also has a similar institutional loan program created by the University to assist students in funding their education. Currently, no new loans are being made under the nursing loan programs, and the University is refunding excess cash back to the federal government as loan payments are received.

The interest rates on these loans range from 0% to 7%. Maturity dates range up to ten years, but with potential cancellations and deferrals beyond that range, calculation of an average term to maturity is not practical.

Remaining funds advanced by the federal government of approximately \$0 as of both May 31, 2025 and 2024 are classified as liabilities in the statements of financial position. Outstanding loans cancelled under the programs result in a decrease in the liability to the government.

<u>Aging of Loans Receivable as of May 31, 2025</u>	<u>Nursing Loans</u>	<u>Institutional Loans</u>
In default		
Less than 60 days	\$ -	\$ 67,221
Greater than 60 days but less than 90 days	-	-
Greater than 90 days but less than 120 days	-	-
Greater than 120 days	<u>1,587</u>	<u>15,498</u>
Total past due	1,587	82,719
Current	<u>-</u>	<u>-</u>
Gross loans receivable	<u><u>\$ 1,587</u></u>	<u><u>\$ 82,719</u></u>

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<u>Aging of Loans Receivable as of May 31, 2024</u>	<u>Nursing Loans</u>	<u>Institutional Loans</u>
In default		
Less than 60 days	\$ -	\$ 97,134
Greater than 60 days but less than 90 days	-	529
Greater than 90 days but less than 120 days	-	-
Greater than 120 days	<u>1,684</u>	<u>307,881</u>
Total past due	1,684	405,544
Current	<u>-</u>	<u>-</u>
Gross loans receivable	<u>\$ 1,684</u>	<u>\$ 405,544</u>

**Note 5. Investments**

Fair value of investments is summarized as follows as of May 31:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents (a)	<u>\$ 2,162,156</u>	<u>\$ 2,325,154</u>
Mutual funds (b)		
Bond Funds	395,071	391,749
Domestic Equity Funds	5,658,805	5,234,185
International Equity Funds	<u>850,533</u>	<u>733,718</u>
	<u>6,904,409</u>	<u>6,359,652</u>
Multi-Strategy Bond Fund (c)	8,706,637	8,267,077
Multi-Strategy Equity Fund (d)	63,163,523	65,014,382
Domestic equities (e)	258,933	229,002
Fixed income securities (f)	5,034,407	4,493,194
Private Equity Fund (g)	24,176	35,490
Real estate – land (h)	22,289,424	22,363,053
Real estate – timber (i)	7,356,729	7,074,663
Investments held by others (j)	702,522	653,126
Other various	<u>752,258</u>	<u>751,881</u>
	<u>\$ 117,355,174</u>	<u>\$ 117,566,674</u>

(a) **Cash and Cash Equivalents** – This category includes assets that are cash or readily convertible to cash, such as money market funds and certificates of deposit.

(b) **Mutual Funds** – This category includes investments in mutual funds that invest in long positions in publicly traded equities and fixed income securities. The majority of the investments are in U.S. focused companies. The public nature of the securities makes this category very liquid.



(c) **Multi-Strategy Bond Fund** – This category includes an investment in an actively managed, multi-manager mutual fund that invests in global debt markets. The fair value of the investment has been estimated using the NAV per share.

Redemptions may be made monthly with five business days' notice.

(d) **Multi-Strategy Equity Fund** – This category includes an investment in an actively managed, multi-manager mutual fund that invests in global equity markets. The fair value of the investment has been estimated using the NAV per share.

Redemptions may be made monthly with five business days' notice.

(e) **Domestic Equities** – This category includes investments directly in publicly traded equities of companies in the United States. The public nature of the securities makes this category very liquid.

(f) **Fixed Income Securities** – This category includes investments in publicly traded fixed income securities, including preferred stock, asset-backed securities, corporate and municipal bonds, United States Treasury securities, and certificates of deposit.

(g) **Private Equity Fund** – This category includes investments in two private equity funds that invest across the private equity class, diversifying by industry, investment type, geography, and vintage year. Further, the funds seek to enhance returns through secondary and co-investments.

The University has unfunded commitments to the funds totaling \$105,000. The investment in this fund is for a fourteen-year term subject to two one-year extensions. Redemptions are automatic. The fair value of the investment in this category has been estimated using the NAV per share.

(h) **Real Estate – Land** – This category includes approximately 16,000 acres of land located in various counties in Mississippi. The majority of the land is leased to others or is planted in pine plantations. The land is valued approximately every three years by a qualified appraiser utilizing the comparable sales method of appraisal. An annual review of comparable land sales in each county is performed to insure no material decrease in value has occurred since the date of the last appraisal. Approximately 90% of the land was donated to the University and is permanently restricted for use as timberland.

(i) **Real Estate – Timber** – This category includes 6,246 acres of plantation managed pine timber ranging in age from 0 to 35 years at May 31, 2025 and 2024. The timber is valued using a discounted present value based on a projected stream of income over the estimated life of the timber. A discount rate of 7.51% and 7.65% for 2025 and 2024, respectively, was used in determining the present value.

(j) **Investments Held by Others** – This category includes investments that have been placed with the Mississippi Baptist Foundation (MBF), which maintains the investments with various broker dealers. The funds are invested in pooled funds of primarily common stock equities, bonds, and fixed income securities. Investments also include fund managers that invest in private investment funds as an alternative investment strategy, with the purpose of increasing the diversity of the holdings and being consistent with overall investment objectives. Investments include donated gift annuity funds and other endowments designated to be invested at MBF by the donors.

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Investment return, net includes the following for the years ended May 31:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 1,727,693	\$ 1,842,460
Realized gains	14,117,997	4,316,130
Unrealized gains (losses)	(4,383,344)	15,256,593
Other income	481,007	698,077
Management fees	<u>(279,450)</u>	<u>(93,949)</u>
	11,663,903	22,019,311
Investment income designated for operations	<u>(1,545,480)</u>	<u>(1,707,852)</u>
Investment return, net	<u><u>\$ 10,118,423</u></u>	<u><u>\$ 20,311,459</u></u>

**Note 6. Contributions Receivable**

Contributions receivable consisted of the following:

<u>May 31, 2025</u>	<u>Related Parties</u>	<u>Unrelated Parties</u>	<u>Total</u>
Unconditional promises expected to be collected			
Less than one year	\$ 75,008	\$ 1,863,333	\$ 1,938,341
One year to five years	124,995	4,481,667	4,606,662
More than five years	<u>74,997</u>	<u>600,000</u>	<u>674,997</u>
	275,000	6,945,000	7,220,000
Discount to present value (Range from 0.00% to 4.89%)	(47,837)	(843,657)	(891,494)
Allowance for uncollectible contributions	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 227,163</u></u>	<u><u>\$ 6,101,343</u></u>	<u><u>\$ 6,328,506</u></u>

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<b>May 31, 2024</b>	<b>Related Parties</b>	<b>Unrelated Parties</b>	<b>Total</b>
Unconditional promises expected to be collected			
Less than one year	\$ 50,000	\$ 455,000	\$ 505,000
One year to five years	-	1,270,000	1,270,000
More than five years	-	1,200,000	1,200,000
	50,000	2,925,000	2,975,000
Discount to present value			
(Range from 0.0% to 4.89%)	-	(599,490)	(599,490)
Allowance for uncollectible contributions	-	-	-
	<u>\$ 50,000</u>	<u>\$ 2,325,510</u>	<u>\$ 2,375,510</u>

The related parties included Board of Trustees' members, Foundation board members, and employees.

**Note 7. Beneficial Interest in External Trusts**

At May 31, 2025 and 2024, the University had claims to various trust assets that are being managed by other outside trustees. The University's portion of these trust assets at May 31, 2025 and 2024 was \$9,841,490 and \$9,300,235, respectively. The income from these trusts was approximately \$277,000 and \$312,000 during the years ended May 31, 2025 and 2024, respectively. At May 31, 2025 and 2024, \$8,852,449 and \$8,352,293, respectively, of these trust assets are being managed by MBF, an agency of the Mississippi Baptist Convention, which manages investment funds for Mississippi Baptist institutions.

**Note 8. Land, Buildings, and Equipment**

Land, buildings, and equipment are summarized as follows as of May 31:

	<b>2025</b>	<b>2024</b>
Land and improvements	\$ 18,046,352	\$ 17,849,076
Buildings	204,130,156	196,764,813
Equipment	10,612,912	8,800,983
Construction in progress	3,525,101	2,520,600
	236,314,521	225,935,472
Accumulated depreciation	<u>(126,394,903)</u>	<u>(119,207,354)</u>
	<u>\$ 109,919,618</u>	<u>\$ 106,728,118</u>

Depreciation expense during the years ended May 31, 2025 and 2024 was \$7,255,003 and \$7,009,122, respectively.

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**Note 9. Other Assets**

Other assets are summarized as follows as of May 31:

	<u>2025</u>	<u>2024</u>
Deposits and prepaid expenses	\$ 63,603	\$ 7,250
Investment in Healthplex	934,980	814,931
Other	406,854	374,142
	<u>\$ 1,405,437</u>	<u>\$ 1,196,323</u>

**Note 10. Investment in the Baptist Healthplex, Inc.**

The University has entered into an agreement with Mississippi Baptist Health Systems, Inc. (MBHS) to operate a health facility (Healthplex) on the University campus. Healthplex is incorporated as a separate tax-exempt, not-for-profit organization under Section 501(c)(3) of the IRC, with the University and MBHS as two equal tax-exempt members.

The University has recorded its pro rata share of a nonoperating gain related to this arrangement of \$320,049 and \$254,236 in the fiscal years ended May 31, 2025 and 2024, respectively. The carrying value of the investment is accounted for using the equity method of accounting for equity investments without a readily determinable fair value at cost plus or minus charges resulting from observable charges. The carrying value is \$934,980 and \$814,931 at May 31, 2025 and 2024, respectively, and is included in other assets.

**Note 11. Bonds and Notes Payable**

Bonds and notes payable consist of the following as of May 31:

	<u>2025</u>	<u>2024</u>
Note payable – Alumni Hall	\$ 1,897,098	\$ 2,779,928
Series 2021 Bonds	12,040,244	13,001,692
Note payable – dormitories	3,291,500	3,297,500
Series 2024 Bonds	4,252,000	4,258,000
	21,480,842	23,337,120
Net debt issuance costs	(276,393)	(306,221)
	<u>\$ 21,204,449</u>	<u>\$ 23,030,899</u>

Interest expense during the years ended May 31, 2025 and 2024 approximated \$721,000 and \$502,000, respectively.

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***Note Payable – Alumni Hall***

During the year ended May 31, 2021, the University borrowed \$6,000,000 on a note payable with a commercial bank for the construction of an Alumni Hall building on the Clinton Campus. The note payable has a fixed interest rate of 1.98% and a maturity date of June 10, 2027. The note is collateralized by the underlying property.

***Series 2021 Bonds***

In July 2021, the University issued \$15,700,000 in bonds for the acquisition and installation of LED lighting on the campus, improvements to the old Clinton Junior High School in Clinton, and the refunding of the Series 2015 bonds. Monthly interest and principal payments began on August 1, 2021.

The bonds have a fixed interest rate of 1.99% and a maturity date of July 1, 2036. The bonds are collateralized by the underlying property.

***Note Payable – Dormitories***

During the year ended May 31, 2024, the University borrowed \$3,300,000 on a note payable with a commercial bank for renovation of Hederman/Gunter dormitories on the Clinton Campus. The note payable has a fixed interest rate of 6.34%, a maturity date of December 1, 2033, and is collateralized by the University's revenues.

***Series 2024 Bonds***

In January 2024, the University issued \$4,260,000 in bonds for the renovations and furnishing of Ratliff Hall, a dormitory located on the main campus. Monthly interest and principal payments began on March 1, 2024.

The bonds have a fixed interest rate of 4.77% and a maturity date of January 1, 2034. The bonds are collateralized by the underlying property.

***Line of Credit***

The University has a \$7,500,000 revolving line of credit with a commercial bank at May 31, 2025 and 2024. The variable interest rate at May 31, 2025 and 2024 was 6.35% and 6.96%, respectively. No amounts were outstanding at May 31, 2025 and 2024. The line matures in December 2026.

Aggregate maturities of all the University's borrowing arrangements for the next five years and thereafter are as follows:

Years Ending May 31	
2026	\$ 1,893,464
2027	2,021,826
2028	1,403,036
2029	1,443,031
2030	1,463,937
Thereafter	<u>13,255,548</u>
	<u><u>\$ 21,480,842</u></u>

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Future amortization of debt issuance costs at May 31, 2025, is as follows:

Years Ending May 31	
2026	\$ 26,987
2027	26,988
2028	26,988
2029	26,988
2030	26,988
Thereafter	<u>141,454</u>
	<u>\$ 276,393</u>

For the period ended May 31, 2024, the University did not meet the minimum debt service coverage ratio as required by the covenants with the lender covering all the outstanding long-term debt issues of the University. The lender agreed to provide a temporary waiver for the period affected through September 30, 2026. The terms of the temporary waiver amend the existing debt service calculation to include a Debt Service Reserve Fund as additional security for all obligations owed by the University to the lender. The Debt Service Reserve Fund will be maintained at the lender's institution, and the University will deposit funds to cover any shortfall in the minimum debt service coverage. As of May 31, 2024, the amount of the Debt Service Reserve Fund to be funded prior to September 30, 2024 was \$4,817,950. For the period ended May 31, 2025, the University did meet the minimum debt service ratio as required, with no additional required payments to the Debt Service Reserve Fund. As of May 31, 2025, the amount in the Debt Service Reserve Fund is \$5,014,035.

**Note 12. Other Liabilities**

Other liabilities are summarized as follows as of May 31:

	2025	2024
Gift annuities payable	\$ 30,042	\$ 39,948
Deferred revenue	2,561,828	1,387,994
Asset retirement obligation	1,992,308	2,165,764
Other miscellaneous	<u>275,427</u>	<u>291,547</u>
	<u>\$ 4,859,605</u>	<u>\$ 3,885,253</u>

**Note 13. Retirement Plans**

***Defined Benefit Plan***

The University has a noncontributory defined benefit pension plan covering all full-time employees with one year of continuous service and who have reached the age of 21. Effective December 2002, benefits related to this plan were frozen in accordance with resolution passed by the University's Board of Trustees on August 15, 2002.

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The following table sets forth the plan's benefit obligations, fair value of plan assets, and funded status as of May 31:

	<u>2025</u>	<u>2024</u>
Accumulated benefit obligation	\$ 22,539,858	\$ 24,179,704
Projected benefit obligation for services rendered to date	\$ (22,539,858)	\$ (24,179,704)
Plan assets at fair value	8,982,987	9,738,419
Accrued pension obligation recognized in consolidated statements of financial position	<u>\$ (13,556,871)</u>	<u>\$ (14,441,285)</u>

Following is an analysis of the fair value of plan assets by category:

	<u>2025</u>	<u>2024</u>
Equity securities	\$ 2,393,966	\$ 2,595,289
Debt securities	5,997,940	6,502,342
Other	591,081	640,788
	<u>\$ 8,982,987</u>	<u>\$ 9,738,419</u>

As of May 31, 2025 and 2024, the fair value for debt securities in plan assets was measured at Level 2 inputs that include quoted prices for similar assets and liabilities in active markets. All other plan assets were measured at Level 1, quoted prices in active markets for identical assets, under FASB ASC 820, *Fair Value Measurements*.

The following table sets forth the plan's net periodic pension cost, additional pension cost, the University's contribution, and benefits paid during the years ended May 31:

	<u>2025</u>	<u>2024</u>
Interest costs on projected benefit obligation	\$ 1,213,366	\$ 1,235,465
Expected return on plan assets	(548,425)	(574,988)
Net amortization and deferral	448,742	879,006
Net periodic pension cost	1,113,683	1,539,483
Additional minimum pension liability	<u>(798,097)</u>	<u>(2,665,338)</u>
Total pension cost	<u>\$ 315,586</u>	<u>\$ (1,125,855)</u>
University contributions	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Benefit payments	<u>\$ 2,311,370</u>	<u>\$ 2,359,725</u>

At May 31, 2025 and 2024, there was no unrecognized prior service cost, and, accordingly, no intangible asset was recognized.

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Items not yet reflected in net periodic benefit cost:

	<u>2025</u>	<u>2024</u>
Net actuarial gain	<u>\$ 3,690,371</u>	<u>\$ 4,488,468</u>
Estimated amounts to be reclassified next year as net periodic benefit cost	<u>\$ 2,433,242</u>	<u>\$ 2,601,183</u>

No plan assets are expected to be returned to the University during the year ended May 31, 2025.

The change in the minimum pension asset and liability for the years ended May 31, 2025 and 2024 was \$798,097 and \$2,665,338, respectively. The net periodic pension cost for both years is included in expenses in the consolidated statements of activities, and the change in the additional minimum pension liability for both years is included in nonoperating activities. The weighted average discount rate used in determining the actuarial present value of the projected benefit obligation was 5.27% in both 2025 and 2024.

The weighted average discount rate used in determining the net periodic pension cost was 5.27% in both 2025 and 2024.

As a result of the plan being frozen, assumptions regarding the rate of increase in future compensation levels were not applicable in 2025 and 2024. The expected long-term rate of return of plan assets was 6% in both 2025 and 2024.

Pension plans are generally invested with the long-term objective of earning sufficient amounts to cover expected benefit obligations, while assuming a prudent level of risk.

The expected long-term rate of return on plan assets reflects consideration of both historical performance and future expectations. The future expectations of the long-term rate of return are developed with consideration of plan asset allocation, economic conditions, the period over which benefits will be paid, and other relevant market data.

The University expects to contribute approximately \$1,200,000 to its pension plan in fiscal 2026.

The benefits that are expected to be paid for the pension plan for each year ended May 31, follows:

2026	\$ 2,433,242
2027	\$ 2,398,293
2028	\$ 2,337,547
2029	\$ 2,264,924
2030	\$ 2,186,777
2031-2034	\$ 9,425,619

***Defined Contribution Plan***

The University also has a defined contribution plan covering substantially all of its employees. The University made contributions of approximately \$2,533,000 and \$1,465,000 during the years ended May 31, 2025 and 2024, respectively.



#### Note 14. Other Nonoperating Changes

Other nonoperating changes as reported in the consolidated statements of activities include the following for the years ended May 31:

	2025	2024
Changes in split interest obligations	\$ 41,978	\$ 36,984
Equity income in the Healthplex	320,076	254,236
	<u>\$ 362,054</u>	<u>\$ 291,220</u>

#### Note 15. Fair Value Measurements

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of input that may be used to measure fair value.

**Level 1** – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

**Level 2** – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in nonactive markets;
- Inputs other than quoted prices that are observable for the asset/liability; and
- Inputs that are derived principally from or corroborated by other observable market data.

**Level 3** – Unobservable inputs that cannot be corroborated by observable market data.

**Mississippi College**  
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The following tables summarize the valuation of the University's financial assets and liabilities measured at fair value on a recurring basis as of May 31, based on the level of input utilized to measure fair value:

<b>Fair Value Measurements at May 31, 2025</b>	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets</b>				
Investments				
Cash and cash equivalents	\$ 2,162,156	\$ 2,162,156	\$ -	\$ -
Mutual funds	6,904,409	6,904,409	-	-
Domestic equities	258,933	258,933	-	-
Fixed income securities	5,034,407	5,034,407	-	-
Real estate - land and timber	29,646,153	-	29,646,153	-
Investments held by others	702,522	-	-	702,522
Other various	752,258	-	752,258	-
	<u>45,460,838</u>	<u>\$ 14,359,905</u>	<u>\$ 30,398,411</u>	<u>\$ 702,522</u>
Alternative investments (a)	<u>71,894,336</u>			
Total investments	<u>\$ 117,355,174</u>			
Beneficial interest in external trusts	<u>\$ 9,841,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,841,490</u>
<b>Fair Value Measurements at May 31, 2024</b>				
<b>Assets</b>				
Investments				
Cash and cash equivalents	\$ 2,257,842	\$ 2,257,842	\$ -	\$ -
Mutual funds	6,426,964	6,426,964	-	-
Domestic equities	229,002	229,002	-	-
Fixed income securities	4,493,194	4,493,194	-	-
Real estate - land and timber	29,437,716	-	29,437,716	-
Investments held by others	653,126	-	-	653,126
Other various	751,881	-	751,881	-
	<u>44,249,725</u>	<u>\$ 13,407,002</u>	<u>\$ 30,189,597</u>	<u>\$ 653,126</u>
Alternative investments (a)	<u>73,316,949</u>			
Total investments	<u>\$ 117,566,674</u>			
Beneficial interest in external trusts	<u>\$ 9,300,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,300,235</u>

(a) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Following is a description of the valuation methodologies and inputs used for assets and liabilities 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. There have been no significant changes in the valuation techniques during the year ended May 31, 2025. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

### ***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

### ***Alternative Investments***

Investments in certain entities measured at fair value using the NAV per share as a practical expedient are further defined in Note 5.

### ***Beneficial Interest in External Trusts***

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

### ***Investments Held by Others***

Fair value is estimated using a discounted cash flow model. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

## **Note 16. Endowment**

The University's Endowment (Endowment) consists of approximately 600 individual endowment funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The University also owns approximately 15,000 acres of donated land designated for use by the donor as timberland to be held in perpetuity. The University holds and manages these assets separately from what is normally considered Endowment under its endowment investment and spending policies. Currently, the University is using the net income generated by these properties for management and reforestation of the land.

### ***Interpretation of Relevant Law***

In approving Endowment spending and related policies, as part of the prudent and diligent discharge of its duties, the Board of Trustees of the University, as authorized by the Uniform Prudent Management of Institutional Funds Act (UPMIFA), has relied upon the actions, reports, information, advice, and counsel taken or provided by its duly constituted committees and the duly appointed officers of the University, including University counsel, and in doing so has interpreted the law to expand spending flexibility by allowing, subject to a standard of prudence, the University to spend from an endowment fund without regard to the book value of the corpus of the fund. This flexibility allows an expenditure that lowers the value of the corpus of an endowment fund below its book value.

As a result of this interpretation, the University classifies as net assets with donor restrictions the historic dollar value of gifts donated as donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the direction of the applicable gift instruments. The remaining portion of the donor-restricted endowment is also included until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the University and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the University
7. The investment policies of the University

### ***Funds with Deficiencies***

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The University has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At May 31, 2025, funds with original gift values of \$1,130,989, fair values of \$1,124,407, and deficiencies of \$6,582 were reported in net assets with donor restrictions. At May 31, 2024, funds with original gift values of \$395,570, fair values of \$390,927, and deficiencies of \$4,643 were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after investment of new restricted contributions and continued appropriation for certain purposes that were deemed prudent by the governing body.

### ***Spending Policy and How the Investment Objectives Relate to Spending Policy***

The University's Board of Trustees establishes a spending policy that determines how endowment distributions are made. The spending policy is designed to balance current and future spending requirements by ensuring that a portion of investment return is distributed for current expenditures, with the remainder reinvested to shield against inflation. The payout rate is approved annually by the Board of Trustees.

In establishing this policy, the University considered the long-term expected return on its endowment. Accordingly, over the long term, the University expects its endowment to grow in excess of its annual appropriation.

This is consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as provide additional real growth through new gifts and investment return. The University approved a 5.0% spending rate for both years ended May 31, 2025 and 2024. Additionally, during 2025 and 2024, the University's Board of Trustees voted to allow an administrative fee draw of up to 1.25% to be used to pay salaries, travel, and other expenses of the Foundation.

### ***Return Objectives and Risk Parameters***

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy, in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

**Mississippi College**  
**Notes to Consolidated Financial Statements**  
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The University had the following endowment-related activities as follows:

Year Ended May 31, 2025	
Endowment net assets, June 1, 2024	\$ 105,130,146
Investment return	
Investment income (expense), net	11,982,053
Unrealized and realized losses	(4,129,473)
Total investment return	7,852,580
Contributions	1,162,278
Amount appropriated for expenditure	(3,495,736)
Endowment net assets, May 31, 2025	\$ 110,649,268
Year Ended May 31, 2024	
Endowment net assets, June 1, 2023	\$ 90,838,702
Investment return	
Investment income, net	4,149,608
Unrealized and realized gains	13,046,196
Total investment return	17,195,804
Contributions	475,573
Amount appropriated for expenditure	(3,379,933)
Endowment net assets, May 31, 2024	\$ 105,130,146

**Mississippi College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2025 and 2024**

**Note 17. Net Assets**

***Net Assets With Donor Restrictions***

Net assets with donor restrictions at May 31 were as follows:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose		
Capital projects	\$ 1,112,986	\$ 1,139,954
Educational programs	8,253,962	7,595,846
Financial aid	11,465,728	10,207,987
Promises to give, the proceeds from which have been restricted by donors for		
Educational programs	2,682,157	-
Financial aid	<u>283,773</u>	<u>-</u>
	<u>23,798,606</u>	<u>18,943,787</u>
Subject to the passage of time		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	<u>3,272,381</u>	<u>2,354,991</u>
Endowments		
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for		
Financial aid	28,128,826	25,157,406
Educational programs	7,059,422	6,468,372
Any activities of the University	<u>1,677,231</u>	<u>1,523,642</u>
	<u>36,865,479</u>	<u>33,149,420</u>
Subject to University endowment spending policy and appropriation		
Financial aid	59,091,924	57,648,281
Educational programs	10,372,302	10,205,455
Any activities of the University	<u>4,319,563</u>	<u>4,126,990</u>
	<u>73,783,789</u>	<u>71,980,726</u>
Total endowments	<u>110,649,268</u>	<u>105,130,146</u>
Not subject to spending policy or appropriation		
Beneficial interest in external trusts	<u>9,517,455</u>	<u>9,013,218</u>
	<u>\$ 147,237,710</u>	<u>\$ 135,442,142</u>

**Mississippi College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2025 and 2024**

***Net Assets Without Donor Restrictions***

Net assets without donor restrictions at May 31 were as follows:

	<u>2025</u>	<u>2024</u>
Designated for self-funded insurance plan	\$ 1,368,168	\$ 1,272,839
Undesignated	<u>85,577,186</u>	<u>90,001,611</u>
	<u>\$ 86,945,354</u>	<u>\$ 91,274,450</u>

***Net Assets Released from Restrictions***

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. Net assets released from restrictions consist of the following during the years ended May 31:

	<u>2025</u>	<u>2024</u>
Satisfaction of purpose restrictions		
Instruction and other support	\$ 2,923,648	\$ 3,844,493
Financial aid	4,240,675	4,991,166
Capital acquisitions	<u>334,961</u>	<u>1,480,366</u>
	<u>\$ 7,499,284</u>	<u>\$ 10,316,025</u>

**Note 18. Commitments and Contingencies**

The University receives grants under various federal and state sponsored programs. Specific requirements are to be met by the University concerning the grants, the most common being maintenance of a proper level of documentation.

The programs are subject to audit by either the agency administering the program or another agency. The University believes a repayment amount, if any, would not be material to its financial position or results of operations.

The University is involved in various legal proceedings and claims that arise in the ordinary course of its business. While the result of any litigation contains an element of uncertainty, the University believes that the outcome of any known, pending, or threatened legal proceeding will not have a material adverse effect on its consolidated financial statements.

**Mississippi College**  
**Notes to Consolidated Financial Statements**  
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**Note 19. Liquidity and Availability**

The following table represents the University's financial assets as of May 31, reduced by amounts not available for general use because of contractual, donor-imposed restrictions, or board designations within one year of the consolidated statements of financial position date. The financial assets included in other assets are not included in the analysis, as they are not available to meet current operating needs.

	<u>2025</u>	<u>2024</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 26,625,790	\$ 31,423,389
Accounts receivable, net	1,353,982	583,773
Loans receivable, net	84,304	109,046
Investments	117,355,174	117,566,674
Contributions receivable, net	6,328,506	2,375,510
Beneficial interest in external trusts	<u>9,841,490</u>	<u>9,300,235</u>
	161,589,246	161,358,627
Amounts not available to be used within one year		
Restricted by donors with purpose restrictions	(20,919,497)	(11,694,038)
Subject to appropriation and satisfaction of donor restrictions	(110,649,271)	(105,130,146)
Noncurrent investments	(6,033,496)	(5,814,301)
Assets held in trust by others	(9,841,490)	(9,135,235)
Contributions receivable due in greater than one year or subject to purpose restrictions	(6,228,506)	(2,275,510)
Board designated for self-funded insurance	<u>(1,368,168)</u>	<u>(1,272,839)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 6,548,818</u>	<u>\$ 26,036,558</u>

The University's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$20,614,000). The University considers general expenditures to include program services, supporting services, and any other commitments or liabilities to be paid in the subsequent year without donor restricted funds. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts. The University also operates with a balanced budget and anticipates collecting sufficient revenue to cover all general expenditures. In addition to financial assets available to meet general expenditures within one year, the University released \$7,164,323 during the year ended May 31, 2025 and anticipates releasing approximately \$7,500,000 during the year ended May 31, 2026 from donor-restricted and board-designated financial assets.

The University has other assets limited to use for donor-restricted purposes, endowed investments and board-designated assets. These assets limited to use, which are more fully described in Note 17, are not available for general expenditure within the next year. However, the board-designated amounts could be made available, if necessary.

The University had a \$7,500,000 line of credit available, as discussed in more detail in Note 11. No amounts were outstanding at May 31, 2025 and 2024.



**Note 20. Subsequent Events**

The University has evaluated subsequent events through September 11, 2025, which is the date the consolidated financial statements were available to be issued.

In July 2025, the University entered into a term note with a bank for approximately \$280,000 for the purchase of a bus. The note bears interest at 6% and is payable in monthly installments of principal and interest. The note matures in July 2028 and is secured by the bus.

## WILLIAM CAREY UNIVERSITY

Ben Burnett, President

### A PLAN IN MOTION

William Carey University made a series of strategic changes in 2024-25 to align the university for growth by maximizing strengths and becoming even more responsive to student needs.

### LEADERSHIP: THE RIGHT TEAM

- **Spring 2024:** Dr. Brett Golson, dean of the Cooper School of Missions and Ministry, became vice president of strategic operations after his successful execution of the “Making College Affordable” campaign. Dr. Wes Dykes, dean of the Winters School of Music, expanded his responsibilities to add associate vice president of recruitment – after tripling the number of music majors in seven years. Both positions were newly created.
- **June 2024:** After six years at USM, Dr. Noal Cochran re-joined the Carey family as provost and vice president of academic affairs. He also serves on SACSCOC’s board of trustees.
- **July 2024:** Dr. David Weldon was named dean of the WCU School of Pharmacy. He joined the pharmacy faculty in 2017, the year before the program launched, and was instrumental in its later success.
- **September 2024:** Dr. Mark Yeager was named director of the revived Department of External Relations. In this capacity, he will be the primary liaison for WCU’s interaction with its surrounding community.
- **October 2024:** When the “Great Things” fund-raising campaign was publicly announced at the annual Scholarship Gala, it had already passed the half-way mark toward a goal of \$26.5 million. The funding will enhance affordability, university life, and program excellence. Leading the effort was Director of Advancement Karen Golson – who added supervision of alumni/parent engagement to her duties in 2025.
- **April 2025:** Dr. Ladd Taylor, longtime vice president of Mississippi Gulf Coast Community College’s Perkinston campus, became vice president of WCU-Tradition Campus.
- **June 2025:** Dr. Wes Dykes was promoted again, this time to vice president of student engagement – another newly created position. Dr. Dykes: “My life changed in college and that’s what fuels my

motivation. I want campus to be a place where students feel at home. I want them to feel the same way about Carey that I do.”

- **July 2025:** With her longtime expertise in increasing the number, quality, and flexibility of class offerings as vice president of the College of Health Sciences, Dr. Janet Williams became vice president of academic program development to help others replicate similar success in their areas. This marked the fourth new position created to support specific long-range goals.

## **FACILITIES: THE RIGHT ENVIRONMENT**

- **August 2024:** Medical students moved into eight new townhouses near campus. The complex was dedicated as Fordham Place, named in honor of the late Gary Fordham, who served as a WCU trustee.
- **August 2024:** Phase 2 of the Wilkes Dining Hall renovation opened in time to welcome students arriving for the fall term. The project merged old Wilkes Hall’s two separate dining rooms into a single, large high-ceiling space with an open layout. It seats 500 people – about twice the capacity of the old dining hall.
- **October 2024:** WCU unveiled “The Shield,” an outdoor stage, during the 1st Annual Carey Carnival.
- **February 2025:** Niche ranked William Carey the No. 1 Safest Campus in Mississippi. This came after Security Chief Steve Rosser’s year-long campaign to improve security cameras, lighting, sidewalks, traffic flow, parking lots, alert systems, training, emergency protocols, and relationships with local law enforcement.
- **April 2025:** WCU-Baton Rouge hosted an open house at its new 7,475-square-foot facility on Corporate Boulevard. The Baton Rouge location offers a variety of degrees in nursing and health information management – and has more than doubled its enrollment since last year.
- **June 2025:** WCU began a top-to-bottom renovation of Bryant Hall, one of the older residence halls. The remainder of the older dorms will be renovated one-at-a-time each summer.
- **July 2025:** College of Osteopathic Medicine dedicated the new 50,000-square-foot Institute of Primary Care in honor of retired federal judge and longtime Carey trustee Charles Pickering. The facility has a large osteopathic manipulative medicine lab and an ultrasound skills lab. It includes a patient encounter center, a multi-purpose training room

and a large conference center for medical gatherings. Phase 2 of the IPC, under construction now, will open in November.

- **July 2025:** WCU renovated Common Grounds coffee shop, a gathering place for students. Outside, workers created a social area called “Crusader Walk” featuring a floor mural, shaded seating and a small stage.
- **August 2025:** Carey Admissions launched TargetX CRM (Customer Relationship Management).
- **August 2025:** Medical students moved into a second group of eight townhouses just off campus.
- **Fall 2025:** WCU transitioned to a semester-based academic calendar.

#### **LAND PURCHASE: THE FAR HORIZON**

- In January 2025, William Carey University announced the purchase of 107 acres of undeveloped land adjacent to its Hattiesburg campus. The parcel is located to the south of the baseball and softball fields.
- WCU already owned the land between the ballfields and the new acquisition, creating a large, unbroken property for future development. The Hattiesburg campus currently occupies 130 acres – so the purchase nearly doubles the university's acreage.
- Dr. Ben Burnett: "This secures our ability to expand and serve Mississippi for decades to come. It is a transformational moment for William Carey University."

#### **CAREY ATHLETICS**

- **New record:** On May 1, 2025, Crusader head baseball coach Bobby Halford surpassed former Mississippi State head coach Ron Polk on the all-time-wins list with victory number 1,374 at Rockabilly Stadium.
- **Winning percentage:** In August 2025, overall winning percentages for all four-year colleges and universities in the state were calculated. For the second straight year, William Carey University topped all athletic departments in Mississippi – with an overall winning percentage of just under 74 percent.
- **SSAC & NAIA:** Carey Athletics won the Southern States Athletic Conference (SSAC) Commissioner's Cup for the ninth straight year. The Crusaders were also recognized as one of the top five athletic departments in the National Association of Intercollegiate Athletics (NAIA) for the second straight year with a fifth-place finish out of 250 schools for the Learfield Cup.

- **Conference Championships:** William Carey University won conference championships in women's cross country, women's soccer, women's indoor & outdoor track and field, women's basketball, women's golf, men's tennis, women's tennis and baseball.
- **Postseason:** In the 2024-25 season, 16 of William Carey's 21 sports made it to the NAIA postseason, which also led other Mississippi four-year schools. Of those 16 sports, 14 finished the season ranked in the NAIA Top 25. Eight Crusader coaches were named SSAC Coach of the Year.

## CHRISTIAN SERVICE

- **September 2024:** Rhetorica Christiana hosted a fall forum, "Reading the Apocalypse through Cultural and Political Lenses" with guest speaker Dr. Gerald Stevens.
- **December 2024:** Dr. Landon Adams, director of the Baptist Student Union, won first place in Midland History Journal's prestigious annual essay contest for "Reevaluating William Ward's (1769–1823) Early Radicalism: An Archival Assessment of the 1797 Thelwall Riot in Derby and the Parties Responsible."
- **March 2025:** WCU volunteers helped with disaster relief after tornados struck Taylorsville and Tylertown. Also in March, the BSU sponsored two mission trips over spring break and Shane Pruitt of the North American Mission Board spoke at WCU's first campus renewal service.
- **April 2025:** WCU launched the Robert Whitehead Institute for Christian Leadership. Dr. Thomas McSwain Jr. was named as its first director. The institute hosted the first bi-annual "Pastors' Think Tank" with keynote speaker Dr. Robert Smith. Pastors from across the Southeast attended for two days of lectures and discussion.
- **April 2025:** Rhetorica Christiana hosted a spring forum, "Sacred Idleness: George McDonald and a Defense for Christian Imagination" with guest speaker Mr. Rodney Mooney.
- **May 2025:** Cooper School of Missions & Ministry sponsored mission trips in Peru and Dominican Republic.
- **June 2025:** The BSU sent 27 summer missionaries to 13 countries and six U.S. states. The Institute for Christian Leadership published the second issue of "Holding the Ropes."
- **Cooper School:** During the 2024-25 school year, 10 Christian Studies students interned with SBC churches and entities. Eleven Intercultural

Studies students interned in North America, South America, Europe, Asia, and Southeast Asia. Ninety-two students received Christian-Related Vocation Scholarships.

- **Summer 2025:** WCU was the temporary home of hundreds of FUGE campers.
- **Fall 2025:** WCU announced its theme verse for 2025-26, “Called to Serve,” inspired by Matthew 23:11.

#### **2024-25 STATE & NATIONAL RANKINGS**

- Money ranked WCU No. 1 in Mississippi on its 2025 “Best Colleges in America” list.
- Niche awarded William Carey five No. 1 rankings on its “Best Colleges in Mississippi” list: Top Private University, Best Small College, Best Christian College, Best College for Education and Safest College Campus. Niche also ranked WCU as one of the Top 10 Christian universities in the U.S.
- U.S. News & World Report again awarded WCU’s College of Osteopathic Medicine high national marks: No. 7 for graduates serving in rural areas; No. 3 for graduates practicing in primary care; and No. 4 for graduates practicing in areas with shortages of health professionals.
- Practical Nursing.org ranked WCU’s LPN to RN program No. 1 in Mississippi.

The external audit of William Carey University's current year financial statements was not completed at the time of printing the 2025 Book of Reports. However, the audited financial statements will be included in the digital Book of Reports when the 2025 Convention Annual is produced. Additionally, William Carey University publishes their annual financial statements on their website ([www.wmcarey.edu/office/finance](http://www.wmcarey.edu/office/finance)).

***REPORTS and AUDITS***

***of other***

***INSTITUTIONS***

***and***

***AGENCIES***

***Baptist Memorial Health Care System***

***Christian Action Commission, Inc.***

***Mississippi Baptist Foundation***

***Mississippi Baptist Historical Commission***

***The Baptist Children's Village***



## **BAPTIST MEMORIAL HEALTH CARE SYSTEM**

**Memphis, Tennessee**  
**Jason Little, President and CEO**

Baptist Memorial Health Care began as a 150-bed hospital in downtown Memphis in 1912. It was formed by the Southern Baptist Conventions of Tennessee, Mississippi and Arkansas because they recognized a tremendous need for a health care facility in this part of the country. The hospital eventually grew to become the largest private hospital in the world.

The Baptist Memorial Health Care system was created in 1981 to provide an integrated health care delivery system offering a full continuum of care to communities throughout the Mid-South. Today, a total of 24 hospitals in Arkansas, Tennessee and Mississippi; an 1,100-member physician group; and dozens of other entities are affiliated with Baptist.

Baptist Memorial Health Care's staff chaplains are a part of the health care team. Patients, family members and employees know they can ask for a chaplain at any time to augment our health care with spiritual or emotional care.

The Rev. Jimmy Terry Preaching Series, hosted by Baptist's Pastoral Care Department, observed its seventh anniversary this year. The series, named in memory of a beloved member of Baptist's Board of Trustees and the founder of Tabernacle Baptist Church in Clarksville, Tennessee, welcomes a speaker each month to deliver an evangelical message from Baptist's flagship hospital. Video recordings of each event are posted on our Facebook page. They have been viewed more than 182,000 times and have reached 124,000 people in the past year.

Baptist Memorial Health Care was selected to acquire OCH Regional Medical Center in Starkville, Mississippi. This decision followed a lengthy process that included the submission of formal proposals, along with presentations to the Oktibbeha County Board of Supervisors, officials from Mississippi State University and OCH Regional Medical Center. The partnership is expected to be a significant benefit to the local community and to the future of health care in Mississippi.

The Centers for Medicare and Medicaid Services awarded Baptist Memorial Hospital-Leake five stars for quality, the agency's highest distinction. This is the second year in a row Baptist Leake has received five stars, and it is one of only two hospitals in Mississippi to earn the rating. Baptist Memorial Hospital-Union County earned four stars for quality. The ratings are based on 46 quality measurements from five categories: mortality, safety of care, readmission, patient experience, and timely and effective care.

Last year, Baptist Memorial Health Care and Lifepoint Rehabilitation, a business unit of Lifepoint Health, broke ground on a new, 40-bed rehabilitation hospital on a four-acre lot in Madison, Mississippi. Baptist Memorial Rehabilitation Hospital-Madison will offer physical medicine and rehabilitation, occupational therapy, speech-language pathology, social services and case management, and nutritional services.

U.S. News and World Report's 2024–2025 Best Hospitals rankings and ratings honored five of Baptist's Mississippi hospitals:

- Mississippi Baptist Medical Center ranked first in Mississippi and first in Jackson for the sixth year in a row.
- Baptist Memorial Hospital-DeSoto received High Performing ratings in six common procedures and conditions.
- Baptist North Mississippi earned High Performing ratings in four common procedures and conditions.
- Baptist Golden Triangle and Baptist Anderson each earned a High Performing rating in one common condition.

This spring, the Leapfrog Group awarded "A" Hospital Safety grades to Baptist Union County for 14th time in a row, as well as to Baptist North Mississippi.

The Mississippi Rural Health Association awarded Baptist Memorial Hospital-Attala, Baptist Memorial Hospital-Calhoun and Baptist Leake Hospital Quality Awards. The awards honor hospitals ranked in the top quartile nationwide for quality outcomes as reported by the Centers for Medicare & Medicaid Services.

Healthgrades recognized Baptist North Mississippi as one of America's 250 Best Hospitals for 2025. The award places Baptist North Mississippi among the

top 5% of hospitals in the country for clinical excellence. It is the only hospital in Mississippi to receive the honor.

Baptist Health Sciences University students and faculty traveled to Pucallpa, Peru, in April for a medical mission trip. They offered four days of clinics at local churches, delivering care to 1,321 patients and providing 505 pairs of reading glasses. Of the 21 volunteers, most were undergraduate nursing, nuclear medicine, biomedical sciences and radiography students. Three assistant professors, a BHSU alum and an academic tutor and ICU nurse were also part of the care team.

# Baptist Memorial Health Care Corporation and Affiliates

Combined Financial Statements as of and for the  
Years Ended September 30, 2024 and 2023, and  
Independent Auditor's Report

**BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Baptist Memorial Health Care Corporation  
Memphis, Tennessee

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the combined financial statements of Baptist Memorial Health Care Corporation (a Tennessee nonprofit corporation) and affiliates (collectively, BMHCC), all of which are under common ownership and common management, which comprise the combined balance sheets as of September 30, 2024 and 2023, and the related combined statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of BMHCC as of September 30, 2024 and 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BMHCC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BMHCC'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BMHCC'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.

Deloitte & Touche LLP

December 17, 2024

## BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES

### COMBINED BALANCE SHEETS AS OF SEPTEMBER 30, 2024 AND 2023 (Amounts in thousands)

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 201,022	\$ 192,162
Short-term investments	20,016	10,142
Patient accounts receivable—net	633,461	492,860
Other receivables—net	17,965	34,420
Inventory	80,758	73,874
Prepaid expenses	101,751	81,579
Other current assets	12,276	14,437
Estimated settlements with third parties	15,194	22,255
Total current assets	1,082,443	921,729
<b>INVESTMENTS</b>	1,114,123	784,528
<b>ASSETS WHOSE USE IS LIMITED</b>	90,360	46,181
RIGHT-OF-USE ASSET—Operating	168,163	173,103
RIGHT-OF-USE ASSET—Financing	16,104	15,389
<b>PROPERTY AND EQUIPMENT—Net</b>	1,330,792	1,291,484
<b>GOODWILL</b>	10,674	10,674
<b>OTHER INTANGIBLE ASSETS</b>	8,046	7,838
<b>OTHER LONG-TERM ASSETS</b>	84,938	69,832
<b>TOTAL</b>	<u>\$ 3,905,643</u>	<u>\$ 3,320,758</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt	\$ 6,415	\$ 54,417
Current portion of lease liability—operating	32,704	33,547
Current portion of lease liability—financing	6,439	11,198
Accounts payable	99,520	89,784
Accrued expenses and other	311,590	263,658
Estimated settlements with third parties	29,951	20,043
Total current liabilities	486,619	472,647
<b>LONG-TERM DEBT</b>	1,004,664	794,977
<b>LONG-TERM PORTION OF LEASE LIABILITY—Operating</b>	141,950	144,895
<b>LONG-TERM PORTION OF LEASE LIABILITY—Financing</b>	11,781	10,429
<b>OTHER LONG-TERM LIABILITIES</b>	205,508	171,271
<b>COMMITMENTS AND CONTINGENCIES (Note 20)</b>		
<b>NET ASSETS:</b>		
Without donor restrictions	1,804,122	1,524,016
With donor restrictions	250,999	202,523
Total net assets	2,055,121	1,726,539
<b>TOTAL</b>	<u>\$ 3,905,643</u>	<u>\$ 3,320,758</u>

See notes to combined financial statements.



## BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES

### COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023 (Amounts in thousands)

	2024	2023
REVENUE AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS:		
Net patient service revenues	\$ 4,174,114	\$ 3,491,920
Other revenue	262,155	130,600
Total revenue and other support without donor restrictions	4,436,269	3,622,520
EXPENSES:		
Salaries and benefits	2,136,131	1,965,822
Supplies and drugs	1,106,220	928,085
Purchased services and other	704,842	497,900
Gain on sale of assets	(160)	(170)
Professional fees	245,204	215,603
Depreciation and amortization	146,279	135,634
Interest	32,768	35,604
Total expenses	4,371,284	3,778,478
INCOME (LOSS) FROM OPERATIONS	64,985	(155,958)
NONOPERATING INCOME (LOSS):		
Interest and dividend income from investments	27,986	27,769
Net unrealized gain on investments—equity	88,145	7,064
Net realized gains on investments	15,158	48,599
Inherent contribution from acquisition	52,063	-
Equity in investments	6,232	6,617
(Loss) gain from change in fair value of interest rate swap	(3,637)	3,412
Noncontrolling interest	(4,003)	(5,283)
Other	12,307	9,850
Total nonoperating income	194,251	98,028
REVENUE IN EXCESS OF EXPENSES (EXPENSES IN EXCESS OF REVENUE)	259,236	(57,930)

(Continued)

## BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES

### COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023 (Amounts in thousands)

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenue in excess of expenses (Expenses in excess of revenue)	\$ 259,236	\$ (57,930)
Net unrealized gain on investments—debt	18,344	3,286
Postretirement—related changes	274	3,373
Other	<u>2,252</u>	<u>(50)</u>
Change in net assets without donor restrictions	<u>280,106</u>	<u>(51,321)</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Net unrealized gain on investments	32,230	2,544
Contributions and other	29,582	34,136
Inherent contribution from acquisition (see Note 2)	1,439	-
Net assets released from restrictions	<u>(14,775)</u>	<u>11,148</u>
Change in net assets with donor restrictions	<u>48,476</u>	<u>25,532</u>
CHANGE IN NET ASSETS	328,582	(25,789)
NET ASSETS—Beginning of year	<u>1,726,539</u>	<u>1,752,328</u>
NET ASSETS—End of year	<u>\$ 2,055,121</u>	<u>\$ 1,726,539</u>
See notes to combined financial statements.		(Concluded)

## BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES

### COMBINED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023 (Amounts in thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES AND NONOPERATING INCOME:		
Change in net assets	\$ 328,582	\$ (25,789)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities and nonoperating income:		
Depreciation and amortization	146,279	135,634
Bond premium amortization	(3,949)	(3,602)
Inherent contributions	(53,502)	-
Change in fair value of interest rate swaps	3,650	(3,412)
ROU asset—operating amortization	33,835	38,065
Equity in earnings of investments in affiliates	(6,259)	(5,808)
Distributions from investments in affiliates	6,050	7,195
Realized gain on sales of investments, fixed assets, and other	(28,018)	(63,734)
Unrealized gain on investments	(137,753)	(13,604)
Changes in operating assets and liabilities:		
Net patient accounts receivable	(116,104)	(45,245)
Other receivable	18,210	(19,743)
Inventory	(943)	(1,612)
Prepaid expenses	(17,515)	(11,076)
Other current assets	11,117	(9,867)
Accounts payable, accrued expenses, and other liabilities	1,287	(43,615)
Other long-term liabilities	6,877	(18,326)
Net cash provided by (used in) operating activities and nonoperating income	<u>191,844</u>	<u>(84,539)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(117,361)	(123,714)
Proceeds from sales of fixed assets	2,705	266
Purchases of long-term investments	(449,405)	(296,815)
Sales of long-term investments	261,091	492,643
Sales of short-term investments	10,142	20,560
Change in assets whose use is limited	(37,866)	3,214
Investment in affiliates	(9,487)	(4,139)
Proceeds from sale of joint ventures	1,145	-
Cash acquired through acquisition	5,125	-
Other	(2,823)	(381)
Net cash (used in) provided by investing activities	<u>(336,734)</u>	<u>91,634</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of Medicare accelerated payments	-	(1,917)
Proceeds from issuance of debt	314,280	-
Principal payments on debt and capital lease obligations	(178,638)	(20,096)
Bond issuance costs	(2,735)	-
Premium on bonds	26,393	-
Principal payments on ROU liability—financing	(5,550)	(5,006)
Net cash provided by (used in) financing activities	<u>153,750</u>	<u>(7,019)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,860	(19,924)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>192,162</u>	<u>212,086</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 201,022</u>	<u>\$ 192,162</u>
CASH PAID FOR INTEREST DURING THE YEAR	<u>\$ 31,434</u>	<u>\$ 35,140</u>

See notes to combined financial statements.

# BAPTIST MEMORIAL HEALTH CARE CORPORATION AND AFFILIATES

## NOTES TO COMBINED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Affiliation and Combination**—Baptist Memorial Health Care Corporation (the “Corporation”) is a nonprofit corporation. The accompanying combined financial statements include the financial statements of the Corporation and its affiliates under common ownership and common management (collectively, BMHCC). The Corporation is the member (parent) organization of most of the not-for-profit affiliates that comprise BMHCC. Such affiliates include hospitals offering both inpatient and outpatient services, as well as surgery centers, physician practices, and other ancillary businesses. All intercompany accounts and transactions have been eliminated. Investments in 50%- or less-owned companies and partnerships are generally accounted for using the equity method.

**Estimates**—The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

**Cash and Cash Equivalents**—For purposes of the combined statements of cash flows, BMHCC considers certificates of deposit, overnight reverse repurchase agreements, and other highly liquid investments, such as treasury bills, with original maturities of less than three months to be cash equivalents.

**Revenues and Accounts Receivable**—BMHCC reports revenues from patient services at its hospitals and affiliated facilities at the amounts that reflects the consideration to which BMHCC expects to be entitled in exchange for providing patient care. These amounts are due from patients, governmental programs and third-party payors such as Medicare, Medicaid, health maintenance organizations, preferred provider organizations, private insurers and others, and include variable consideration for retroactive revenue adjustments due to settlements of audits, reviews and investigations. Generally, BMHCC bills the patient and third-party payors several days after the services are performed or after the patient is discharged. Revenue is recognized as the performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by BMHCC. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges for services anticipated to be provided. BMHCC believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in BMHCC’s hospitals receiving inpatient acute care services. BMHCC measures the performance obligation from admission into the hospital to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided and BMHCC does not believe it is required to provide additional goods or services to the patient.

BMHCC determines the transaction price based on standard billing rates for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients and patient responsibility after insurance in accordance with BMHCC's policy, and/or implicit price concessions provided to uninsured patients and patient responsibility after insurance. BMHCC determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. BMHCC determines its estimate of implicit price concessions based on its historical collection experience with this portfolio of patients.

**Third-Party Payors**—A summary of the payment arrangements with major third-party payors is as follows:

**Medicare**—Payment for inpatient services and most outpatient services is generally based on prospectively determined rates.

**Arkansas Medicaid**—Payment for inpatient services is generally based on prospectively determined daily rates subject to cost report settlements. Payment for outpatient services is generally based on prospectively determined rates.

**Mississippi Medicaid**—Payment for inpatient and outpatient services is generally based on prospectively determined rates.

**TennCare**—TennCare covers the medical needs of Tennessee's indigent and uninsured population and is administered by state-approved managed care organizations who enroll eligible participants and contract with Providers (both physicians and hospitals) for medical services. Payment for inpatient and outpatient services is based on prospectively determined rates.

**Blue Cross**—Inpatient services are reimbursed at prospectively determined daily rates.

BMHCC has also entered into payment agreements with numerous commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to BMHCC under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

The final settlement of amounts to be paid to or from BMHCC by the Medicare program is subject to audit and adjustment by the respective programs. Estimated settlements to or from represent the difference between interim payments and tentative settlements received and estimated reimbursable costs.

During 2024 and 2023, BMHCC adjusted its estimates of settlement of prior years' cost reports and other revenue recognition estimates. The revised estimates reflect filings of the 2024 and 2023 cost reports, final settlement of previously filed cost reports, and reopening or appeal of past cost report filings, as well as other changes in revenue recognized for prior years' services. The net effect of these adjustments decreased net patient service revenue by approximately \$2,022,000 for the year ended September 30, 2024 and increased net patient service revenue by approximately \$30,096,000 for the year ended September 30, 2023.

Currently, each of the states in which BMHCC operates participates in supplemental reimbursement programs for the purpose of providing reimbursement to providers to offset a portion of the cost of providing care to Medicaid patients. These programs are designed with input from the Centers for Medicare and Medicaid Services (CMS) and are funded with a combination of state and federal resources, including, in certain instances, fees or taxes levied on the providers. BMHCC recognizes

revenue and related expenses in the period in which amounts are estimable and collection is reasonably assured. During 2024, the State of Mississippi increased their state supplemental pool by \$700 million to meet two initiatives. For the first initiative, Mississippi Hospital Access Program (MHAP) increased hospital direct payments up to an average commercial rate. These direct payments were made to hospitals serving patients in the Mississippi Medicaid managed care delivery system. The second initiative supplemented the Medicaid base payment rate for hospitals by reimbursing inpatient and outpatient hospital services in the fee-for-service system up to the Medicare upper payment limit (UPL). To minimize the recurring impact of state general fund expenditures, hospital assessments were increased to finance the non-federal share of the directed and supplemental payments. Reimbursement received via these programs, as reflected in net patient service revenues, was approximately \$380,810,000 and \$189,612,000 for the years ended September 30, 2024 and 2023, respectively. Fees and tax assessments relative to such programs were approximately \$136,342,000 and \$61,700,000 for the years ended September 30, 2024 and 2023, respectively, and are recorded as purchased services and other in the accompanying combined statements of operations and changes in net assets. As these programs are approved for a defined period of time (one year or multiple years), future receipts of reimbursement under such supplemental reimbursement programs are not guaranteed.

**Charity Care**—BMHCC provides care to uninsured and indigent patients (those patients with a demonstrated inability to pay) at either no charge or at substantially reduced rates. For indigent patients, no effort is made to pursue collection of any amounts charged after the determination of indigency of the patient has been made. Discounts are granted to uninsured patients who do not meet the requirements for indigency. Since management does not expect payment for charity care, the charges forgone are excluded from net patient service revenue. The amount of charity care provided at BMHCC's established rates, inclusive of discounts for uninsured patients based upon charges foregone, was approximately \$770,849,000 and \$688,950,000 in 2024 and 2023, respectively. BMHCC estimates the cost of charity care by calculating a ratio of cost to gross charges and applying that ratio to the gross uncompensated charges associated with providing care to patients who qualify for charity care. The estimated cost of charity care provided in 2024 and 2023 was approximately \$171,347,000 and \$159,400,000, respectively (see Note 3).

**Investments**—Investments classified as current assets are available to BMHCC entities for current working capital needs. Investments are managed under BMHCC's investment policy and are reported at fair value. Investment income or loss (including realized gains and losses on investments, unrealized gains and losses on equity securities, interest, and dividends) is included in the excess of revenues over expenses, unless the income or loss is restricted by donor or law. Unrealized gains and losses on debt securities are excluded from the excess of revenues over expenses and are reflected in changes in net assets.

**Assets Whose Use is Limited**—Assets whose use is limited include assets held by trustees under indenture and assets restricted as to use by the board of directors.

**Financial Instruments and Hedging**—BMHCC occasionally uses derivative financial instruments to manage movements in interest rates. Interest rate swaps are contractual agreements between two parties for the exchange of interest payments on a notional principal amount at agreed-upon fixed or floating rates for defined periods. BMHCC does not enter into derivative instruments for trading purposes. These financial instruments are not designated as hedges and are presented at estimated fair market value in the accompanying combined balance sheet. BMHCC recognizes changes in the fair values of derivatives as nonoperating gains or losses in the combined statements of operations and

changes in net assets. The cash settlements resulting from these interest rate swaps are reported as interest expense in the combined statements of operations and changes in net assets.

**Inventory**—Inventory is stated at the lower of cost (weighted-average method) or net realizable value.

**Property and Equipment**—Property and equipment are recorded at cost when purchased or at fair market value when received by donation. Property and equipment are depreciated on a straight-line basis over their estimated useful life. Property and equipment held under capital leases are amortized evenly over the lesser of the lease term or their estimated useful life.

Property and equipment also consist of capitalized software costs, which are amortized on a straight-line basis over the estimated useful life of the software that ranges from three to eight years. As of September 30, 2024 and 2023, capitalized software costs included in property and equipment are approximately \$97,725,000 and \$95,621,000, respectively, and accumulated amortization on those costs is approximately \$93,818,000 and \$91,023,000, respectively.

BMHCC capitalizes interest on borrowings during the active construction period of major capital projects. Capitalized interest is added to the cost of underlying assets and is amortized over the useful lives of the assets. There were no material amounts of interest capitalized in 2024 and 2023.

**Right-of-Use Asset/Lease Liabilities**—In accordance with Accounting Standards Codification (ASC) 842, *Leases*, BMHCC recognizes a lease liability for the obligation to make lease payments and a right-of-use (ROU) asset for the right to use the underlying asset for all leases with terms of more than 12 months. Expenses related to leases determined to be operating leases are recognized on a straight-line basis, while expenses related to leases determined to be financing leases are recognized based on an effective interest method in which interest and amortization are presented separately in the statement of operations and changes in net assets. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As most of BMHCC's leases do not provide an implicit rate, BMHCC uses an estimated incremental borrowing rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments. BMHCC uses the implicit rate when readily determinable. BMHCC recognized \$168,163,000 and \$173,103,000 of ROU assets and \$174,654,000 and \$178,442,000 of lease liabilities associated with operating leases as of September 30, 2024 and 2023, respectively.

**Goodwill**—Goodwill is included in the accompanying combined balance sheets and represents the excess of costs over the fair value of assets of businesses acquired. In accordance with Financial Accounting Standards Board (FASB) ASC Topic 958, *Not-for-Profit Entities*, BMHCC performs an annual impairment assessment of goodwill. BMHCC performs the impairment test at the reporting unit level at least annually or when events occur that require an evaluation to be performed at an interim date. If BMHCC determines the carrying value of goodwill is impaired, or if the carrying value of a business that is to be sold or otherwise disposed of exceeds its fair value, then management reduces the carrying value, including any allocated goodwill, to fair value. Estimates of fair value are based on appraisals, established market prices for comparative assets, or internal estimates of future net cash flows. BMHCC has selected June 30 as the date on which it will perform its annual impairment assessment. There was no impairment of goodwill during the years ended September 30, 2024 and 2023. There can be no assurance that future goodwill impairment tests will not result in a charge to operations.

**Impairment of Long-Lived Assets**—BMHCC evaluates the carrying value of its long-lived assets under the provisions of FASB ASC Topic 360, *Property, Plant, and Equipment*. Under FASB ASC Topic 360, when events, circumstances, or operating results indicate that the carrying value of property and equipment

assets may be impaired, BMHCC prepares projections of the undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. If the projections identify impairment, BMHCC compares the assets' current carrying value to the assets' fair value. Fair value is based on current market values or discounted future cash flows. No impairment charge was recorded for the years ended 2024 and 2023.

**Asset Retirement Obligations**—BMHCC recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which it is incurred if a reasonable estimate of the fair value of the obligation can be made. When a liability is initially recorded, BMHCC capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the combined statements of operations and changes in net assets. Asset retirement obligations of approximately \$2,771,000 and \$1,647,000 relating to hospitals in Mississippi are included in other long-term liabilities in the accompanying combined balance sheets as of September 30, 2024 and 2023, respectively.

**Classification of Net Assets**—Net assets are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

**Net Assets without Donor Restrictions**—Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

**Net Assets with Donor Restrictions**—Amounts subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the passage of time or purpose. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds to be maintained in perpetuity.

Net assets with donor restrictions as of September 30, 2024 and 2023, are restricted to the following (in thousands):

	2024	2023
Educational activities	\$ 138,715	\$ 111,085
Charitable and religious activities	77,334	62,968
Capital additions	23,441	19,382
Science and research	9,899	7,661
Charitable remainder trust	<u>1,610</u>	<u>1,427</u>
Total	<u>\$ 250,999</u>	<u>\$ 202,523</u>

**Income Taxes**—The majority of BMHCC is a nonprofit corporation and has been recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. Certain affiliates are subject to income taxes. Such activities and income taxes are not significant to the combined financial statements.

As of September 30, 2024, BMHCC had not identified any uncertain tax positions under FASB ASC Topic 740, *Income Taxes*, requiring adjustments to its combined financial statements. In the event BMHCC were to recognize interest and penalties related to uncertain tax positions, it would be



recognized in the combined financial statements as interest expense. Generally, BMHCC is no longer subject to income tax examinations for tax years prior to 2020 (fiscal year ended September 30, 2021).

**Business Combinations**—BMHCC follows the authoritative guidance contained in ASC Topic 958-805, *Not-for-Profit Entities—Business Combinations*. This guidance establishes principles and requirements for how an acquirer: (a) recognizes and measures in its combined financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; (b) recognizes and measures the goodwill acquired in a business combination, gain from a bargain purchase; or inherent contribution; and (c) determines what information to disclose to enable users of the combined financial statements to evaluate the nature and the financial effects of the business combination.

**Fair Value Measurements**—BMHCC follows the authoritative guidance contained in FASB ASC Topic 820, *Fair Value Measurements and Disclosures*. Fair value is generally defined as the exit price at which an asset or liability could be exchanged in a current transaction between willing unrelated parties, other than in a forced liquidation or sale. The guidance establishes a fair value hierarchy, giving the highest priority to quoted prices in active markets and the lowest priority to unobservable data, and requires disclosures for assets and liabilities measured at fair value based on their level in the hierarchy.

The fair value framework requires the categorization of assets and liabilities into a hierarchy of inputs based upon the assumptions used to value the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The hierarchy is defined as follows:

**Level 1**—Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

**Level 2**—Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

**Level 3**—Unobservable inputs reflecting management's own assumption about the inputs used in pricing the asset or liability at the measurement date.

**Net Asset Value (NAV)**—For these assets, FASB Accounting Standard Update (ASU) No. 2015-07, *Fair Value Measurement: Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*, eliminated the requirement that investments for which fair value is measured at NAV per share (or its equivalent) using the practical expedient be categorized in the fair value hierarchy.

Most investments classified within the NAV category consist of the shares/units (or equivalent ownership interest in partner's capital) in investment funds rather than direct ownership in the funds' underlying assets.

Assets measured at fair value based on the fair value framework include investments, assets whose use is limited, long-lived assets acquired in a business combination, and goodwill.

**Cloud Computing Arrangements**—BMHCC capitalizes implementation costs in a cloud computing arrangement service contract in accordance with ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*. Eligible costs associated with cloud computing arrangements, such as software business applications used in the normal course of business, are capitalized in accordance with ASC 350, *Intangibles—Goodwill and*

*Other.* These costs are recognized on a straight-line basis in the combined statements of operations and changes in net assets as the expense for fees for the associated cloud computing arrangement, over the term of the arrangement, plus reasonably certain renewals. Cloud computing arrangement costs capitalized included in prepaid expenses were \$19,074,000 and \$6,637,000 as of September 30, 2024 and 2023, respectively. Amortization expense of \$257,000 and \$128,000 associated with BMHCC's cloud computing arrangements has been recognized during the fiscal years ended September 30, 2024 and 2023, respectively.

**No Surprises Act (NSA)**—Effective January 1, 2022, the No Surprises Act (NSA) enacted as part of the Consolidated Appropriations Act (CAA) provides protection against surprise medical bills by prohibiting plans and providers from balance billing patients for emergency care performed by out-of-network providers as well as non-emergency and ancillary services performed by out-of-network providers at in-network facilities, subject to certain notice and consent exceptions for non-emergency and ancillary services. The NSA also grants additional patient protections, including requiring providers to send a good faith estimate of the expected charges for furnishing items or services to an insured patient's health plan (or directly to an uninsured patient) before such items or services are delivered (including items or services reasonably expected to be provided in conjunction with scheduled items or services or that are reasonably expected to be delivered by another provider). NSA also provides a dispute resolution process in the event the actual charges for such items and services are substantially higher than the plan's estimate and will prohibit providers from charging patients an amount beyond the in-network cost sharing amount for services rendered by out-of-network providers, subject to certain exceptions. Several states have also enacted comprehensive balance billing or surprise billing laws and the CAA defers to existing state requirements with respect to state-established payment amounts. Such state laws vary in their approach, resulting in different impacts on the healthcare system as a whole.

**340b Final Rule**—On November 2, 2023, in light of the Supreme Court's decision in *American Hospital Association v. Becerra* (142 S. Ct. 1896 (2022)) and the district court's remand to the agency, CMS issued a final rule outlining the remedy for the 340B-acquired drug payment policy for calendar years 2018 through 2022. CMS published the final rule to remedy the payment rates the Court held were invalid aspects of their past policy and will affect nearly all hospitals paid under the Outpatient Prospective Payment System (OPPS). BMHCC received \$101 million in February 2024, which was recognized in the combined statement of operations and changes in net assets as other revenue, as a result of this final ruling to remedy for the invalidated OPPS 340B-acquired drug payment policy for calendar years 2018 through 2022.

In order to comply with budget neutrality requirements as required by statute, CMS has reduced the future non-drug item and service payments by adjusting the OPPS conversion factor by minus 0.5% starting in calendar year 2026 and continuing for 16 years. This reduction to payment rates is not anticipated to have a material impact on our results of operations.

## **2. ACQUISITIONS**

On January 1, 2024, BMHCC and Anderson Regional Health System, a Mississippi nonprofit corporation (ARHS), executed and consummated the terms and conditions set forth in the shared mission agreement pursuant to which BMHCC became the sole member of ARHS. Management of BMHCC and ARHS believe that they can advance and strengthen their shared ministry strategically by:

- (a) strengthening and expanding the reach of BMHCC in the southern region of the United States,
- (b) combining resources and expertise to enrich the health of the community and ensure ongoing access to high-quality and advanced medical services throughout East Central Mississippi and West

Central Alabama, (c) common vision and values, and (d) cost savings expected for ARHS from operating under BMHCC’s operating model and implementing Epic electronic health records system.

The transaction was accounted for as an acquisition under ASC 958-805, *Not-for-Profit Entities—Business Combinations*. The acquisition did not involve consideration and resulted in an excess of assets acquired over liabilities assumed, reported as an inherent contribution of net assets from ARHS to BMHCC, of approximately \$53,502,000. The unrestricted portion of the inherent contribution of approximately \$52,063,000 is included in net nonoperating gain (loss) in the accompanying combined statement of operations and changes in net assets for the year ended September 30, 2024. Approximately \$1,439,000 of the remaining inherent contribution was restricted and is recorded in net assets with donor restrictions in the combined statement of operations and changes in net assets for the year ended September 30, 2024. The results of operations of ARHS since January 1, 2024, are included in BMHCC’s 2024 combined statement of operations and changes in net assets. The fair value allocation of the ARHS assets acquired and liabilities recognized at the acquisition date of January 1, 2024, is as follows:

Cash and cash equivalents	\$ 5,125
Patients accounts receivable—net	24,497
Other current assets	11,033
Property and equipment—net	62,938
Investments	100
Assets whose use is limited	6,313
Other long-term assets	6,632
Right-of-use asset—operating	1,408
Right-of-use asset—financing	595
Acquired intangibles	960
Other current liabilities	(34,487)
Debt	(5,822)
Other long-term liabilities	(25,790)
Inherent contribution of net assets from ARHS	<u>\$ 53,502</u>

BMHCC finalized the fair value allocation during the year ended September 30, 2024.

ARHS had net operating revenue and changes in net assets without donor restrictions and net assets with donor restrictions for the period from the date of acquisition to September 30, 2024, as follows (in thousands):

	<b>Period from January 1, 2024 through September 30, 2024</b>
Operating revenue	\$ 227,682
Expenses in excess of revenues	(9,945)
Change in net assets without donor restrictions	(9,753)
Change in net assets with donor restrictions	-

BMHCC's operating revenue and changes in net assets without donor restrictions, and net assets with donor restrictions for the years ended September 30, 2024 and 2023, as if the acquisition had occurred at October 1, 2022, are as follows (in thousands):

<b>(Unaudited)</b>		
<b>Supplemental Pro Forma Information for:</b>		
	<b>2024</b>	<b>2023</b>
Operating revenue	\$ 4,490,400	\$ 3,842,948
Revenues in excess of expenses/(expenses in excess of revenues)	254,927	(80,024)
Change in net assets without donor restrictions	353,019	(73,176)
Change in net assets with donor restrictions	49,914	25,705

### 3. COMMUNITY BENEFIT

A summary of the costs (estimated using applicable cost-to-charge ratio) of certain of BMHCC's community services provided to the indigent and to the broader community for the years ended September 30, 2024 and 2023, is as follows (in thousands):

	<b>2024</b>	<b>2023</b>
Benefits for the indigent:		
Traditional charity care—at cost	\$ 171,347	\$ 159,400
(Benefit) Unpaid costs of Medicaid/TennCare programs	<u>(96,741)</u>	<u>1,580</u>
Total benefits for the indigent	<u>74,606</u>	<u>160,980</u>
Benefits for the broader community:		
Uncompensated care—uninsured and underinsured—at cost	58,758	64,312
Unpaid costs of Medicare programs	<u>248,428</u>	<u>275,645</u>
Total benefits for the broader community	<u>307,186</u>	<u>339,957</u>
Total benefits for the indigent and broader community	<u>\$ 381,792</u>	<u>\$ 500,937</u>

This summary of community services costs above does not include impact of assessment programs (see Note 1 for additional disclosures).

Benefits for the indigent include services provided to persons who cannot afford health care because of inadequate resources and/or who are uninsured. This includes the cost of providing traditional charity care and the unpaid costs of treating Medicaid/TennCare beneficiaries. Services provided to traditional charity care patients are not reported as patient revenue in the accompanying combined statements of operations and changes in net assets.

Benefits for the broader community include the cost of services provided for which a fee has been assessed but not collected or only a portion of the cost of the rendered service has been recovered and unpaid costs in excess of government payments for treating Medicare beneficiaries.

BMHCC provides many educational programs and activities, including professional and technical schools, a graduate medical education program, and numerous continuing education programs for doctors, nurses, and other staff. BMHCC also broadly participates in medical research activities.

BMHCC engages in numerous health promotion and other community service activities. It sponsors health fairs and screenings, including inner city health screenings for cancer detection and prevention, diabetes, and high blood pressure. It also works through other community organizations, such as United Way, Goals for Memphis, and charitable foundations, for medical research, such as the American Cancer Society, American Heart Association, and Kidney Foundation, among others.

The value of BMHCC's overall charitable, educational, health promotion, and community services is not readily determinable.

#### 4. NET PATIENT SERVICE REVENUE

The following represents the components of net patient service revenue presented net of implicit and explicit price concessions for the years ended September 30, 2024 and 2023 (in thousands):

	2024	2023
Medicare	\$ 1,796,948	\$ 1,568,181
Medicaid	619,629	458,106
Blue Cross	768,571	714,096
Commercial and managed care	738,384	520,965
Other	<u>250,582</u>	<u>230,572</u>
Total	<u>\$ 4,174,114</u>	<u>\$ 3,491,920</u>

#### 5. BUSINESS AND CREDIT CONCENTRATIONS

BMHCC provides health care services through both inpatient and outpatient care facilities in Tennessee, Mississippi, and Arkansas. The hospitals grant credit to patients, substantially all of whom are local area residents. The hospitals generally do not require collateral or other security in extending credit to patients; however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits from Medicare, Medicaid, Blue Cross, health maintenance organizations, and commercial insurance policies or similar insurance programs or policies.

The mix of accounts receivable, net of implicit and explicit price concessions from patients and third-party payors, as of September 30, 2024 and 2023, is as follows:

	2024	2023
Medicare	17 %	18 %
Medicaid	7	9
Blue Cross	16	18
Other third-party payors	52	44
Patients (self-pay)	<u>8</u>	<u>11</u>
Total	<u>100 %</u>	<u>100 %</u>

#### 6. INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the combined balance sheets.

The composition of investments as of September 30, 2024 and 2023, is as follows (in thousands):

	2024	2023
Cash and cash equivalents	\$ 74,824	\$ 110,504
US government debt obligations	38,385	30,280
Corporate obligations	195,148	134,550
Municipal obligations	59,772	45,748
Common stocks	582,638	392,610
Mutual funds	253,526	185,852
Private equity funds	2,752	3,655
Real estate funds	1,918	1,975
Total	1,208,963	905,174
Less cash	(74,824)	(110,504)
Less short-term investments	(20,016)	(10,142)
Total	<u>\$ 1,114,123</u>	<u>\$ 784,528</u>

The composition of net investment income for the marketable investment portfolio for the years ended September 30, 2024 and 2023, is as follows (in thousands):

	2024	2023
Without donor restrictions:		
Interest and dividend income	\$ 27,986	\$ 27,769
Unrealized gain on equity securities—net	88,145	7,064
Net realized gains on investments	<u>15,158</u>	<u>48,599</u>
Total	<u>\$ 131,289</u>	<u>\$ 83,432</u>
With donor restrictions:		
Interest and dividend income	\$ 2,560	\$ 4,688
Unrealized gain on equity securities—net	29,603	3,705
Net realized gains on investments	<u>6,410</u>	<u>15,161</u>
Total	<u>\$ 38,573</u>	<u>\$ 23,554</u>

There were no significant investments with an allowance for credit losses as of September 30, 2024 and 2023.

**Marketable Equity Securities**—BMHCC believes the stocks owned represent financially sound companies and, over time, will experience growth in earnings and dividends resulting in long-term price appreciation. BMHCC intends to hold the remaining common stocks for a period of time sufficient to experience the recovery of fair value.

## 7. FAIR VALUE MEASUREMENTS

BMHCC's assets and liabilities by asset class and fair value hierarchy level as of September 30, 2024, are presented in the following table (in thousands):

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Total
Assets—investments:					
Cash and cash equivalents	\$ 74,824	\$ -	\$ -	\$ -	\$ 74,824
US government obligations	-	38,385	-	-	38,385
Corporate obligations	-	195,148	-	-	195,148
Municipal obligations	-	59,772	-	-	59,772
Common stocks	582,638	-	-	-	582,638
Mutual funds	253,526	-	-	-	253,526
Private equity funds	-	-	-	2,752	2,752
Real estate funds	-	-	-	1,918	1,918
Total assets—investments	<u>\$ 910,988</u>	<u>\$ 293,305</u>	<u>\$ -</u>	<u>\$ 4,670</u>	<u>\$ 1,208,963</u>
Other assets—interest rate swap	<u>\$ -</u>	<u>\$ (231)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (231)</u>
Liabilities—interest rate swap	<u>\$ -</u>	<u>\$ (8,084)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,084)</u>

BMHCC's assets and liabilities by asset class and fair value hierarchy level as of September 30, 2023, are presented in the following table (in thousands):

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Total
Assets—investments:					
Cash and cash equivalents	\$ 110,504	\$ -	\$ -	\$ -	\$ 110,504
US government obligations	-	30,280	-	-	30,280
Corporate obligations	-	134,550	-	-	134,550
Municipal obligations	-	45,748	-	-	45,748
Common stocks	392,610	-	-	-	392,610
Mutual funds	185,852	-	-	-	185,852
Private equity funds	-	-	-	3,655	3,655
Real estate funds	-	-	-	1,975	1,975
Total assets—investments	<u>\$ 688,966</u>	<u>\$ 210,578</u>	<u>\$ -</u>	<u>\$ 5,630</u>	<u>\$ 905,174</u>
Other assets—interest rate swap	<u>\$ -</u>	<u>\$ (204)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (204)</u>
Liabilities—interest rate swap	<u>\$ -</u>	<u>\$ (4,463)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,463)</u>

Common and preferred stock and mutual funds are valued using quoted prices in principal active markets for identical assets as if the valuation date were used (Level 1).

Certain government and corporate debt securities are valued using either the yields currently available on comparable securities of issuers with similar credit ratings or using a discounted cash flows approach that utilizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks (Level 2). The impact of such unobservable inputs is not significant to the overall fair value measurement.

BMHCC uses fund NAV as a practical expedient to estimate the fair value of all investments that (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists investments in investment companies by major category (in thousands):

Category of Investment	Investment Strategy	Fair Value Determined Using NAV at September 30, 2024	Unfunded Commitments (Approximate)	Remaining Life	Redemption Frequency	Redemptio Notice
Private equity funds <sup>(a)</sup>	Special situations	\$ 342	\$ 542	2 years	N/A	N/A
Private equity funds <sup>(b)</sup>	Fund of funds	2,410	1,215	2 years	N/A	N/A
Real estate funds <sup>(c)</sup>	Diversified	107	820	1 year	Monthly	N/A
Real estate funds <sup>(a)</sup>	Real estate	1,811	3,050	10 years	N/A	N/A

Category of Investment	Investment Strategy	Fair Value Determined Using NAV at September 30, 2023	Unfunded Commitments (Approximate)	Remaining Life	Redemption Frequency	Redemptio Notice
Private equity funds <sup>(a)</sup>	Special situations	\$ 648	\$ 542	2 years	N/A	N/A
Private equity funds <sup>(b)</sup>	Fund of funds	3,007	1,215	2 years	N/A	N/A
Real estate funds <sup>(c)</sup>	Diversified	509	820	1 year	Monthly	N/A
Real estate funds <sup>(a)</sup>	Real estate	1,466	3,550	10 years	N/A	N/A

There is approximately \$4,670,000 across four funds that are undergoing full redemption.

<sup>(a)</sup> Includes investments in funds and private equity companies that invest in assets focused on real estate, energy, healthcare, industrial, financial services or retail/consumer, and other private equity-related investments.

<sup>(b)</sup> Includes investments in global and domestic closed-end private equity funds. These closed-end funds consist of those that are established to take advantage of investment opportunities arising from financial distress via purchase of distressed debt, and to build a diversified portfolio comprised primarily of investments in real estate and real estate-related debt.

<sup>(c)</sup> Includes real estate-related investments primarily consisting of debt instruments secured by real estate or issued by real estate-related entities and similar preferred equity instruments, which may include equity or equity derivatives, such as warrants, options, common stock or convertible debt, special or distressed investments, instruments, assets or liabilities.

The fair value of the interest rate swap agreement is primarily determined using valuation techniques consistent with the market approach. Significant observable inputs to the valuation model include interest rates, US Treasury yields, and credit spreads (Level 2).

The carrying amounts of cash and cash equivalents, accounts receivable, inventory, prepaids, other assets, accounts payable, and accrued expenses approximate fair value based on their short-term nature.



## 8. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, as of September 30, 2024, comprise the following (in thousands):

	2024
Financial assets at year-end:	
Cash and cash equivalent	\$ 201,022
Short-term investments	20,016
Patient receivable—net	<u>633,461</u>
Financial assets available to meet general expenditures within one year	<u>\$ 854,499</u>

BMHCC manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. In addition, cash in excess of daily requirements are invested in short-term investments and money market funds. BMHCC holds \$1,134,139,000 of investments that can be sold to cover operational needs, if required.

## 9. ASSETS WHOSE USE IS LIMITED

These assets whose use is limited are invested as of September 30, 2024 and 2023, in the following (in thousands):

	September 30, 2024			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Baptist Memorial Foundation Scholarships:				
US government obligations	\$ -	\$ 30	\$ -	\$ 30
Corporate obligations	-	187	-	187
Municipal obligations	-	47	-	47
Common stocks	831	-	-	831
Mutual funds	<u>372</u>	<u>-</u>	<u>-</u>	<u>372</u>
Total Baptist Memorial Foundation Scholarships	1,203	264	-	1,467
Real estate property	-	-	672	672
Assets held by trustee for construction project-cash and cash equivalents	35,900	-	-	35,900
Assets held by trustee for higher education requirement—cash and cash equivalents	44,976	-	-	44,976
Assets held by trustee for self-insurance funding—cash and cash equivalents	<u>7,345</u>	<u>-</u>	<u>-</u>	<u>7,345</u>
Total assets whose use is limited	<u>\$ 89,424</u>	<u>\$ 264</u>	<u>\$ 672</u>	<u>\$ 90,360</u>

Description	September 30, 2023			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Baptist Memorial Foundation Scholarships:				
US government obligations	\$ -	\$ 34	\$ -	\$ 34
Corporate obligations	-	137	-	137
Municipal obligations	-	41	-	41
Common stocks	705	-	-	705
Mutual funds	<u>345</u>	<u>-</u>	<u>-</u>	<u>345</u>
Total Baptist Memorial Foundation Scholarships	1,050	212	-	1,262
Real estate property	-	-	672	672
Assets held by trustee for higher education requirement—cash and cash equivalents	42,630	-	-	42,630
Assets held by trustee for self-insurance funding—cash and cash equivalents	<u>1,617</u>	<u>-</u>	<u>-</u>	<u>1,617</u>
Total assets whose use is limited	<u>\$ 45,297</u>	<u>\$ 212</u>	<u>\$ 672</u>	<u>\$ 46,181</u>

## 10. PROPERTY AND EQUIPMENT

The composition of property and equipment as of September 30, 2024 and 2023, is as follows (in thousands):

	Useful Lives	2024	2023
Land and land improvements	3–25 years	\$ 280,070	\$ 272,085
Buildings and improvements	5–47 years	1,741,497	1,650,519
Equipment	2–25 years	1,440,576	1,355,351
Construction in progress		<u>24,760</u>	<u>46,912</u>
Total property and equipment		3,486,903	3,324,867
Less accumulated depreciation		<u>(2,156,111)</u>	<u>(2,033,383)</u>
Property and equipment—net		<u>\$ 1,330,792</u>	<u>\$ 1,291,484</u>

Depreciation expense for the years ended September 30, 2024 and 2023, was \$139,118,000 and \$130,147,000, respectively. BMHCC has property and equipment expenditures totaling \$1,976,000 and \$2,497,000 accrued in accounts payable in the accompanying consolidated balance sheets as of September 30, 2024 and 2023, respectively, and has excluded these amounts in determining cash flows.

## 11. GOODWILL

Information on changes in the carrying value of goodwill, which is included in the accompanying combined balance sheets, as of September 30, 2024 and 2023, is as follows (in thousands):

Balance—September 30, 2022	\$ 10,615
Other	<u>59</u>
Balance—September 30, 2023	10,674
Other	<u>-</u>
Balance—September 30, 2024	<u>\$ 10,674</u>

## 12. OTHER LONG-TERM ASSETS

The composition of other assets as of September 30, 2024 and 2023, is as follows (in thousands):

	2024	2023
Investments in affiliates	\$ 57,380	\$ 49,059
Land held for investment	15,476	14,925
Deferred compensation (Note 18)	7,413	1,122
Notes receivable	1,159	1,199
Interest rate swap receivable	-	43
Cash surrender value of life insurance	792	1,228
Deferred charges and other assets	<u>2,718</u>	<u>2,256</u>
Total	<u>\$ 84,938</u>	<u>\$ 69,832</u>

Included in Investments in affiliates, BMHCC has ownership interests between 20% and 50% in certain joint ventures, which generally are accounted for under the equity method.

### 13. LONG-TERM DEBT

A summary of long-term debt as of September 30, 2024 and 2023, is as follows (in thousands):

	Maturing Through	Coupon Rates	Unpaid Principal	
			2024	2023
System trust indenture debt:				
Fixed rate:				
Series 2024A revenue bonds	2034	5.25 %	\$ 50,000	\$ -
Series 2024A revenue bonds	2039	5.25	99,605	-
Series 2024B revenue bonds	2049	5.00	164,675	-
Series 2022A revenue bonds	2044	5.88	49,975	49,975
Series 2020A1 revenue bonds	2044	5.00	45,970	45,970
Series 2020A2 revenue bonds	2036	3.15	-	45,760
Series 2020B1 revenue bonds	2044	5.00	136,400	136,400
Series 2020B2 revenue bonds	2044	5.00	44,840	44,840
Series 2017A revenue bonds	2047	2.43	-	37,512
Series 2017B revenue bonds	2047	2.43	-	8,856
Series 2016A revenue bonds	2046	5.00	212,030	212,030
Series 2016B revenue bonds	2026	3.72	75,000	75,000
Series 2015A revenue bonds	2024	5.00	-	18,470
Series 2011 special obligation bonds	2036	3-5.75	4,220	4,470
Series 2007A revenue bonds	2029	5.00	-	37,905
Notes payable to banks and others	2023-2027	0.0-4.45	14,427	15,155
Total fixed rate			897,142	732,343
Variable rate:				
Series 2015B4 revenue bonds	2044	4.59	50,000	50,000
Series 2009 Taxable Commercial Paper	2024	-	-	25,726
Unpaid principal-system trust indenture			947,142	808,069
Unamortized premium—net			67,724	45,534
Unamortized debt issuance costs			(7,038)	(5,108)
System trust indenture debt—including premium and discounts—net			1,007,828	848,495
Other long-term debt—notes payable to banks and others	2036		3,251	899
Total debt			1,011,079	849,394
Less current portion			(6,415)	(54,417)
Long-term debt			\$ 1,004,664	\$ 794,977

Included in the foregoing table are notes and bonds with a principal balance outstanding as of September 30, 2024 and 2023, of approximately \$947,142,000 and \$808,069,000, respectively, that are part of a system trust indenture dated as of September 1, 2004, with US Bank, as trustee, as amended and supplemented thereto, as of August 15, 2017 (System Trust Indenture). The System Trust Indenture permits BMHCC and certain hospitals and affiliated corporations (the "Obligated Group") to finance certain activities. All members of the Obligated Group are jointly and severally liable for obligations due under the System Trust Indenture.

Obligations under the System Trust Indenture are secured by pledge of the gross revenue of each member of the Obligated Group. The System Trust Indenture includes certain covenants and restrictions with which the Obligated Group must comply.

In June 2024, BMHCC issued Series 2024A and Series 2024B revenue bonds totaling approximately \$314,280,000. The bonds were issued with a premium of \$26,393,000. Proceeds totaling \$337,938,000 were used to pay down Series 2020A-2, Series 2017A, Series 2007A revenue bonds, retire Commercial Paper, fund capital improvements and \$2,735,000 were used to pay certain expenses incurred in connection with the issuance of the bonds.

In 2009, BMHCC established a \$150,000,000 commercial paper program ("Commercial Paper"). The Commercial Paper is available to be drawn for any corporate purpose. Each note issued from the Commercial Paper will mature on a business day not later than 270 days after the date of issuance of such note. Interest on a note is payable at maturity and the notes are not subject to redemption prior to their maturity date. The notes are general obligations of BMHCC and treated as short-term debt for accounting purposes. In June 2024, a portion of the proceeds from the issuance of the bonds were used to retire Commercial paper. There were no outstanding balance under this program for the year ended September 30, 2024. The outstanding balance under this program was \$25,726,000 for the year ended September 30, 2023.

The scheduled maturities of long-term debt subsequent to September 30, 2024, are as follows (in thousands):

<b>Years Ending September 30</b>	<b>Long-Term Debt</b>
2025	\$ 6,415
2026	85,474
2027	10,586
2028	12,238
2029	12,642
Thereafter	<u>823,038</u>
Total	950,393
Plus net unamortized premium on bonds	67,724
Less deferred debt issuance costs	<u>(7,038)</u>
Total	<u>\$ 1,011,079</u>

#### 14. LEASES

BMHCC enters into operating leases for real estate, including medical office buildings, corporate and other administrative offices, medical equipment and vehicle. BMHCC's finance leases consist primarily of administrative offices and medical equipment. ROU assets obtained in exchange for new operating lease liabilities during the years ended were \$54,912,000 and \$51,275,000 for the years ended September 30, 2024 and 2023, respectively. ROU assets and related liability terminated during the years ended were \$27,282,000 and \$4,145,000 for the years ended September 30, 2024 and 2023, respectively.

The following table provides summary of the components of lease costs for the years ended September 30, 2024 and 2023 (in thousands):

	<b>Classification in Combined Statements of Operations and Changes in Net Assets</b>	<b>2024</b>	<b>2023</b>
Operating lease costs:			
Operating lease cost		\$43,615	\$41,300
Variable lease cost		12,231	10,665
Short-term rent expense		<u>9,044</u>	<u>5,839</u>
Total operating lease costs	Purchased services and other	<u>\$64,890</u>	<u>\$57,804</u>
Finance lease costs:			
Amortization of right-of-use assets	Depreciation and amortization	\$ 6,524	\$ 5,242
Interest on lease liabilities	Interest	<u>544</u>	<u>443</u>
Total finance lease costs		<u>\$ 7,068</u>	<u>\$ 5,685</u>

The following table provides the weighted-average lease terms and discount rates used for BMHCC's operating and finance leases for the years ended September 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Weighted-average remaining lease term (years):		
Operating leases	3.4	7.2
Finance leases	3.7	2.7
Weighted-average discount rate:		
Operating leases	3.8 %	3.2 %
Finance leases	3.9	3.2

The following table provides supplemental cash flow information related to leases for the years ended September 30, 2024 and 2023 (in thousands):

	2024	2023
Cash paid for amounts in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 33,835	\$ 39,468
Operating cash flows from finance leases	534	413
Financing cash flows from finance leases	5,550	5,011

The following table provides a summary of lease liability maturities for the next five years and thereafter as of September 30, 2024 (in thousands):

Years Ending September 30	Operating Leases	Finance Leases
2025	\$ 38,617	\$ 6,982
2026	31,667	5,489
2027	27,213	3,806
2028	21,102	1,600
2029	17,348	385
Thereafter	<u>66,514</u>	<u>1,000</u>
Total lease payments	202,461	19,262
Less imputed interest	<u>27,807</u>	<u>1,042</u>
Total lease obligations	174,654	18,220
Less current portion	<u>32,704</u>	<u>6,439</u>
Total long-term lease obligations	<u>\$ 141,950</u>	<u>\$ 11,781</u>

Certain affiliate hospitals are obligated to their respective counties under finance leases. The initial lease terms range from 30 to 35 years. On May 1, 2024, BMHCC amended its agreement with Union County, Mississippi to lease and operate the Union County General Hospital for a maximum additional term of fifteen years. It was determined that there exists a continuing need for adequate medical and nursing care for the inhabitants of Union County and surrounding areas and that financial and operational conditions set forth from the initial agreement were satisfied in full.

#### 15. DERIVATIVE FINANCIAL INSTRUMENTS

BMHCC has executed derivative financial instruments in the normal course of its business. As a component of the debt portfolio, BMHCC entered into interest rate swap and total return swap agreements that effectively convert certain fixed-rate debt to variable rates and variable-rate debt to fixed rates. BMHCC's derivatives are not designated as hedging instruments for the years ended September 30, 2024 and 2023.

The following table summarizes the general terms for each of BMHCC's interest rate and total return swap agreements as of September 30, 2024 (in thousands):

Effective Date	Notional Amount	BMHCC Pays	BMHCC Receives	Expiration Date
May 15, 2022	\$ 80,000	3.602 %	67% of one-month SOFR	August 15, 2036
July 1, 2022	49,975	SIFMA, plus 0.89 %	5.88 %	July 1, 2029

In relation to repayment of Series 2007A revenue bonds completed in June 2024, total return swap agreements with effective date of August 16, 2017 were terminated. Accordingly, no gain or loss was recognized in the combined statements of operations and changes in net assets.

The following table summarizes BMHCC's derivatives as of September 30, 2024 and 2023 (in thousands):

Effective Date	2024		2023	
	Fair Value	Gain (Loss)	Fair Value	Gain (Loss)
August 16, 2017	\$ -	\$ (16)	\$ 16	\$ (97)
August 16, 2017	-	(15)	26	(168)
May 15, 2022	(8,084)	(3,621)	(4,463)	4,053
July 1, 2022	<u>(231)</u>	<u>15</u>	<u>(246)</u>	<u>(376)</u>
Total	<u>\$ (8,315)</u>	<u>\$ (3,637)</u>	<u>\$ (4,667)</u>	<u>\$ 3,412</u>

The fair value of BMHCC's interest rate and total return swaps is recorded in other assets in the combined balance sheet. The fair value of interest rate swap liabilities is recorded in other liabilities in the combined balance sheet. The gain (loss) on the interest rate swap effective May 15, 2022 is included in interest expense in the combined statements of operations and changes in net assets. The gain (loss) on the other total return swaps are included in nonoperating gain/(loss) in the combined statements of operations and changes in net assets.

The aggregate fair value of all derivative instruments with credit-risk-related contingent features that are in a liability position was approximately \$8,084,000 and \$4,463,000 as of September 30, 2024 and 2023, respectively. Under certain circumstances, the swaps are subject to termination prior to the scheduled termination date or BMHCC may be required to post collateral to secure obligations that would be owed to the counterparty under such transaction if terminated, regardless of whether such transaction is actually terminated. BMHCC has complied with these provisions as required. BMHCC was not required to post collateral to secure the obligation for the years ended September 30, 2024 and 2023. BMHCC does not anticipate nonperformance by its counterparties.



## 16. ACCRUED EXPENSES AND OTHER

The composition of accrued expenses and other as of September 30, 2024 and 2023, is as follows (in thousands):

	2024	2023
Compensation and benefits	\$ 163,873	\$ 141,713
Health claims incurred but not reported	15,760	9,660
Other	109,357	93,359
Other current liabilities	20,819	16,973
Current portion of postretirement health care benefits	<u>1,781</u>	<u>1,953</u>
Total	<u>\$ 311,590</u>	<u>\$ 263,658</u>

## 17. OTHER LONG-TERM LIABILITIES

The composition of other long-term liabilities as of September 30, 2024 and 2023, is as follows (in thousands):

	2024	2023
Reserve for self-insurance	\$ 129,293	\$ 108,968
Postretirement benefit obligations and supplemental retirement benefits	22,991	19,483
Interest rate swap liability	8,316	4,709
Noncontrolling interests	11,522	11,197
Liabilities under deferred compensation agreements	7,413	557
Asset retirement obligation	2,771	1,647
Other	<u>23,202</u>	<u>24,710</u>
Total	<u>\$ 205,508</u>	<u>\$ 171,271</u>

## 18. EMPLOYEE RETIREMENT PLANS

**Defined Contribution Plan**—Certain BMHCC entities sponsor a Section 403(b) defined contribution employee benefit plan administered through Guidestone Financial Resources of the Southern Baptist Convention. For those entities, employees who are at least 21 years of age and have completed 1,000 hours of service during a 12-month period are eligible to participate. Participants may make matched tax-deferred contributions of 2% to 5% of eligible earnings, as defined. These contributions are then matched on a graduated scale based on years of service from 50% of eligible contributions up to 150% of eligible contributions by BMHCC, up to 5% of the participants' annual base salaries. Participants may also make unmatched tax-deferred contributions up to applicable Internal Revenue Service limitations. Participants vest in BMHCC's matching contributions 20% after two years of service, with subsequent annual increases of 20% to 100% after six years of service. During 2024 and 2023, BMHCC's matching contribution approximated \$43,042,000 and \$41,210,000, respectively, and was recorded in salaries and benefits within the combined statements of operations and changes in net assets.

The BMHCC retirement program offers participants access to diversified investment lineups that typically include options such as a stable value/guaranteed account, bond, equity, and asset allocation funds. The BMHCC retirement plan utilizes institutional share classes in the retirement plans unless

participants can receive access to a lower net cost by utilizing an alternative share class. If an investment share class is used that provides revenue sharing, BMHCC will have the record keeper credit all revenue sharing back to participants.

**Deferred Compensation**—Certain BMHCC entities and employees have entered into a deferred compensation agreement whereby employees may defer all or a portion of their compensation, up to the Internal Revenue Service statutory limits. BMHCC, directed by the employee, invests the deferred compensation amounts in various types of investments. These investments are reported at fair value as other assets in the accompanying combined balance sheets. Also, BMHCC may make discretionary contributions to the accounts under the plan described in the preceding paragraph. No significant amounts were expensed for the years ended September 30, 2024 and 2023.

**Postretirement Health Care Benefits**—BMHCC provides medical and dental benefits to certain retirees of BMHCC. Employees are generally eligible for postretirement benefits upon retirement and completion of a specified number of years of credited service. Participation in this plan is currently frozen to those employees having met these requirements in prior years. The plan is contributory, with retiree payments based on the year of retirement, age at retirement, and years of employment. BMHCC does not prefund these benefits and has the right to modify or terminate the plan in the future.

Net periodic postretirement benefit cost for the years ended September 30, 2024 and 2023, includes the following components (in thousands):

	2024	2023
Service cost	\$ 291	\$ 368
Interest cost on accumulated postretirement benefit obligation	1,066	1,194
Net amortizations	-	-
Recognized actuarial loss	(363)	-
Total	<u>\$ 994</u>	<u>\$ 1,562</u>

The change in benefit obligation and reconciliation of funded status as of September 30, 2024 and 2023, is as follows (in thousands):

	2024	2023
Benefit obligation—beginning of year	\$ 20,208	\$ 24,303
Service cost	291	369
Interest cost	1,066	1,194
Plan participants' contributions	1,308	1,307
Actuarial gain	(273)	(3,373)
Benefits paid	(3,395)	(3,962)
Retiree drug subsidy reimbursement	148	370
Benefit obligation—end of year	19,353	20,208
Plan assets	-	-
Funded status	<u>\$ (19,353)</u>	<u>\$ (20,208)</u>

Amounts recognized in the combined balance sheets as of September 30, 2024 and 2023, consist of the following (in thousands):

	2024	2023
Current liabilities	\$ 1,781	\$ 1,953
Noncurrent liabilities	17,572	18,255

Amounts recognized as changes in unrestricted net assets arising from a postretirement benefit plan, but not yet included in net periodic benefit cost as of September 30, 2024 and 2023, consist of the following (in thousands):

	2024	2023
Net gain	\$ (3,913)	\$ (4,002)
Prior service cost	-	-
Total	<u>\$ (3,913)</u>	<u>\$ (4,002)</u>

**Other Changes in Plan Assets and Benefits**—Obligations recognized in unrestricted net assets as of September 30, 2024 and 2023, are as follows (in thousands):

	2024	2023
Net gain	\$ (274)	\$ (3,373)
Recognized actuarial (gain)/loss	363	-
Amortization of prior service cost	-	-
Total recognized in unrestricted net assets	<u>\$ 89</u>	<u>\$ (3,373)</u>
Total recognized in net periodic cost (benefit) and unrestricted net assets	<u>\$ 1,083</u>	<u>\$ (1,811)</u>

The estimated prior-service cost for the postretirement benefit plan that will be amortized from accumulated unrestricted net assets into net periodic benefit cost over the next fiscal year is not material to the combined financial statements.

Benefit payments, net of plan participants' contributions, are expected to be paid as of September 30, 2024, are as follows (in thousands):

**Years Ending  
September 30**

2025	\$ 1,781
2026	1,844
2027	1,921
2028	1,951
2029	1,910
2030–2034	8,545

Weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30, 2024 and 2023, consist of the following:

	2024	2023
Discount rate	<u>5.54 %</u>	<u>5.16 %</u>

Weighted-average assumptions used to determine benefit obligations as of September 30, 2024 and 2023, consist of the following:

	2024	2023
Discount rate	<u>4.62 %</u>	<u>5.54 %</u>

Assumed health care cost trend rates as of September 30, 2024 and 2023, consist of the following:

	2024	2023
Post-65 health care cost trend rate assumed for next year	7.50 %	6.60 %
Rate to which the cost trend rate is assumed to (the ultimate trend rate)	4.50	4.50
Year that the rate reaches the ultimate trend rate	2035	2034

BMHCC expects to contribute approximately \$1,781,000 to its postretirement benefit plan in 2024.

In 2006, eligible retirees of BMHCC had available to them the Medicare Part D prescription drug plan. BMHCC has chosen to continue to offer comparable prescription drug coverage, which the organization believes to be actuarially equivalent to the Medicare Part D coverage and, as a result, receives a direct subsidy of 28% of eligible plan expenses from the federal government.

#### 19. ENDOWMENT FUNDS—WITH DONOR RESTRICTION

BMHCC's endowment consists of approximately 158 individual funds established for a variety of purposes. Its endowment includes only donor-restricted endowment funds. There are no board-designated endowment funds.

Net assets associated with endowment funds, including funds designated by BMHCC's board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. All permanently restricted net assets as of September 30, 2024 and 2023, are donor-restricted endowments.

Changes in endowment funds, for the years ended September 30, 2024 and 2023, consisted of the following (in thousands):

	2024	2023
Endowment net assets—beginning of year	\$ 91,410	\$ 80,340
Contributions and bequests	365	636
Transfers	374	48
Interest and dividends	41	37
Net realized and unrealized gain	<u>18,385</u>	<u>10,349</u>
Endowment net assets—end of year	<u>\$ 110,575</u>	<u>\$ 91,410</u>

## 20. COMMITMENTS AND CONTINGENCIES

On October 1, 2016, BMHCC entered into a lease agreement with Calhoun County, Mississippi, to lease a hospital and nursing home located in Calhoun City, Mississippi. The leased assets will be used for the business of a critical access hospital and a nursing home and other health-related activities ancillary to the operation of those businesses. The initial lease term commenced on October 1, 2016, and will continue for 30 consecutive years, expiring on September 30, 2046 ("Primary Term"); however, BMHCC shall have the option to extend the lease for two consecutive 10-year terms. BMHCC has the right to terminate the lease if certain negative operating or financial conditions occur and a mutually acceptable modification cannot be made with the lessor. In lieu of rent for the leased assets, BMHCC shall make capital improvements to the hospital and nursing home totaling \$30,000,000 over the course of the Primary Term.

**Liabilities for Self-Insurance**—The entities comprising BMHCC participate in a pooled risk program managed by the Corporation. Premiums are assessed by the Corporation to BMHCC entities based on their claims history and other factors. Except as provided below, BMHCC is self-insured for general and professional liability, employee health and workers' compensation risks.

**Professional and General Liability**—BMHCC accrues an estimated liability for its uninsured exposure and self-insured retention based on historical loss patterns and actuarial projections.

**Physician Professional Liability**—Effective June 1, 2019, BMHCC elected to self-insure its Physician Professional Liability exposure which was previously insured by State Volunteer Mutual Insurance Company (SVMIC). BMHCC is responsible for claims reported after June 1, 2019, and would also include incidents occurring prior to June 1, 2019, incurred but not reported (IBNR), or tail coverage. SVMIC will remain responsible for claims reported prior to June 1, 2019.

BMHCC also has approximately 120 physicians, all located in the state of Mississippi, who purchase first dollar professional liability insurance from Mutual Assurance Company of Mississippi.

BMHCC also has approximately 48 physicians associated with the Stern Cardiology group, who purchase first dollar professional liability insurance from State Volunteer Mutual Insurance.

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**Employee Health**—BMHCC offers subsidized health insurance to its employees through a self-insured plan.

**Workers' Compensation**—BMHCC is self-insured for workers compensation liability for the states of Arkansas, Mississippi and Tennessee and purchases excess coverage to meet the statutory limit for each state.

**Employers Practices Liability**—BMHCC purchases employers practices liability (EPL), in conjunction with the directors and officers liability policy.

**Physician Commitments**—BMHCC has committed to provide certain financial assistance pursuant to recruiting agreements with various physicians practicing in the communities it serves. In consideration for a physician relocating to one of its communities and agreeing to engage in private practice for the benefit of the respective community, BMHCC may provide loans to those physicians, normally over a period of one year, to assist in the establishment of the physician's practice. The actual amount of such commitments to be advanced to physicians often depends upon the financial results of a physician's private practice during the term of the agreement. The maximum potential amount of future payments under these commitments were approximately \$1,466,000 and \$700,000 as of September 30, 2024 and

2023, respectively. A portion of such payments is recoverable by BMHCC from physicians who do not fulfill their commitment period, which varies by contract, to the respective community.

**Other Industry Risks**—The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters, such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for amounts previously received for patient services. BMHCC believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material impact on its combined financial position or results of operations. Compliance with these and other laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

## 21. FUNCTIONAL EXPENSES

BMHCC provides both inpatient and outpatient services, as well as surgery centers, physician practices, and other ancillary businesses. The cost of providing these services and supporting activities has been summarized on a functional basis in the table below. As summarized below, the expenses are directly attributable to a specific activity and only general and administrative expenses are allocated based on the time and effort spent in supporting the operations.

Expense Category	Method of Allocation
Nonphysician salaries and wages	Actual salaries and wages
Physician salaries and wages	Actual salaries and wages
Employee benefits	Actual cost of benefits
Supplies and drugs	Actual supplies and drugs
Purchased services and other	Actual purchased services and other
Professional fees	Actual professional fees
Depreciation and amortization	Actual depreciation and amortization
Interest	Actual interest
Gain (loss) on sale of assets	Actual gain loss on sale of assets

The functional expenses related to BMHCC's operations as of September 30, 2024 and 2023, are as follows (in thousands):

	For the Year Ended September 30, 2024						
	Health Care Services			Support Services			Total
	Hospital	Physician	Research	Administrative	Student Instruction	Fund-Raising	
Nonphysician salaries and wages	\$ 640,289	\$197,603	\$2,847	\$ 637,753	\$13,376	\$1,512	\$1,493,380
Physician salaries and wages	35,976	188,091	3	71,005	-	-	295,075
Employee benefits	142,490	61,113	669	140,379	2,668	357	347,676
Supplies and drugs	636,652	52,928	45	414,723	1,788	84	1,106,220
Purchased services and other	296,223	53,215	87	350,758	2,063	2,496	704,842
Professional fees	144,690	(24,363)	189	123,168	132	1,388	245,204
Depreciation and amortization	67,977	6,756	71	70,420	1,054	1	146,279
Interest	17,098	130	-	15,413	-	127	32,768
Gain (loss) on sale of assets	359	(566)	-	47	-	-	(160)
Total	<u>\$1,981,754</u>	<u>\$534,907</u>	<u>\$3,911</u>	<u>\$1,823,666</u>	<u>\$21,081</u>	<u>\$5,965</u>	<u>\$4,371,284</u>

For the Year Ended September 30, 2023							
	Health Care Services			Support Services			Total
	Hospital	Physician	Research	Administrative	Student Instruction	Fund-Raising	
Nonphysician salaries and wages	\$ 572,327	\$183,523	\$3,084	\$ 612,092	\$ 9,669	\$1,492	\$1,382,187
Physician salaries and wages	26,806	180,783	17	67,330	-	-	274,936
Employee benefits	117,167	56,275	671	132,182	2,071	333	308,699
Supplies and drugs	473,482	97,065	53	356,245	1,160	80	928,085
Purchased services and other	197,487	49,437	(118)	244,750	2,400	3,944	497,900
Professional fees	122,207	(27,505)	61	119,563	140	1,137	215,603
Depreciation and amortization	61,517	5,770	65	67,668	613	1	135,634
Interest	20,590	134	-	14,734	-	146	35,604
Gain (loss) on sale of assets	14	(53)	-	(131)	-	-	(170)
Total	<u>\$1,591,597</u>	<u>\$545,429</u>	<u>\$3,833</u>	<u>\$1,614,433</u>	<u>\$16,053</u>	<u>\$7,133</u>	<u>\$3,778,478</u>

## 22. SUBSEQUENT EVENTS

Management has evaluated events and transactions that have occurred through December 17, 2024 which is the date that the combined financial statements were issued for possible recognition or disclosure in the combined financial statements and concluded that other than the subsequent events noted above, no other subsequent events have occurred that would require recognition or disclosure in its combined financial statements other than the one disclosed above.

\* \* \* \* \*

## **CHRISTIAN ACTION COMMISSION, INC.**

**Kenny Digby, Executive Director-Treasurer**

**Rebekah Peavy, Executive Assistant**

Thank you for the privilege of serving as the executive director-treasurer of the Christian Action Commission for the churches of the Mississippi Baptist Convention. I am so blessed to work for you and with you – across the street and across the state.

It is my joy to work with my executive assistant, Rebekah Peavy. Her conscientious activity in the office allows me the freedom to serve our churches and our ministers. The Christian Action Commission is a board of 15 men and women from across our state. They meet with us three times a year and give us guidance and prayerful support. Working as a team with the rest of the Baptist building and Dr. Shawn Parker is a blessing every day.

Our priority is dealing with legislation that has an ethical, moral, or social impact. We remind your elected officials that there is a Bible world view that legislation should reflect. We welcome the opportunity to work with our churches and ministers to understand and appropriate this Bible world view.

We invite your teenagers to attend our Christian Leadership Institute at Blue Mountain Christian University, Monday, June 22, through Friday, June 26, 2026. The CLI is a unique opportunity for young people to hear from folks at the forefront of ministry, government, and civil service, while developing their own leadership skills.

We look forward to the fourth iteration of our Christian Action Lecture Series at Blue Mountain Christian University in the spring of 2026. This past March we were honored to have Dr. Jeff Iorg, president of the Executive Committee of the Southern Baptist Convention, join us to examine the questions: “What is a biblical worldview?” and “Why is it important to us today?”

For more than 10 years now, the Christian Action Commission has had the privilege and responsibility of managing grant dollars from the Memorial to the Missing. The interest from this endowment is awarded to prolife ministries across our state. Over \$235,000 has been awarded to promote life across the state of Mississippi – the state, we are proud to say, from which the Dobbs decision originated, helping to overthrow the horrible judgement of Roe v.



Wade. You, our Mississippi Baptist Churches, support our CPCs well in their day-to-day operations. Your fund, the Memorial to the Missing, is a source for them to turn to when unbudgeted costs arise – repair bills, equipment replacement costs, specialized training, and more. Would you reach out to your local CPC and invite them to apply for a grant from the Memorial to the Missing? While we do our best to get the word out about available funds, there is nothing like a local church member reaching out to remind their CPC staff of the special help available from Mississippi Baptists when needed.

We work out of the Baptist building, not in the Baptist building. There is a visible reminder on every director's desk in the Baptist building that prompts us: "What have you done today for a local church?" My middle name is still "Available." I would love to come preach, teach, or speak to any group in your church or association.

Committed to Christian Action,

Kenny Digby

**MISSISSIPPI BAPTIST CHRISTIAN ACTION COMMISSION, INC.  
OF THE MISSISSIPPI BAPTIST CONVENTION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**BARLOW & COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS  
BRANDON, MISSISSIPPI**

**MISSISSIPPI BAPTIST CHRISTIAN ACTION COMMISSION, INC.  
OF THE MISSISSPPI BAPTIST CONVENTION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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### INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Jackson, MS

#### Opinion

We have audited the accompanying financial statements of the Mississippi Baptist Christian Action Commission, Inc. of the Mississippi Baptist Convention (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mississippi Baptist Christian Action Commission, Inc. of the Mississippi Baptist Convention as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

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

#### Responsibilities of Management for the Financial Statements

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

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



The CPA. Never Underestimate The Value.<sup>®</sup>

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

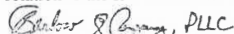
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Mississippi Baptist Christian Action Commission, Inc. of the Mississippi Baptist Convention'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mississippi Baptist Christian Action Commission, Inc. of the Mississippi Baptist Convention'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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Comparative Schedule of Actual Revenues and Expenses with Budgeted Revenues and Expenses on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
Brandon, Mississippi  
August 12, 2025

Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Statement of Financial Position  
December 31, 2024

CURRENT ASSETS	
Due from the MS Baptist Convention Board	\$ 54,784
Prepaid insurance	<u>3,875</u>
TOTAL CURRENT ASSETS	<u>58,659</u>
INVESTMENTS	763,240
EQUIPMENT, NET	<u>1,438</u>
TOTAL ASSETS	<u><u>823,337</u></u>
NET ASSETS	
Net assets without donor restrictions	406,516
Net assets with donor restrictions	<u>416,821</u>
TOTAL NET ASSETS	<u><u>\$ 823,337</u></u>

See accompanying notes to financial statements

Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Statement of Activities  
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Cooperative program receipts	\$ 320,162	\$ -	\$ 320,162
Contributions	18,369	2,500	20,869
Christian Leadership Institute receipts	6,250	-	6,250
Interest and dividends	15,016	15,016	30,032
Net investment income	13,712	20,698	34,410
Miscellaneous receipts	1,495	-	1,495
Net assets releases from restrictions	(29,984)	29,984	-
TOTAL SUPPORT AND REVENUE	<u>345,020</u>	<u>68,198</u>	<u>413,218</u>
EXPENSES			
Program	316,194	-	316,194
Management and general	61,450	-	61,450
TOTAL EXPENSES	<u>377,644</u>	<u>-</u>	<u>377,644</u>
CHANGE IN NET ASSETS	<u>(32,624)</u>	<u>68,198</u>	<u>35,574</u>
Net Assets, Beginning of Year	<u>439,140</u>	<u>348,623</u>	<u>787,763</u>
Net Assets, End of Year	<u>\$ 406,516</u>	<u>\$ 416,821</u>	<u>\$ 823,337</u>

See accompanying notes to financial statements

Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Statement of Functional Expenses  
For the Year Ended December 31, 2024

	Program	Support Services		
		Management & General	Fundraising	Total
Full time salaries	\$ 122,201	\$ 30,550	\$ -	\$ 152,751
Payroll taxes	2,488	622	-	3,110
Annuity	14,999	3,750	-	18,749
Medical insurance	37,104	9,276	-	46,380
	<u>176,792</u>	<u>44,198</u>	<u>-</u>	<u>220,990</u>
Audit	-	7,531	-	7,531
Basic department operation	5,197	-	-	5,197
Christian Leadership Institute - travel and supplies	28,799	-	-	28,799
Commissions meetings - travel and supplies	6,239	-	-	6,239
Depreciation	445	111	-	556
Ethical/social issues - travel and supplies	26,696	-	-	26,696
Insurance	3,114	779	-	3,893
Legislative prayer breakfast - travel and supplies	1,978	-	-	1,978
Memorial to the Missing	13,146	-	-	13,146
Research	300	-	-	300
Reserve disbursements	14,394	-	-	14,394
SBC program - travel and supplies	3,664	-	-	3,664
Space allocation	29,190	7,298	-	36,488
Statewide programs - travel and supplies	105	-	-	105
Support services	375	94	-	469
Telephone services	2,352	588	-	2,940
Web support	3,408	852	-	4,260
	<u>139,402</u>	<u>17,252</u>	<u>-</u>	<u>156,654</u>
	<u>\$ 316,194</u>	<u>\$ 61,450</u>	<u>\$ -</u>	<u>\$ 377,644</u>

See accompanying notes to financial statements



Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Statement of Cash Flows  
For the Year Ended December 31, 2024

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 35,574
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	556
Realized and unrealized (gain) loss on investments	(34,410)
Change in:	
Due from MS Baptist Convention	4,787
Net cash provided (used) by operating activities	<u>6,507</u>
<b>Funds provided (used) by investing activities:</b>	
Purchase of investments	(37,320)
Proceeds from sale of investments	<u>30,813</u>
Net cash provided (used) by investing activities	<u>(6,507)</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements

Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Notes to the Financial Statement  
December 31, 2024

**Note 1 - Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

Mississippi Baptist Christian Action Commission, Inc. ("the Commission") is a nonprofit organization and is a division of the Mississippi Baptist Convention Board (MSBCB). The Commission was established to emphasize the biblical teaching that related to various areas of work including: alcohol and drugs, church-state relations, Christian citizenship, Christian home life, pornography, human relations, and other moral and social problems. The Commission provides aids, materials and services to assist the churches to be informed of facts, trends and conditions related to the areas of work assigned to them. When feasible, the Commission shall work with existing Convention agencies, institutions and departments of Baptist work. The Commission is supported primarily by the Mississippi Baptist Convention Board. Support is determined annually approved by the board members at the convention.

***Basis of Accounting***

The Commission prepares its financial statements on the accrual basis of accounting.

***Use of Estimates***

The Commission prepares its financial statements in accordance with accounting principles generally accepted in the United States, which require that management make estimates and assumptions that affect the reported amounts. Actual amounts could differ from those results. In the opinion of management, such differences would not be significant.

***Financial Statement Presentation***

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Commission to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Commission's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Commission or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the Commission considers all investments with an original maturity of three months or less to be cash equivalents.

***Investments***

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the combined statement of financial position. Unrealized gain or loss on investments is reflected in the statement of activities. The valuations of the Commission's investments according to the fair value hierarchy are all Level 2.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Notes to the Financial Statement  
December 31, 2024

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Commission has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

***Equipment***

All equipment is reported at cost, if purchased, or fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful life of the assets, primarily five years.

***Income Taxes***

The Commission is exempt from federal income taxes, under a group exemption granted to the MSBCB, which is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal and State income taxes pursuant to Section 501(a) of the Code. MSBCB is not classified as a private foundation for income tax purposes.

***Contributions***

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purposed restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

***Functional Allocation of Expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Note 2 - Equipment**

Equipment at December 31, 2024 is summarized below:

	<u>2024</u>
Equipment	\$ 4,621
Less Accumulated Depreciation	<u>(3,183)</u>
Total	<u>\$ 1,438</u>

Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Notes to the Financial Statement  
December 31, 2024

**Note 3 - Investments**

Investments in marketable securities are recorded at fair value using level 2 fair value measurement methodology. Investments are maintained in several accounts managed by the Mississippi Baptist Foundation.

The cost and fair value of the Commission's investments are summarized as follows:

	2024		
	Cost	Fair Value - Level 2	Unrealized Gain (Loss)
Memorial to the Missing			
Cash and cash equivalents	\$ 7,720	\$ 7,720	\$ -
Common trust funds	316,758	335,942	19,184
	<u>324,478</u>	<u>343,662</u>	<u>19,184</u>
Austin Lee Digby Memorial			
Cash and cash equivalents	5,119	5,119	-
Common trust funds	44,198	49,825	5,627
	<u>49,317</u>	<u>54,944</u>	<u>5,627</u>
Reserve Fund			
Cash and cash equivalents	106,302	106,302	-
Common trust funds	233,668	240,116	6,448
	<u>339,970</u>	<u>346,418</u>	<u>6,448</u>
Christian Action Lecture			
Cash and cash equivalents	1,044	1,044	-
Common trust funds	14,909	17,173	2,264
	<u>15,953</u>	<u>18,217</u>	<u>2,264</u>
Total	<u>\$ 729,718</u>	<u>\$ 763,241</u>	<u>\$ 33,523</u>

Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Notes to the Financial Statement  
December 31, 2024

**Note 4 - Retirement Plan Contributions**

The Commission and its employees participate in a retirement plan administered by the Southern Baptist Annuity Board. An employee is eligible to join immediately upon employment and receives a 10% employer contribution. However, after 3 years of service, the employee can receive up to a maximum of 5% match in addition to the employer contribution. During the year ended December 31, 2024, the Commission's contributions to the plan totaled \$18,748.

**Note 5 - Liquidity**

The following reflects the Commission's financial assets as of December 31, 2024 reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions.

	<u>2024</u>
Financial assets available:	
Due from MBCB	\$ 54,784
Investments	<u>763,240</u>
	<u>818,024</u>
Less those unavailable for general expenditures within one year:	
Financial assets with donor restrictions	<u>(416,821)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 401,203</u>

The Commission does maintain an operating reserve account to cover the average monthly operating costs, excluding depreciation and other noncash expenses. However, the average monthly costs were approximately \$31,000 for the year ended December 31, 2024. The Commission had fifteen months of financial assets available to meet its average monthly operating costs for the year ended December 31, 2024.

Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Notes to the Financial Statement  
December 31, 2024

**Note 6 - Net Assets with Donor Restrictions**

The net assets with donor restrictions of the Commission are contributions with donor-imposed stipulations. These stipulations are removed when the Commission expends the funds for the purposes specified or returns the money to the donor. The restrictions consist of the following:

	<u>2024</u>
Memorial to the Missing	\$ 343,661
Austin Lee Digby Memorial	54,943
Christian Action Lecture	<u>18,217</u>
	<u>\$ 416,821</u>

**Note 7 - Related Party Transactions**

The Commission functions under the Mississippi Baptist Convention Board. MSBCB handles the Commission's receipts and disbursements in its business office. The MBCB allocates a cost for use of office space and other resources. The allocation of cost for office space for 2024 amounted to \$36,488.

**Note 8 - Subsequent Events**

In accordance with FASB Accounting Standards Codification Topic 855, Subsequent Events, the Commission has evaluated subsequent events through August 12, 2025, which is the date the financial statements were available to be issued. No subsequent events requiring accrual or disclosure were noted.

Mississippi Baptist Christian Action Commission, Inc.  
of the Mississippi Baptist Convention  
Comparative Schedule of Actual Revenues  
and Expenses with Budgeted Revenues and Expenses  
For the Year Ended December 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>			
Cooperative program receipts	\$ -	\$ 320,162	\$ 320,162
Contributions	-	18,369	18,369
Christian Leadership Institute receipts	-	6,250	6,250
Interest and dividends	-	30,033	30,033
Net investment income	-	34,410	34,410
Miscellaneous receipts	-	2,500	2,500
	<u>-</u>	<u>411,724</u>	<u>411,724</u>
<b>EXPENSES</b>			
Basic department operation	10,530	5,197	5,333
Ethical/social issues	18,086	26,696	(8,610)
SBC program	2,040	3,664	(1,624)
State-wide programs	1,326	105	1,221
Affiliate programs	1,530	-	1,530
Research	510	300	210
Support services	1,284	469	815
Church support materials	1,020	-	1,020
Legislative prayer breakfast	2,130	1,978	152
Christian Leadership Institute	1,530	1,523	7
CAC area banquets	1,020	-	1,020
Lamplighter conference	1,020	-	1,020
Commission meetings	5,100	6,239	(1,139)
Depreciation	-	556	(556)
Audit	6,120	7,531	(1,411)
Full-time salaries	148,751	152,751	(4,000)
Payroll taxes	3,441	3,110	331
Medical insurance	44,397	46,380	(1,983)
Annuity	18,749	18,749	-
Insurance	6,120	3,893	2,227
Space allocation	36,488	36,488	-
Telephone services	2,850	2,940	(90)
Web support	6,120	4,260	1,860
Memorial to the Missing	-	13,146	(13,146)
Reserve	-	14,394	(14,394)
Other	-	4,023	(4,023)
Christian Leadership Institute	-	23,252	(23,252)
	<u>320,162</u>	<u>377,644</u>	<u>(57,482)</u>
Excess of budgeted expenses over budgeted revenues	\$ <u>(320,162)</u>	\$ <u>34,080</u>	\$ <u>354,242</u>

See accompanying notes to financial statements

## **MISSISSIPPI BAPTIST FOUNDATION**

**Daniel C. Hall, Ph.D., Executive Director**  
**Hal Fisher, Director of Finance/Operations**  
**Amy Reed, Accounting/Operations**  
**Cherri Kirk, Ministry Advancement/Donor Relations**  
**Gina Phelps, Executive Assistant**

*“The earth is the LORD’s and everything in it, the world, and all who live in it.”  
Psalm 24:1 (NIV)*

### **Our Ministry**

The Mississippi Baptist Foundation serves as the trust agency of the Mississippi Baptist Convention, offering a means whereby Mississippi Baptists can provide perpetual support for Mississippi Baptist and Southern Baptist causes until our Lord and Savior, Jesus Christ returns.

The Mississippi Baptist Foundation promotes Christian estate stewardship, receives, invests, and manages endowment gifts. Additionally, the Foundation distributes earnings from these endowments to many Baptist ministries. In essence, the Mississippi Baptist Foundation serves as a money-management partner for Mississippi Baptist churches, institutions, and agencies. The Mississippi Baptist Foundation ministers under the direction of a Board of Trustees elected by the Mississippi Baptist Convention and the Foundation receives significant funding through a Cooperative Program allocation. As a Mississippi Baptist agency, the Mississippi Baptist Foundation desires to advance the goal of “helping bring Mississippi and the World to Jesus.”

### **Our Goals**

To maximize God-given resources intended for the perpetual support of Baptist ministries through good stewardship of the assets entrusted to the Mississippi Baptist Foundation;

To be a resource for Mississippi Baptists for estate stewardship information and assistance;

To encourage every adult Mississippi Baptist to have a Last Will and Testament and to favor Baptist causes with at least a tithe of their estate;



To provide money-management services for Mississippi Baptist churches, institutions, and agencies;

To offer unsurpassed Christian service in an effort to benefit Kingdom ministries through enhanced donor relations.

### **The Year in Review**

In many ways, 2025 stands as both a marker for historical reflection and a gateway for embracing opportunities that may be presented in the future. For instance, Mississippians recall how Hurricane Katrina devastated much of the southern portion of our state **20 years** ago. The far-reaching impact of that storm has had continuing effects for the past two decades. The Mississippi Baptist Foundation administers endowments that support disaster relief efforts both in and beyond our state.

Some **40 years** ago, Mississippi Baptists launched the Mississippi Mission Campaign designed to provide ongoing financial support for the Baptist Children's Village and the Convention-affiliated colleges in Mississippi. The Mississippi Baptist Foundation administers the Mississippi Mission endowment and other funds for the benefit of these institutions. Nearly \$500,000 was distributed by the Foundation from Mississippi Mission endowments during the past fiscal year.

Mississippi and other parts of the country experienced the brutal lashing of winds and waves of Hurricane Betsy in September 1965. Earlier that same year, the Mississippi Singing Churchmen was formed under the leadership of Dan C. Hall. This talented group of ministers of music and other musicians have shared the good news of God's love and grace in Mississippi, throughout the United States, and in various countries around the world for **60 years**.

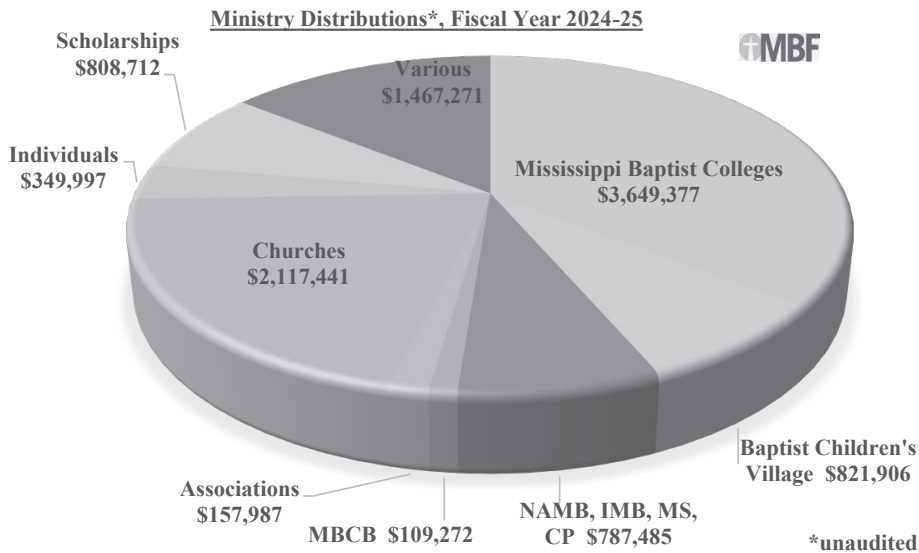
World War II came to an end in 1945...some **80 years** ago. That same year, the Church Music Department was established as an official and focused ministry of the Mississippi Baptist Convention. The Mississippi Baptist Foundation administers endowments and other funds that help further the ministry of both the Mississippi Singing Churchmen and the Church Music/Worship Ministries Department of the Mississippi Baptist Convention.

Over **90 years** has passed since Edwina Robinson began envisioning a camp ministry designed to teach boys and girls about missions. In 1940, five years after the Young People's Camp program began, a Camp Advisory Committee was appointed to evaluate and plan for the first WMU Camp. Labeled "Miss

Ed's Magnificent Obsession," all of the praying, planning, and preparing became reality in the next few years on a 40-acre tract of land in Clinton that had been donated by Mississippi College. What began as a God-inspired dream, resulted in what is now known as GARAYWA Camp and Conference Center...a Mississippi Baptist Convention-sponsored missional launching pad for children, families, and church leaders. Throughout much of GARAYWA's history, the Mississippi Baptist Foundation has come alongside WMU leaders and Camp GARAYWA staff through the administration of endowments and other funds that provide financial resources for mission and ministry support.

**2025** marks the **100<sup>th</sup> anniversary** of Delta Airlines, the Grand Ole Opry, and...the Cooperative Program...Southern Baptist's unified financial program for ministry support. Through the 2,000+ churches in the state, Mississippi Baptists have contributed more than \$1.3 Billion to the Cooperative Program over the past century! During the past year, the MBF was privileged to participate in several gatherings celebrating past, present, and future blessings for SBC and MBC missional causes through the Cooperative Program.

For over eight decades, the Mississippi Baptist Foundation has offered financial and other support to Mississippi Baptist and Southern Baptist missions and ministries. Contributions of **\$6.625 million** were added to the nearly **1,800 individual accounts** administered by the Foundation during fiscal year 2025. Collectively, these endowments and other accounts represent approximately **\$228 million** in assets under management. This total is a **10.56% increase** over the previous fiscal year and made possible the distribution of over **\$10.269 million** to a host of beneficiaries (see graph below). In addition, numerous estate plans were completed from a biblical worldview as individuals and families expressed their desire to *"Honor the Lord with your wealth and with the first fruits of your harvest"* (Proverbs 3:9).



2025 also marks the 50<sup>th</sup> year since the launching of the Southern Baptist Bold Mission Thrust emphasis. Assigned largely to the Foreign Mission Board (now International Mission Board), Bold Mission Thrust was the SBC-wide focus on reaching the world with the gospel by 2000. While Bold Mission Thrust was an ambitious 25-year goal, much was accomplished both during the initial period and in the twenty-five years since the original timeframe. Despite any successes and victories that might be measured, however, our ever-expanding world thirsts for a word from the Lord and is hungry for Christian men and women of all ages who will stand firm and declare without reservation, *“I am not ashamed of the gospel for it is the power of God for salvation to everyone who believes...”* and *“Here am I Lord, send me.”*

Against the backdrop of these historical reflections, the Mississippi Baptist Foundation stands ready to continue serving and supporting individuals and families through legacy planning, students through our scholarship ministry, and Mississippi Baptist churches and other entities in the areas of cash-management, investments, and ministry accounting. As we learn from our past experiences and look forward to new opportunities to be *“laborers together with God”* (and Mississippi Baptists), we are grateful for the faithfulness and generosity of Christian stewards across the state who understand serving *“with*

*all your heart as working for the Lord...(because)...it is the Lord Christ you are serving” (Colossians 3:23-24).*

MISSISSIPPI BAPTIST FOUNDATION  
FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024

MISSISSIPPI BAPTIST FOUNDATION  
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MISSISSIPPI BAPTIST FOUNDATION  
Statements of Financial Position  
June 30, 2025 and 2024

	2025	2024 (as restated)
	<u>Assets</u>	
Cash and cash equivalents		
Cash and cash equivalents	\$ 12,220,734	\$ 14,861,593
Accrued interest receivable	<u>531,777</u>	<u>521,054</u>
Investments		
U.S. Government and agency securities	15,968,459	12,603,805
Corporate and municipal bonds	21,412,576	19,582,520
Corporate stocks	123,886,368	103,556,388
Mutual funds	39,424,658	40,516,872
Southern Baptist Foundation Short Term Fund	9,515,622	9,123,404
Real estate	250,000	250,000
Certificates of deposit and other assets	<u>5,120,796</u>	<u>5,697,192</u>
Total investments	<u>215,578,479</u>	<u>191,330,181</u>
Total Assets	<u>\$ 228,330,990</u>	<u>\$ 206,712,828</u>
	<u>Liabilities and Net Assets</u>	
Liabilities		
Investments held for others	<u>\$ 180,468,348</u>	<u>\$ 163,336,363</u>
Net Assets		
Without donor restrictions	19,430,121	17,305,865
With donor restrictions	<u>28,432,521</u>	<u>26,070,600</u>
Total Net Assets	<u>47,862,642</u>	<u>43,376,465</u>
Total Liabilities and Net Assets	<u>\$ 228,330,990</u>	<u>\$ 206,712,828</u>

The accompanying notes to financial statements are an integral part of these financial statements.

MISSISSIPPI BAPTIST FOUNDATION  
Statement of Activities  
Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support			
Contributions	\$ 1,515,820	\$ 210,712	\$ 1,726,532
Cooperative program allocation	393,696	-	393,696
Ministry accounting	32,500	-	32,500
Fees for asset management and administration	806,520	-	806,520
Interest and dividends	667,193	979,527	1,646,720
Investment income	1,537,078	1,922,424	3,459,502
Net assets released from restriction	<u>750,742</u>	<u>(750,742)</u>	<u>-</u>
Total Revenue and other support	<u>5,703,549</u>	<u>2,361,921</u>	<u>8,065,470</u>
Expenses			
Program services	2,558,662	-	2,558,662
Supporting activities	<u>1,020,631</u>	<u>-</u>	<u>1,020,631</u>
Total Expenses	<u>3,579,293</u>	<u>-</u>	<u>3,579,293</u>
Change in net assets	<u>2,124,256</u>	<u>2,361,921</u>	<u>4,486,177</u>
Net assets, beginning of year	<u>17,305,865</u>	<u>26,070,600</u>	<u>43,376,465</u>
Net assets at end of year	<u>\$ 19,430,121</u>	<u>\$ 28,432,521</u>	<u>\$47,862,642</u>

The accompanying notes to financial statements are an integral part of these financial statements.



MISSISSIPPI BAPTIST FOUNDATION  
Statement of Activities  
Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support			
Contributions	\$ 1,332,553	\$ 3,650,691	\$ 4,983,244
Cooperative program allocation	392,015	-	392,015
Ministry accounting	31,189	-	31,189
Fees for asset management and administration	710,121	-	710,121
Interest and dividends	599,484	842,194	1,441,678
Investment income	37,898	-	37,898
Net assets released from restriction	<u>663,912</u>	<u>(663,912)</u>	<u>-</u>
Total Revenue and other support	<u>3,767,172</u>	<u>3,828,973</u>	<u>7,596,145</u>
Expenses			
Program services	2,262,467	-	2,262,467
Supporting activities	<u>881,937</u>	<u>-</u>	<u>881,937</u>
Total Expenses	<u>3,144,404</u>	<u>-</u>	<u>3,144,404</u>
Change in net assets	<u>622,768</u>	<u>3,828,973</u>	<u>4,451,741</u>
Net assets, beginning of year	<u>16,683,097</u>	<u>22,241,627</u>	<u>38,924,724</u>
Net assets at end of year	<u>\$17,305,865</u>	<u>\$26,070,600</u>	<u>\$43,376,465</u>

The accompanying notes to financial statements are an integral part of these financial statements.

MISSISSIPPI BAPTIST FOUNDATION  
Statement of Functional Expenses  
Year ended June 30, 2025

	Program services	Supporting activities			Total expenses
		Personnel	General and administrative	Total supporting activities	
Accounting and technology	\$ 101,155	-	-	-	\$ 101,155
Disbursements for beneficiaries and other	2,302,073	-	-	-	2,302,073
Insurance	-	-	11,755	11,755	11,755
Legal and professional services	72,500	-	-	-	72,500
Ministry and mission support	70,499	-	-	-	70,499
Promotion and development	12,435	-	-	-	12,435
Rent and space allocation	-	-	42,119	42,119	42,119
Salaries and benefits	-	959,472	-	959,472	959,472
Telephone and internet	-	-	7,285	7,285	7,285
Total Expenses	\$ 2,558,662	\$ 959,472	\$ 61,159	\$ 1,020,631	\$ 3,579,293

The accompanying notes to financial statements are an integral part of these financial statements.

MISSISSIPPI BAPTIST FOUNDATION  
Statement of Functional Expenses  
Year ended June 30, 2024

	Program services	Supporting activities			Total expenses
		Personnel	General and administrative	Total supporting activities	
Accounting and technology	\$ 90,525	\$ -	\$ -	\$ -	\$ 90,525
Disbursements for beneficiaries and other	2,024,254	-	-	-	2,024,254
Insurance	-	-	10,603	10,603	10,603
Legal and professional services	52,116	-	-	-	52,116
Ministry and mission support	71,738	-	-	-	71,738
Promotion and development	23,834	-	-	-	23,834
Rent and space allocation	-	-	36,857	36,857	36,857
Salaries and benefits	-	827,622	-	827,622	827,622
Telephone and internet	-	-	6,855	6,855	6,855
Total Expenses	<u>\$ 2,262,467</u>	<u>\$ 827,622</u>	<u>\$ 54,315</u>	<u>\$ 881,937</u>	<u>\$ 3,144,404</u>

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The accompanying notes to financial statements are an integral part of these financial statements.

MISSISSIPPI BAPTIST FOUNDATION  
Statement of Cash Flows  
Years ended June 30, 2025 and 2024

	2025	2024 (as restated)
Cash Flows from Operating Activities		
Change in net assets	\$ 4,486,177	\$ 4,451,741
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on sale of investments	(3,002,913)	(250,162)
Unrealized gain on investments	(15,943,177)	(28,100,104)
Changes in operating assets and liabilities		
Increase in accrued interest receivable	(10,723)	(166,990)
Net cash used by operating activities	<u>(14,470,636)</u>	<u>(24,065,515)</u>
Cash Flows from Investing Activities		
Purchase of investments	(37,333,464)	(38,408,255)
Sales and maturities of investments	<u>32,031,256</u>	<u>46,501,400</u>
Net cash provided (used) by investing activities	<u>(5,302,208)</u>	<u>8,093,145</u>
Cash Flows from Financing Activities		
Investment income	13,719,743	11,335,173
Contributions to assets held for others	4,897,994	11,493,934
Interest and dividends on assets held for others	6,500,246	5,935,342
Mineral receipts	13,876	18,032
Distributions to or on behalf of beneficial owners	<u>(7,999,874)</u>	<u>(11,032,152)</u>
Net cash provided by financing activities	<u>17,131,985</u>	<u>17,750,329</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,640,859)</u>	<u>1,777,959</u>
Cash and cash equivalents, beginning of year as previously stated	14,861,593	21,802,555
Prior period adjustment (see Note 3)	<u>-</u>	<u>(8,718,921)</u>
Cash and cash equivalents, beginning of year as restated	<u>14,861,593</u>	<u>13,083,634</u>
Cash and cash equivalents, end of year	<u>\$ 12,220,734</u>	<u>\$ 14,861,593</u>

The accompanying notes to financial statements are an integral part of these financial statements.

MISSISSIPPI BAPTIST FOUNDATION  
Notes to Financial Statements

**Note 1 – Organization of the Foundation**

The Mississippi Baptist Foundation (the Foundation) was established and incorporated in 1943 as the trust agency of the Mississippi Baptist Convention, offering a means whereby Mississippi Baptists can provide perpetual support for Mississippi Baptist and Southern Baptist causes.

As the trust agency, the Foundation promotes Christian estate stewardship, receives, invests, and manages endowment gifts, and distributes earnings, as specified by donors, to Baptist ministries. The Foundation serves as a money manager for Baptist churches, institutions, and agencies.

The Foundation is directed by a Board of Trustees elected and approved annually by the Mississippi Baptist Convention.

Funds administered by the Foundation are managed according to the Investment Policy instituted by the Trustees. With the goal of receiving maximum returns on investments with minimalized risk and volatility, the Foundation utilizes supplementary active investment managers. These active managers also assist the Foundation in avoiding investments with companies whose primary products or services are inconsistent with traditional Christian principles and values. Supplementary active managers are selected and evaluated at least annually based on strategy, method, and performance by the Trustees. These managers are monitored by the Foundation staff and Investment Committee.

**Note 2 – Summary of Significant Accounting Policies**

The summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are presentations of the Foundation which is responsible for their integrity and objectivity.

a) Basis of accounting

The Foundation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

b) Cash and cash equivalents

Cash and cash equivalents consist primarily of money market and checking accounts, some of which may or may not be federally insured. The Foundation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk.

c) Receivables and allowance for credit losses

The Foundation reports receivables at net realizable value. The Foundation recognizes an allowance for credit losses for receivables to present the net amount expected to be collected as of the statement of financial position date. Such an allowance is based on the credit losses expected to arise over the life of the asset. Receivables are written off when the Foundation determines that such receivables are deemed uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the statement of financial position date.

The Foundation pooled its receivables based on similar risk characteristics in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Foundation measures those receivables individually. The Foundation continuously evaluates such pooling decisions and adjusts as need from period to period as risk characteristics change. Based on management's review, no allowance for credit losses was considered necessary at June 30, 2025 and 2024.

MISSISSIPPI BAPTIST FOUNDATION  
Notes to Financial Statements

**Note 2 – Summary of Significant Accounting Policies (continued)**

d) Investments

Investments in marketable debt and equity securities are stated at fair value based on available market quotations. Real estate held for investment is stated at fair value based on best available market information. Fair value of certificates of deposit is estimated to be at face value of the certificates. Cash surrender value of life insurance policies are carried at the cash surrender value as reported by the issuer of the policy. Investments at the Southern Baptist Foundation are carried at cost.

Pooled funds

Investments of the various funds under management of the Foundation are primarily held in pooled investments. Investments consist of domestic equities, international equities, fixed income instruments and alternative investment pools. Trust and custodial accounts participate in the respective pools based upon investment models and are designed for current income or capital appreciation. Entry or withdrawal from the pools is based upon the market value of a pool unit. Market value of a pool unit is determined by dividing the total assets by the total units outstanding. The pooled investments are exempt from federal securities laws registration requirements according to the exemption provided by the Philanthropy Protection Act of 1995 (P.L. 104-62) for collective investment funds and similar funds maintained by charitable organizations.

Following is a summary of the various pooled funds under management of the Foundation:

Mississippi Baptist Foundation Fixed Income Fund

The Foundation maintains a pooled fund with the investment objective of income production. Assets of the fund include U.S. Government securities and corporate bonds, fixed income mutual funds and other fixed income instruments and cash equivalents.

Mississippi Baptist Foundation Equity Fund

The Foundation maintains a pooled fund with the investment objective of long-term growth. Assets of this fund include common stocks and cash equivalents.

Mississippi Baptist Foundation Endowment Fund

The Foundation maintains a pooled fund designed to meet long term investment objectives of a perpetual endowment account. The fund utilizes a pre-determined asset allocation between the MBF Equity Fund and the MBF Fixed Income Fund.

Mississippi Baptist Foundation Endowment Total Return Fund

The Foundation maintains a pooled fund designed to meet long term investment objectives of perpetual endowment accounts. The Fund follows a distribution policy approach as approved by the Trustees. The current Distribution Policy is 4.50% of a moving 16 quarter market value of investments. The Board reviews the distribution policy rate and makes adjustments annually given investment returns and economic conditions.

The Foundation paid \$1,415,409 and \$1,345,640 in investment management and custodial fees to various institutional investment managers for the years ended June 30, 2025 and 2024, respectively. These fees were paid from the earnings of the various investments.

MISSISSIPPI BAPTIST FOUNDATION  
Notes to Financial Statements

**Note 2 – Summary of Significant Accounting Policies (continued)**

e) Office furniture and equipment

Expenditures for office furniture and equipment are capitalized at cost. The Foundation has established a minimum capitalization threshold of \$5,000 and a useful life in excess of one year. Depreciation of property and equipment is provided over the estimated useful lives on a straight-line basis. No provision is made for depreciation on properties carried as investments.

f) Accrued interest receivable

Accrued interest receivable is reported at net realizable value.

g) Compensated absences

The Foundation allows employees to receive compensation for vacation and sick leave. Compensated absences for vacation and sick pay have not been accrued since they are not considered material, but are expensed as incurred.

h) Investments held for others

Investments held for others include resources held and managed by the Foundation in a fiduciary capacity for their respective beneficiaries. The Foundation is authorized to serve as trustee or agent for any institution or agency affiliated directly or indirectly with the Mississippi Baptist Convention. In addition, the Foundation serves as trustee for certain charitable trusts through which, for a period of time, trust income is distributed to the grantor or other non-charitable beneficiaries and all, or a predetermined percentage, of the trust assets are designated for a qualified charitable purpose. The Foundation also serves as executor for various estates and custodial accounts that provide for a portion or all, of the estate's assets to be given to an institution or agency affiliated direct or indirectly with the Mississippi Baptist Convention, the Foundation, or any other organization which has a primary purpose that is consistent with the purpose of the Convention or Foundation. Distributions of assets to the Foundation, if any, received through these estates are recorded as contributions at fair value when the estate is declared valid.

i) Financial statement presentation

The Foundation reports contributions held for specified beneficiaries for which the Foundation has not been granted variance power as an asset and a liability. In addition, the Foundation reports information regarding its financial position and activities according to two classes of net assets, either net assets without donor restrictions or net assets with donor restrictions.

*Net assets without donor restriction* -are those currently available at the direction of the Board or management for use in the Foundation's operations.

*Net assets with donor restrictions* -are those with donor stipulations for specific purposes, time restrictions or requirements to be held in perpetuity.

j) Contributions to Foundation assets

Contributions to the Foundation are recorded when received and are invested according to donor designations. If no designation is given, funds are invested at the discretion of the Foundation.

MISSISSIPPI BAPTIST FOUNDATION  
Notes to Financial Statements

**Note 2 – Summary of Significant Accounting Policies (continued)**

k) Income from investments

Income from investments in the pooled funds is normally distributed to participants' funds monthly to the extent income cash is available. The Foundation uses the "market value unit method" to allocate income to individual funds. Under this method the amount of income allocated to participating funds is determined by the number of units owned by each fund at the beginning of each month. The initial unit ownership (established as of July 1, 1993) was based on ratios using individual fund balances, the total of all fund balances, and the market value of the investment portfolio. Interest income from debt securities is recorded as earned. Dividend income from stocks and mutual funds is recorded as received, which method does not differ materially from the accrual method.

l) Related party - rent expense

The Foundation's office space and certain furnishings are owned by the Mississippi Baptist Convention Board and are rented to the Foundation on a month-to-month basis. Rent expense for the years ended June 30, 2025 and 2024 was \$42,119 and \$36,857, respectively.

m) Income taxes

The Foundation is recognized as a religious organization exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for taxes has been made in the accompanying financial statements. The Foundation believes that it has appropriate support for any tax positions taken and does not have any uncertain tax positions requiring recognition or disclosure in the financial statements.

n) Fair Value of Financial Instruments

All financial instruments are carried at fair value in the accompanying financial statements.

o) Estimates

The process of preparing financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual amounts could differ from those estimates.

p) Revenue recognition

The Foundation recognizes revenue from fees for asset management and administrative services at a specific time. Services are considered complete at the end of each quarter and are reported at net realizable value. The Foundation's contracts have a single performance obligation as the promise to transfer the services is not separately identifiable from other promises in the contract.

q) Concentration of credit risk

The Foundation maintains various investment accounts with investment firms to facilitate the investment, trading, and safekeeping of various Foundation assets. In management's opinion, the safekeeping of these assets is adequately insured by the Securities Investor Protection Corporation (SIPC) and through supplemental insurance provided by the investment firms.



MISSISSIPPI BAPTIST FOUNDATION  
Notes to Financial Statements

**Note 3 -Adjustments to Prior Period Financial Statements**

The Foundation determined that cash and cash equivalents incorrectly included the balance of funds held in the Southern Baptist Foundation Short Term Fund, as originally shown at June 30, 2024. Therefore, the Foundation recorded an error correction to the June 30, 2024 financial statements to restate beginning cash and cash equivalents and the balance of investments. This correction of \$8,718,921 is included on the statement of cash flows as a prior period adjustment. There was no change in net assets.

**Note 4 – Liquidity and Availability of Financial Assets**

The following reflects the Foundation’s financial assets at June 30, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end	\$ 228,080,990	\$ 206,462,828
Less those unavailable for general expenditures within one year due to:		
Investments held for others	(180,468,348)	(163,336,363)
Net assets with donor restrictions	<u>(28,432,521)</u>	<u>(26,070,600)</u>
Financial assets available to meet cash needs for expenditure within one year	<u>\$ 19,180,121</u>	<u>\$ 17,055,865</u>

As a Mississippi Baptist agency, the Foundation receives partial funding from an allocation of the Cooperative Program of the Mississippi Baptist Convention. Additional revenue to support Foundation operations and ministries is provided by a Cost Recovery Assessment for asset management and program revenue.

**Note 5 – Pension Plan**

All employees of the Foundation are eligible to participate in a defined contribution pension plan administered by the Guidestone Financial Resources of the Southern Baptist Convention. The Foundation contributes an amount equal to 10% of participating employees’ salaries and matches voluntary employee contributions based on years of service up to a maximum of 5% of the employee’s eligible compensation. Total pension expense for the years ended June 30, 2025 and 2024 was \$90,023 and \$84,901, respectively.

**Note 6 – Office Furniture and Equipment**

The following is a summary of office furniture and equipment at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Office furniture and equipment	\$ 18,126	\$ 18,126
Computer equipment	<u>100,244</u>	<u>100,244</u>
	118,370	118,370
Less accumulated depreciation	<u>(118,370)</u>	<u>(118,370)</u>
	<u>\$ -</u>	<u>\$ -</u>

There was no depreciation expense charged to operations for the years ended June 30, 2025 and 2024.

MISSISSIPPI BAPTIST FOUNDATION  
Notes to Financial Statements

**Note 7 – Investments**

Investments at June 30, 2025 and 2024 are summarized as follows:

<u>2025</u>	Cost	Market	Unrealized appreciation (depreciation)
U.S. Government and agency securities	\$ 16,497,710	\$ 15,968,459	\$ (529,251)
Corporate and municipal bonds	21,601,260	21,412,576	(188,684)
Corporate stocks	92,639,670	123,886,368	31,246,698
Mutual funds	40,468,784	39,424,658	(1,044,126)
Pooled investments, at NAV			
Southern Baptist Foundation Short Term Fund	9,515,622	9,515,622	-
Real estate	-	250,000	250,000
Certificates of deposit and other assets	<u>5,120,779</u>	<u>5,120,796</u>	<u>17</u>
	<u>\$ 185,843,825</u>	<u>\$ 215,578,479</u>	<u>\$ 29,734,654</u>

<u>2024</u>	Cost	Market	Unrealized appreciation (depreciation)
U.S. Government and agency securities	\$ 13,400,538	\$ 12,603,805	\$ (796,733)
Corporate and municipal bonds	20,293,823	19,582,520	(711,303)
Corporate stocks	86,486,426	103,556,388	17,069,962
Mutual funds	44,045,836	40,516,872	(3,528,964)
Pooled investments, at NAV			
Southern Baptist Foundation Short Term Fund	9,123,404	9,123,404	-
Real estate	-	250,000	250,000
Certificates of deposit and other assets	<u>5,697,192</u>	<u>5,697,192</u>	<u>-</u>
	<u>\$ 179,047,219</u>	<u>\$ 191,330,181</u>	<u>\$ 12,282,962</u>

**Note 8 – Fair Value Measurements**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. In the absence of actively quoted prices and observable inputs, the Foundation estimates prices based on available historical data and near-term future pricing information that reflects its market assumptions. The statement requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets and liabilities.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

MISSISSIPPI BAPTIST FOUNDATION  
Notes to Financial Statements

**Note 8 – Fair Value Measurements (continued)**

Fair values of assets measured on a recurring basis at June 30, 2025 and 2024 are as follows:

<u>2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Investments at NAV</u>	<u>Total</u>
U.S. Government and agency securities	\$ 15,968,459	\$ -	\$ -	\$ -	\$ 15,968,459
Corporate and municipal bonds	21,412,576	-	-	-	21,412,576
Corporate stocks	123,886,368	-	-	-	123,886,368
Mutual funds	39,424,658	-	-	-	39,424,658
Pooled Investment: Southern Baptist Foundation Short Term Fund	-	-	-	9,515,622	9,515,622
Real estate	-	-	250,000	-	250,000
Certificates of deposit and other assets	-	5,120,796	-	-	5,120,796
Total investments	<u>\$ 200,692,061</u>	<u>\$ 5,120,796</u>	<u>\$ 250,000</u>	<u>\$ 9,515,622</u>	<u>\$ 215,578,479</u>

<u>2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Investments at NAV</u>	<u>Total</u>
U.S. Government and agency securities	\$ 12,603,805	\$ -	\$ -	\$ -	\$ 12,603,805
Corporate and municipal bonds	19,582,520	-	-	-	19,582,520
Corporate stocks	103,556,388	-	-	-	103,556,388
Mutual funds	40,516,872	-	-	-	40,516,872
Pooled Investment: Southern Baptist Foundation Short Term Fund	-	-	-	9,123,404	9,123,404
Real estate	-	-	250,000	-	250,000
Certificates of deposit and other assets	-	5,697,192	-	-	5,697,192
Total investments	<u>\$ 176,259,585</u>	<u>\$ 5,697,192</u>	<u>\$ 250,000</u>	<u>\$ 9,123,404</u>	<u>\$ 191,330,181</u>

MISSISSIPPI BAPTIST FOUNDATION  
Notes to Financial Statements

**Note 8 – Fair Value Measurements (continued)**

**Investment securities**

Fair value of investment securities is determined by reference to quoted market prices and other relevant information generated by market transactions.

**Southern Baptist Foundation Short Term Fund**

The estimated fair value of the Foundation's alternative investments was determined by applying net asset value (NAV) as a practical expedient. Investments in funds that invest in common and collective trust has the ability to shift investments between categories and value strategies. The fair values of these investments have been estimated using net asset value per share. The entire value of investments in this class has no redemption restrictions and can be redeemed. The lifespan of the fund is indefinite.

**Real estate**

Fair value of real estate held for investment purposes is determined using the best information available which may include market values reported by appraisers, property tax assessors and purchase and sale agreements.

**Certificates of deposit and other assets**

Fair value of certificates of deposit is estimated to be at face value of the certificate and life insurance is valued at cash surrender value as reported by the issuer of the policy.

**Note 9 – Board Designated Net Assets**

The Foundation's governing Board has designated from net assets without restrictions for the following purposes at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
MBF Ministries	\$2,142,310	\$1,796,705
MBF Founders Ministry	5,741,637	5,025,156
MF Depreciation Reserve	88,192	84,901
MBF Operating Reserve	527,349	512,584
MBF Special Reserve	<u>178,953</u>	<u>159,421</u>
	<u>\$8,678,441</u>	<u>\$7,578,767</u>

**Note 10 – Net Assets with Donor Restrictions**

Net assets with donor restrictions were restricted for the following purposes at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Scholarships	\$21,523,490	\$19,763,264
Missions	5,110,275	4,627,980
Churches	761,355	711,699
Colleges & Seminaries	457,913	425,968
Baptist Children's Village	191,644	179,390
Cemetery Care	152,921	143,082
Other	<u>234,923</u>	<u>219,217</u>
Total net assets	<u>\$28,432,521</u>	<u>\$26,070,600</u>

MISSISSIPPI BAPTIST FOUNDATION  
Notes to Financial Statements

**Note 11 – The Mississippi Mission Endowment Campaign**

The Mississippi Baptist Foundation holds funds for the benefit of Mississippi College, William Carey University, Blue Mountain Christian University and the Baptist Children's Village which were given by institutions and individuals during the Mississippi Mission Endowment Campaign. The income is distributed from these funds according to the donor's designation or terms of the campaign agreement. These funds had a market value of \$11,502,563 and \$10,378,325 at June 30, 2025 and 2024, respectively.

**Note 12 – Concentrations and Credit Risks**

The Foundation maintains cash and cash equivalent balances at multiple financial institutions. Some of these accounts are secured by the Federal Deposit Insurance Corporation. Balances regularly exceed federally insured limits. The Foundation has not experienced any losses in these accounts. Management believes that the Foundation is not exposed to any significant credit risk with respect to its cash and cash equivalents.

The Foundation's investments include domestic and foreign equities, U.S. government securities, corporate and municipal debt instruments, corporate stocks, mutual funds and various alternative investments. Investment securities, in general are subject to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

**Note 13 – Functional Expenses**

The Foundation allocates its expenses on a functional basis among their various programs and supporting services. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural expenditure classification.

**Note 14 – Reclassification of Prior Year Presentation**

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported change in net assets. An adjustment has been made to the statement of financial position and statement of cash flows for the year ended June 30, 2024.

**Note 15 – Subsequent Events**

Events that occur after the statement of financial position date but before the financial statements are available to be issued, must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. The Foundation has evaluated subsequent events through September 10, 2025 the date which the financial statements were available to be issued, and determined that there were no subsequent events that should be noted in the financial statements or the notes to financial statements.

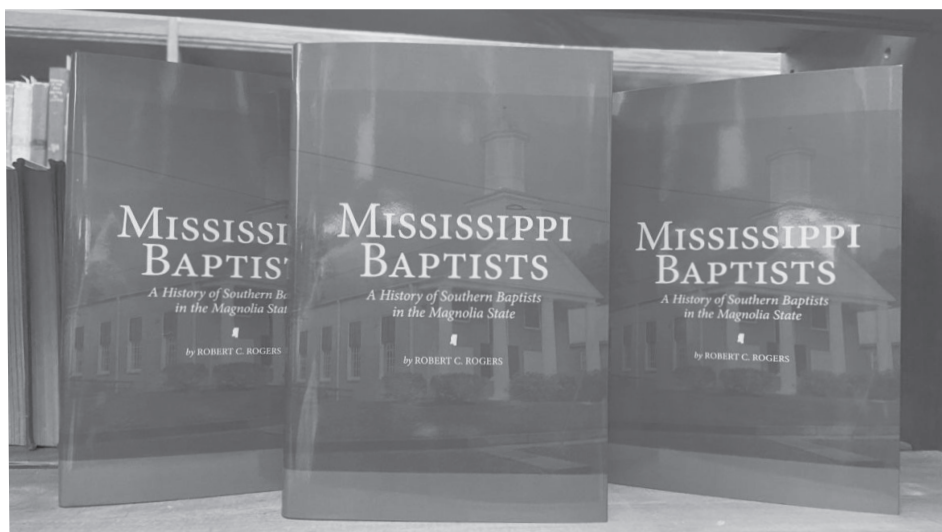
MISSISSIPPI BAPTIST FOUNDATION  
Schedule of Changes in Investments Held for Others  
Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenue and other support		
Contributions	\$ 4,897,994	\$ 11,493,934
Interest and dividends	6,500,246	5,935,342
Investment income	13,719,743	11,335,173
Mineral receipts	<u>13,876</u>	<u>18,032</u>
Total Revenue and other support	<u>25,131,859</u>	<u>28,782,481</u>
Expenses		
Program services	<u>7,999,874</u>	<u>11,032,152</u>
Change in investments held for others	<u>17,131,985</u>	<u>17,750,329</u>
Investments held for others, beginning of year	<u>163,336,363</u>	<u>145,586,034</u>
Investments held for others, at end of year	<u>\$ 180,468,348</u>	<u>\$ 163,336,363</u>

## MISSISSIPPI BAPTIST HISTORICAL COMMISSION

Dr. Rory Lee, Executive Director  
Heather Moore, Assistant Director  
Emily Jones, Archivist  
[mc.libguides.com/mbhc](http://mc.libguides.com/mbhc)

The year 2025 marks the 137<sup>th</sup> year that the Mississippi Baptist Historical Commission and/or Historical Society has been actively involved in collecting and preserving the history of Mississippi Baptists.



After four years of work, the Mississippi Baptist Historical Commission, in cooperation with the Mississippi Baptist Convention Board, is excited to announce that ***Mississippi Baptists: A History of Southern Baptists in the Magnolia State*** is here! Dr. Bob Rogers, former Mississippi Baptist pastor and retired chaplain, has revised and updated Dr. R.A. McLemore's *A History of Mississippi Baptists* which was first published in 1971. This new history is written in a narrative style and it is our hope that this historical record clearly shows God's graciousness toward Mississippi Baptists, as well as the

faithfulness of our Baptist ancestors. May we, as Mississippi Baptists, be challenged to remain dedicated to sharing the message of Christ.

Each Mississippi Baptist Convention church will be gifted a copy of the book. Books were delivered to each association and will be distributed to the individual churches by association staff. Visit the Historical Commission website for information on how to get your own copy, or to download the e-book version for free: <https://mc.libguides.com/mbhc/historybook>.

### **Church Anniversaries**

Fifty-two churches had significant anniversaries in 2025, three celebrated 200 years, eighteen celebrated 175 years, eight celebrated 150 years, eighteen celebrated 125 years and five celebrated 100 years. We prepared History Highlights for 29 churches to cover a total of 1,512 years' worth of Baptist church history.

### **Church Record Inventories**

As part of the work we've been doing the past two years to digitize microfilm with vinegar syndrome and beginning to digitize physical church records we have also been updating our church record inventories. We'll soon have these published to our website to let patrons know which formats each church's records are in: physical, digital and/or microfilm.

### **Other Activities**

- We provided research assistance to over 900 individuals in person, or through phone and email services.
- We helped gather and preserve materials from three churches that had closed their doors.
- We hosted an open house during MC's homecoming.

### **Goals for 2026:**

- To host Church Anniversary Workshops around the state.
- To intensify the effort to acquire additional church records to preserve for safekeeping.
- To continue in-house digitization of Baptist materials.
- To host more genealogy and local history groups.



The Mississippi Baptist Historical Commission has accumulated a valuable collection of source material on Baptist life in Mississippi. Among these treasures is a complete collection of the minutes of the Mississippi Baptist Convention, an extensive collection of the minutes of the associations, and the minutes and membership records of more than 350 churches. We also have biographical files on Mississippi Baptists, including pastors, missionaries, and Baptist leaders, and a near complete collection of The Baptist Record (1877-2020) along with an index to all of these years. All the materials in the Commission have been donated by churches themselves or by private donors. To find out what materials we have for you church contact our office. If we do not have any materials on your church then we would love to work with you to preserve your church's history. Our offices are located in the Leland Speed Library on the campus of Mississippi College.

[mc.libguides.com/mbhc](http://mc.libguides.com/mbhc)

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## THE BAPTIST CHILDREN'S VILLAGE

**Sean A. Milner, Executive Director**

The Baptist Children's Village (BCV) is proud and most fortunate to be an official agency of the Mississippi Baptist Convention Board. The BCV is one of the ministries of every Mississippi Baptist church. The BCV is Mississippi Baptists' response to God's call to take the gospel of Christ to at-risk children and families in Mississippi.

For the past several years, God has been opening doors and helping us answer the question your Executive Director Sean Milner began asking - "where are the children in crisis we may be missing in Mississippi, and how can we reach them?" This question resulted in careful research and interviews by your BCV leadership team with many people including youth court judges, law enforcement, and child care advocates across Mississippi.

With all glory to our Heavenly Father, we continue to rejoice at our recently announced BCV Continuum of Care. This overarching program consists of six individual ministries connecting care for children from birth and beyond.

The BCV Continuum of Care is comprised of six programs:

- Residential Child Caring Program offers a loving, stable home for children in need at our four campuses located across the state.
- Independent Living Program prepares young adults to step confidently into their futures whether through college, trade schools, or the working world.
- Residential Family Care Program helps families heal and rebuild together by providing a safe home for single mothers and their children.
- In-Home Family Support Program works to keep families together.
- Youth Detention Intervention Program offers a second chance to at-risk youth.
- Family Resource Referral Program connects families to vital resources offering a pathway to stability.

You will be thrilled to know 46 children came to know Jesus as their Lord and Savior ministry wide this past year. In addition to providing food, shelter, community, and education, you provided 472 medical

appointments, 50 eye exams, and 176 dental appointments. The case managers you employ had 1,588 interactions with the children and 1,526 contacts and interactions with the parents/guardians of the children.

Your six Continuum of Care ministries of the BCV are paid for by the Mississippi Baptist Convention Board, the Baptist Churches, and people who give generously so that the gospel of Christ can be taken to at-risk children and families. The BCV does not receive any money from the state of Mississippi or the federal government in exchange for the service and ministries we provide. The BCV is licensed by the state of Mississippi so that it can minister to children in the state's custody, but the BCV does not accept any money from the state for children they place in our care. The BCV is an evangelical arm of every Baptist church in Mississippi. Baptist churches have been sharing the gospel of Christ with children and families through the BCV for 128 years. The BCV continues to look for ways to reach at-risk children and families.

On behalf of the hundreds of children and families we serve, thank you for partnering with us to share the gospel of Jesus Christ with hurting children and families. Please pray for your BCV as we seek what more God would call us to do for His glory and His Kingdom. May God bless you and the churches you represent.



The Baptist Children's Village  
PO Box 27  
Clinton, MS 39060  
601-952-2422  
[baptistchildrensvillage.com](http://baptistchildrensvillage.com)



MATTHEWS  
CUTRER *and*  
LINDSAY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

THE BAPTIST CHILDREN'S VILLAGE

FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
JUNE 30, 2025 AND 2024

*Ridgeland, Clinton, and Yazoo City,  
Mississippi*

## THE BAPTIST CHILDREN'S VILLAGE

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**MATTHEWS  
CUTRER *and*  
LINDSAY, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
The Baptist Children's Village  
Ridgeland, MS

### ***Opinion***

We have audited the financial statements of The Baptist Children's Village, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Baptist Children's Village as of June 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Baptist Children's Village 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 Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

### Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental data on page 21 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, reading "Matthews, Carter & Lindsay, P.A." in a cursive script.

Ridgeland, Mississippi  
September 9, 2025



**THE BAPTIST CHILDREN'S VILLAGE**  
**STATEMENTS OF FINANCIAL POSITION**  
**AT JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,981,407	\$ 2,397,110
Accounts receivable	505,996	531,433
Investments	11,057,039	9,293,132
Other current assets	-	20,696
	<u>13,544,442</u>	<u>12,242,371</u>
 <b>LONG TERM INVESTMENTS</b>		
Endowment investments	11,455,972	10,571,620
Other long term investments	144,162	144,162
	<u>11,600,134</u>	<u>10,715,782</u>
 <b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land	834,740	834,740
Building, furnishings and equipment, net	3,233,151	2,914,047
	<u>4,067,891</u>	<u>3,748,787</u>
	<u>\$ 29,212,467</u>	<u>\$ 26,706,940</u>
 <b>LIABILITIES AND NET ASSETS</b>		
 <b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 58,006	\$ 57,742
Accrued expenses	50,509	37,834
	<u>108,515</u>	<u>95,576</u>
 <b>NET ASSETS</b>		
Without donor restrictions	17,457,001	15,866,582
With donor restrictions	11,646,951	10,744,782
	<u>29,103,952</u>	<u>26,611,364</u>
	<u>\$ 29,212,467</u>	<u>\$ 26,706,940</u>

See notes to financial statements.

**THE BAPTIST CHILDREN'S VILLAGE**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

	Activities without donor restrictions	Activities with donor restrictions	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Contributed income	\$ 6,984,657	\$ 44,800	\$ 7,029,457
Interest and dividends	475,490	407,923	883,413
Gain on sale of securities	423,126	80,726	503,852
Gain on sale of assets	39,750	-	39,750
In-kind contribution	14,274	-	14,274
Net assets released from restrictions	445,066	(445,066)	-
	<u>8,382,363</u>	<u>88,383</u>	<u>8,470,746</u>
<b>EXPENSES</b>			
Program	5,863,027	-	5,863,027
Management and general	1,371,559	-	1,371,559
Fundraising	779,397	-	779,397
	<u>8,013,983</u>	<u>-</u>	<u>8,013,983</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	368,380	88,383	456,763
<b>CHANGE IN NET UNREALIZED GAINS AND LOSSES ON INVESTMENTS</b>	<u>1,222,039</u>	<u>813,786</u>	<u>2,035,825</u>
<b>CHANGE IN NET ASSETS</b>	1,590,419	902,169	2,492,588
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>15,866,582</u>	<u>10,744,782</u>	<u>26,611,364</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 17,457,001</u>	<u>\$ 11,646,951</u>	<u>\$ 29,103,952</u>

See notes to financial statements.

**THE BAPTIST CHILDREN'S VILLAGE**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

	Activities without donor <u>restrictions</u>	Activities with donor <u>restrictions</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORT</b>			
Contributed income	\$ 6,519,706	\$ 57,519	\$ 6,577,225
Interest and dividends	490,701	372,487	863,188
Loss on sale of securities	(55,940)	(48,350)	(104,290)
Gain on sale of assets	14,052	-	14,052
In-kind contribution	45,268	-	45,268
Net assets released from restrictions	446,447	(446,447)	-
	<u>7,460,234</u>	<u>(64,791)</u>	<u>7,395,443</u>
<b>EXPENSES</b>			
Program	5,328,804	-	5,328,804
Management and general	1,164,452	-	1,164,452
Fundraising	701,866	-	701,866
	<u>7,195,122</u>	<u>-</u>	<u>7,195,122</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	265,112	(64,791)	200,321
<b>CHANGE IN NET UNREALIZED GAINS AND LOSSES ON INVESTMENTS</b>	<u>786,209</u>	<u>722,484</u>	<u>1,508,693</u>
<b>CHANGE IN NET ASSETS</b>	1,051,321	657,693	1,709,014
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>14,815,261</u>	<u>10,087,089</u>	<u>24,902,350</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 15,866,582</u>	<u>\$ 10,744,782</u>	<u>\$ 26,611,364</u>

See notes to financial statements.

**THE BAPTIST CHILDREN'S VILLAGE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Program <u>Services</u>	Management <u>and General</u>	<u>Fundraising</u>	<u>Total</u>
Activities	\$ 100,133	\$ 6,409	\$ 90	\$ 106,632
Administration	40,706	185,138	20,270	246,114
Allowance	25,513	-	-	25,513
Audit and legal	249	32,546	-	32,795
Buildings and grounds	238,914	43,246	-	282,160
Christmas	9,165	29,623	-	38,788
Clothing	32,290	-	-	32,290
Conferences and conventions	38,135	20,305	7,149	65,589
Development	6,034	2,448	251,171	259,653
Food service	155,085	7,925	4,559	167,569
Insurance	607,080	137,605	64,755	809,440
Medical and dental	42,694	3,802	-	46,496
Miscellaneous	200,864	9,029	-	209,893
Repair and replacement	72,750	1,415	-	74,165
Retirement	255,737	57,967	27,279	340,983
Salaries	3,055,889	675,689	328,966	4,060,544
School	53,163	-	-	53,163
Taxes	229,916	52,114	24,524	306,554
Utilities	254,518	23,819	3,064	281,401
Vehicle	179,387	22,456	19,324	221,167
	<u>5,598,222</u>	<u>1,311,536</u>	<u>751,151</u>	<u>7,660,909</u>
Depreciation and amortization	<u>264,805</u>	<u>60,023</u>	<u>28,246</u>	<u>353,074</u>
	<u>\$ 5,863,027</u>	<u>\$ 1,371,559</u>	<u>\$ 779,397</u>	<u>\$ 8,013,983</u>
	73%	17%	10%	

See notes to financial statements.

**THE BAPTIST CHILDREN'S VILLAGE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services	Management and General	Fundraising	Total
Activities	\$ 105,021	\$ 12,462	\$ -	\$ 117,483
Administration	52,312	140,727	30,066	223,105
Allowance	22,672	-	-	22,672
Audit and legal	-	57,445	-	57,445
Buildings and grounds	107,439	26,313	-	133,752
Christmas	7,848	28,744	-	36,592
Clothing	28,643	-	-	28,643
Conferences and conventions	111,648	21,683	3,690	137,021
Development	15,895	4,360	203,862	224,117
Food service	141,386	5,818	4,241	151,445
Insurance	485,639	94,605	50,456	630,700
Medical and dental	44,099	2,482	-	46,581
Miscellaneous	137,860	9,063	-	146,923
Repair and replacement	106,932	911	254	108,097
Retirement	313,418	61,055	32,563	407,036
Salaries	2,789,168	565,416	310,228	3,664,812
School	27,495	-	-	27,495
Taxes	212,548	41,405	22,083	276,036
Utilities	215,199	25,193	2,251	242,643
Vehicle	157,088	18,752	16,562	192,402
	<u>5,082,310</u>	<u>1,116,434</u>	<u>676,256</u>	<u>6,875,000</u>
Depreciation and amortization	<u>246,494</u>	<u>48,018</u>	<u>25,610</u>	<u>320,122</u>
	<u>\$ 5,328,804</u>	<u>\$ 1,164,452</u>	<u>\$ 701,866</u>	<u>\$ 7,195,122</u>
	74%	16%	10%	

See notes to financial statements.

**THE BAPTIST CHILDREN'S VILLAGE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,492,588	\$ 1,709,014
Adjustments to reconcile change in net assets to net cash provided by (used in) operating expenses		
Depreciation and amortization	353,074	320,122
Net unrealized and realized gain on investment	(2,539,677)	(1,404,403)
Contributions received for long-term purposes	(17,500)	(27,519)
Interest and dividends restricted for long-term purposes	(407,923)	(372,487)
Gain (loss) on sale of securities restricted for long-term purposes	(80,726)	48,350
Gain on sale of assets	(39,750)	(14,052)
(Increase) decrease in		
Accounts receivable	25,437	(13,750)
Other current assets	20,696	(1,830)
Increase (decrease) in		
Accounts payable	264	(32,638)
Accrued expenses	12,675	23,294
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(180,842)</u>	<u>234,101</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and improvements	(675,904)	(460,858)
Proceeds from sale of assets	43,476	20,369
(Increase) decrease in endowment investments	10,161	(659,326)
(Increase) decrease in investments	(118,743)	581,981
Investment in permanent endowment	17,500	27,519
Interest and dividends restricted for permanent reinvestment	407,923	372,487
Gain (loss) on sale of securities restricted for permanent reinvestment	80,726	(48,350)
NET CASH USED IN INVESTING ACTIVITIES	<u>(234,861)</u>	<u>(166,178)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(415,703)	67,923
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,397,110</u>	<u>2,329,187</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,981,407</u>	<u>\$ 2,397,110</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
In-kind contributions	<u>\$ 14,274</u>	<u>\$ 45,268</u>

See notes to financial statements.

**THE BAPTIST CHILDREN'S VILLAGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING ACTIVITIES**

Nature of Organization

The Baptist Children's Village (The Village) is a residential childcare ministry, operating as a nonprofit corporation under the statutes of the State of Mississippi. It is an official agency of the Mississippi Baptist Convention.

Method of Accounting

The financial statements of the Village have been prepared on the accrual basis.

Financial Statement Presentation

The financial statements of the Village have been prepared in accordance with the U.S. generally accepted accounting principles ("U.S. GAAP"), which require the Village to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as board designation.

Net assets with donor restrictions: Net assets with donor restrictions include those net assets whose use is subject to donor-imposed restrictions. Donor restrictions may be for a specified time or purpose limitation, or the donor may specify that the corpus of their original and certain subsequent gifts be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

**THE BAPTIST CHILDREN'S VILLAGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING ACTIVITIES –  
CONTINUED**

Contributions

Contributions received, including unconditional promises to give, are recognized as revenue in the period received. Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restrictions.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities.

Credit and Market Risk

Credit risk: Financial instruments that potentially subject the Village to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2025 and 2024, the Village had balances in the banks that exceeded the federally insured limits by approximately \$1,761,090 and \$2,216,351, respectively.

Market value risk: The Village invests in a professionally managed portfolio that contains various types of marketable securities. Such investments are exposed to market and credit risks and may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



**THE BAPTIST CHILDREN'S VILLAGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING ACTIVITIES – CONTINUED**

Contributed Services

The Village recognizes the estimated fair value of those contributed services that meet the requirements for recognition in the financial statements.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Properties acquired by gift are stated at market value on the date of acquisition. Depreciation and amortization are provided using the straight-line method at rates based on the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	10 - 40
Furnishings and equipment	5 - 10
Vehicles	5
Software	3

Income Taxes

The Village is exempt from Federal income taxes, under Section 501(c)(3) of the Internal Revenue Code of 1986, and state income taxes.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Leases

The Village determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets could also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Village does not report ROU asset and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line over the lease term.

**THE BAPTIST CHILDREN'S VILLAGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 2 – FAIR VALUE MEASUREMENTS**

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Village has the ability to access.

Level 2 – Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Valuation methodologies used for assets measured at fair value are: shares of registered investment companies and bonds are valued at quoted market prices which represent the net asset value of shares held by the Village at year-end; and participant notes receivable are valued at cost which approximates fair value. There have been no changes in the methodologies used at June 30, 2025.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Village believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumption to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**THE BAPTIST CHILDREN'S VILLAGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 2 – FAIR VALUE MEASUREMENTS – CONTINUED**

The Village's unrestricted investments at fair value by level as of June 30, 2025 are:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Short-term investments:				
Cash and equivalents	\$ 437,537	\$ -	\$ -	\$ 437,537
Common trusts	10,420,695	-	-	10,420,695
Corporate stock	198,807	-	-	198,807
	<u>\$ 11,057,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,057,039</u>

The Village's unrestricted investments at fair value by level as of June 30, 2024 are:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Short-term investments:				
Cash and equivalents	\$ 316,380	\$ -	\$ -	\$ 316,380
Common trusts	8,797,895	-	-	8,797,895
Corporate stock	178,857	-	-	178,857
	<u>\$ 9,293,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,293,132</u>

The Village's long-term investments at fair value by level as of June 30, 2025 are:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Long-term investments				
Cash and equivalents	\$ 163,925	\$ -	\$ -	\$ 163,925
Common trusts	11,339,909	-	-	11,339,909
Real estate and mineral interest	-	96,300	-	96,300
	<u>\$ 11,503,834</u>	<u>\$ 96,300</u>	<u>\$ -</u>	<u>\$ 11,600,134</u>

**THE BAPTIST CHILDREN'S VILLAGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 2 – FAIR VALUE MEASUREMENTS – CONTINUED**

The Village's long-term investments at fair value by level as of June 30, 2024 are:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Long-term investments				
Cash and equivalents	\$ 136,281	\$ -	\$ -	\$ 136,281
Common trusts	10,483,201	-	-	10,483,201
Real estate and mineral interest	-	96,300	-	96,300
	<u>\$ 10,619,482</u>	<u>\$ 96,300</u>	<u>\$ -</u>	<u>\$ 10,715,782</u>

Long-term investments consist of deferred compensation investments and endowment investments. Endowment investments are net assets with donor restrictions and are restricted to investment in perpetuity, with only the income from the investments to be utilized for support.

**NOTE 3 – PROPERTY, PLANT AND EQUIPMENT**

A summary of the depreciable assets and the related accumulated depreciation at June 30, 2025 and 2024 is presented below:

	<u>2025</u>	<u>2024</u>
Building and improvements	\$ 6,480,961	\$ 6,014,920
Furnishings and equipment	854,959	822,240
Software	255,994	255,994
Vehicles	<u>1,286,487</u>	<u>1,178,287</u>
	8,878,401	8,271,441
Less: Accumulated depreciation	<u>(5,645,250)</u>	<u>(5,357,394)</u>
	<u>\$ 3,233,151</u>	<u>\$ 2,914,047</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$353,074 and \$320,122, respectively.

**THE BAPTIST CHILDREN'S VILLAGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 4 – RETIREMENT PLAN CONTRIBUTIONS**

The Village and its employees participate in a retirement plan administered by the Southern Baptist Annuity Board. Employer contributions to the plan are based on a percentage of compensation. The Village's contribution to this plan for the years ended June 30, 2025 and 2024 amounted to \$340,983 and \$407,036, respectively.

**NOTE 5 – LIQUIDITY**

The following reflects the Village's financial assets as of June 30, 2025 reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions. Amounts not available include amounts set aside as Board designated net assets that could be drawn upon if the governing board approves that action.

Cash and cash equivalents	\$ 1,981,407
Investments	22,657,173
Accounts receivable	<u>505,996</u>
Financial assets available	25,144,576
Less those unavailable for general expenditures within one year due to:	
Investments held in perpetuity	11,600,134
Subject to expenditure for specified purpose	46,817
Board designated net assets	<u>459,624</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 13,038,001</u></u>

The Village does not maintain an operating reserve account to cover the average monthly operating costs, excluding depreciation, in-kind, and other noncash expenses. However, the average monthly cost was approximately \$637,000 for the year ended June 30, 2025. The Village had approximately 20 months of financial assets available to meet its average monthly operating cost for the year ended June 30, 2025. The Village does not have a policy regarding the investment of cash in excess of daily requirements.

**THE BAPTIST CHILDREN'S VILLAGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 6 – NET ASSETS WITHOUT DONOR RESTRICTIONS**

An analysis of the net assets without donor restrictions for the years of June 30, 2025 and 2024 is presented below:

	<u>2025</u>	<u>2024</u>
Board Designated		
Capital Needs Fund	\$ 459,624	\$ 340,886
Without donor restrictions	<u>16,997,377</u>	<u>15,525,696</u>
	<u>\$ 17,457,001</u>	<u>\$ 15,866,582</u>

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

A summary of the net assets with donor restrictions for the years ended June 30, 2025 and 2024 is presented below:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 4,176	\$ 4,176
Investments administered by the Mississippi Baptist Foundation	11,333,011	10,457,082
Investments administered by the Southern Baptist Foundation	122,961	114,538
Funds held in trust by others	43,686	43,686
Real estate and mineral interests	96,300	96,300
Donor restricted contributions	<u>46,817</u>	<u>29,000</u>
	<u>\$ 11,646,951</u>	<u>\$ 10,744,782</u>

**THE BAPTIST CHILDREN'S VILLAGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 8 – ENDOWMENT NET ASSETS WITH DONOR RESTRICTIONS**

The Village's net assets with donor restrictions are held in perpetuity. The Village's Board of Directors has interpreted the law that underlies the Village's net asset classification of donor-restricted endowment funds as requiring the preservation of the fair value of the original gift. As a result of the interpretation, the Village classifies as net assets with donor restrictions held in perpetuity (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

The Village has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Village must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a balanced portfolio comprised of cash, fixed income securities, and equities. To satisfy its long-term objectives, the Village relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Endowment net assets, beginning of year	\$ 10,571,620
Investment return	
Investment income	407,923
Net appreciation	<u>894,512</u>
Total investment return	1,302,435
Contributions	17,500
Net assets released	<u>(435,583)</u>
Endowment net assets, end of year	<u>\$ 11,455,972</u>

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Village to retain as a fund of perpetual duration. As of December 31, 2025, deficiencies of this nature exist in donor-restricted endowment funds, which together have an original gift value of \$331,214, a current fair value of \$325,715, and a deficiency of \$5,499. As of December 31, 2024, the donor-restricted endowment funds with deficiencies have an original gift value of \$460,064, a current fair value of \$413,338, and a deficiency of \$46,726. These deficiencies resulted from unfavorable market conditions during the year.

**THE BAPTIST CHILDREN'S VILLAGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**NOTE 9 – IN-KIND CONTRIBUTIONS**

The Village recognizes revenues from donated property or goods at the estimated value of the good at the time of the donation. The Village received donated property valued at \$1,805 and \$2,494 for the years ended June 30, 2025 and 2024.

For the years ended June 30, 2025 and 2024, investment assets were contributed with a fair market value of \$12,469 and \$42,774, respectively.

**NOTE 10 – SUBSEQUENT EVENTS**

In accordance with the FASB Accounting Standards Codification Topic 855, Subsequent Events, the Village has evaluated subsequent events through September 9, 2025, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of September 9, 2025, have been incorporated into these financial statements.



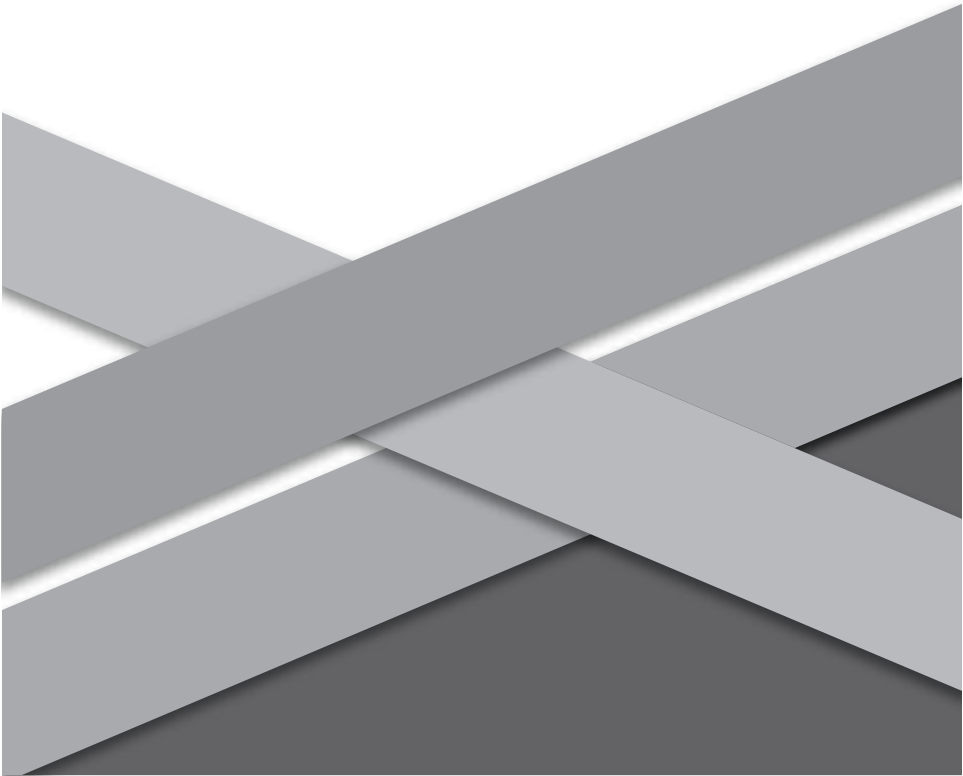
## **SUPPLEMENTAL DATA**

**THE BAPTIST CHILDREN'S VILLAGE**  
**SCHEDULE OF CONTRIBUTED INCOME**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CONTRIBUTED INCOME		
Cooperative program	\$ 761,296	\$ 756,852
Mother's day	116,825	123,743
Christmas	178,726	209,679
Easter	46,492	43,663
Back to school	149,216	108,738
Parental support	100	1,050
Children's Promise Act	530,000	984,009
Eligible Transitional Home Organization Act	472,750	214,505
General gifts	3,147,754	3,177,139
Bequests	1,495,323	823,992
Second Century	-	12,940
Giving Tuesday	46,862	53,205
Champions Heart	39,524	33,136
Thanksgiving	22,625	28,536
Other	<u>21,964</u>	<u>6,038</u>
	<u>\$ 7,029,457</u>	<u>\$ 6,577,225</u>



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***FACTS  
CONCERNING  
  
MISSISSIPPI  
  
and  
  
MISSISSIPPI  
BAPTISTS***

# **STATISTICAL FACTS CONCERNING MISSISSIPPI AND MISSISSIPPI BAPTISTS**

Census Bureau total estimated population in Mississippi for 2024....2,943,045

## **SUMMARY OF MISSISSIPPI CHURCHES 2024**

Associations .....	66
Churches .....	2,057
Total churches reporting* .....	1,534
Weekly Worship Attendance* .....	163,118
Baptisms* .....	8,871
Other Additions* .....	9,978
Total Members* .....	502,864
Sunday School Enrollment* .....	213,582
Sunday School/Bible Study/Small Group Average Attendance* ..	110,103
Men's Ministry Enrollment* .....	10,186
WMU Enrollment* .....	14,996
Cooperative Program Gifts** .....	\$31,594,961
Associational Missions Gifts* .....	\$7,119,805
Total Designated/Undesignated Gifts* .....	\$554,476,088
Church Debt* .....	\$86,794,300

\* Statistics were taken from the 2024 Annual Church Profile.

\*\* Cooperative Program total taken from MBCB church receipts January-December, 2024

<b>TEN YEARS OF MISSISSIPPI BAPTISTS GIVING TO THE COOPERATIVE PROGRAM</b>
--

2024 .....	\$ 31,594,960
2023 .....	\$ 30,513,081
2022 .....	\$ 30,296,438
2021 .....	\$ 33,757,572
2020 .....	\$ 31,044,999
2019 .....	\$ 31,478,702
2018 .....	\$ 32,454,559
2017 .....	\$ 31,288,656
2016 .....	\$ 31,772,716
2015 .....	\$ 31,799,102

**Ten-year total (2015 – 2024) - \$ 316,000,785**

<b>NUMBER OF CHURCHES BY SIZE OF TOTAL MEMBERSHIP *</b>
---

<u>Size</u>	<u>2023</u>	<u>2024</u>
1-49.....	172 .....	175
50-99.....	228 .....	251
100-149.....	194 .....	213
150-199.....	139 .....	147
200-299.....	207 .....	207
300-399.....	147 .....	148
400-499.....	96 .....	96
500-749.....	122 .....	123
750-999.....	54 .....	49
1,000 and up.....	86 .....	84

\* Statistics were taken from the 2023 and 2024 Annual Church Profile.

<b>TOP TEN MISSISSIPPI BAPTIST CHURCHES IN BAPTISMS *</b>
---

<b>2024</b>	<b>Church</b>	<b>Pastor</b>	<b>Baptisms</b>
	Pinelake Church, Brandon .....	Chip Henderson .....	728
	Crossgates BC, Brandon .....	Kyle Reno .....	210
	Hickory Ridge BC, Florence.....	Terry Fant.....	173
	Temple BC, Hattiesburg.....	David Whitten .....	127
	Northcrest BC, Meridian.....	Wade Phillips .....	70
	Longview Point BC, Hernando .....	Wade Stevens .....	66
	Ingomar BC, New Albany.....	Thomas Magers .....	56
	Jacobs Well Inc, Pass Christian .....	Bill Warren .....	55
	Broadmoor BC, Madison .....	Josh Braddy.....	55
	Vertical Church, Madison .....	Ben Derrick .....	55

<b>2023</b>	<b>Church</b>	<b>Pastor</b>	<b>Baptisms</b>
	Pinelake Church, Brandon .....	Chip Henderson .....	500
	Crossgates BC, Brandon .....	David Jett .....	238
	Hickory Ridge BC, Florence.....	Terry Fant.....	142
	Cold Springs BC, Collins .....	West Garner.....	119
	Temple BC, Hattiesburg.....	David Whitten .....	113
	Northcrest BC, Meridian.....	Dan Lanier.....	89
	Wade BC, Moss Point .....	Brannon Lott .....	74
	New Hope BC, Meridian .....	Doug Goodman .....	70
	Longview Point BC, Hernando .....	Wade Stevens .....	65
	Emmanuel, Greenville .....	Chris Vowell .....	60
	FBC Picayune .....	Tony Lambert.....	60

- Statistics were taken from the 2023 and 2024 Annual Church Profile.

## SUMMARY OF AUDITS

### Mississippi Baptist Convention Board Audit (Year Ended 12/31/24)

Income -----	\$ 59,247,966
Expenditures-----	<u>\$56,588,963</u>
	\$ 2,659,003

### Board of Ministerial Education Financial Report (Year Ended 12/31/24)

Income -----	\$390,039
Expenditures-----	<u>\$362,492</u>
	\$27,547

### Blue Mountain Christian University Audit (Year Ended 6/30/25)

Income -----	\$16,423,672
Expenditures-----	<u>\$15,983,548</u>
	\$440,124

### Mississippi College Audit (Year Ended 5/31/25)

Income -----	\$89,921,473
Expenditures -----	<u>\$82,455,001</u>
	\$7,466,472

**William Carey University Audit – not available at time of printing**

### Baptist Memorial Health Care Corporation and Affiliates Audit (Year Ended 9/30/24)

Income -----	\$4,722,281,000
Expenditures-----	<u>\$4,393,699,000</u>
	\$328,582,000

### Mississippi Baptist Christian Action Commission, Inc. Audit (Year Ended 12/31/24)

Income -----	\$413,218
Expenditures-----	<u>\$377,644</u>
	\$35,574

### Mississippi Baptist Foundation Audit (Year Ended 6/30/25)

Income -----	\$33,197,329
Expenditures-----	<u>\$11,579,167</u>
	\$21,618,162

### The Baptist Children's Village Audit (Year Ended 6/30/25)

Income -----	\$10,506,571
Expenditures-----	<u>\$8,013,983</u>
	\$2,492,588