

**National Benevolent Association of the  
Christian Church (Disciples of Christ)**

Consolidated Financial Statements

December 31, 2025 and 2024



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
National Benevolent Association of the Christian Church  
(Disciples of Christ)

### **Opinion**

We have audited the accompanying consolidated financial statements of National Benevolent Association of the Christian Church (Disciples of Christ) (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Benevolent Association of the Christian Church (Disciples of Christ) as of December 31, 2025, and the changes in their net assets and their 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 National Benevolent Association of the Christian Church (Disciples of Christ) 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 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 National Benevolent Association of the Christian Church (Disciples of Christ)'s ability to continue as a going concern within one year after the date that the consolidated 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 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 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, including omissions, 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 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 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 National Benevolent Association of the Christian Church (Disciples of Christ)'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 National Benevolent Association of the Christian Church (Disciples of Christ)'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.

## **Prior Period Financial Statements**

The consolidated financial statements of National Benevolent Association of the Christian Church (Disciples of Christ) as of December 31, 2024, were audited by other auditors whose report dated September 19, 2025, expressed an unmodified opinion on those statements.



St. Louis, Missouri

June 12, 2026

National Benevolent Association of the Christian Church (Disciples of Christ)  
Consolidated Statements of Financial Position  
December 31, 2025 and 2024  
(In thousands)

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 1,027	\$ 1,060
Bequests and other receivable	41	37
Contributions receivable	20	16
Prepaid expenses	92	76
Deposits	127	127
Other assets	59	40
Property and equipment, net of accumulated depreciation	140	71
Operating investments	13,104	12,501
Endowment investments	74,227	67,686
Beneficial interest in perpetual trusts held by related party	1,040	929
Beneficial interest in perpetual trusts held by third-party	2,941	2,702
Total assets	\$ 92,818	\$ 85,245
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 411	\$ 271
Annuity and trust obligations	1,238	1,259
Funds held in trust	3,150	2,866
Notes payable to related party	-	19
Other	303	262
Total liabilities	5,102	4,677
Net assets		
Without donor restrictions	55,816	51,581
With donor restrictions	31,900	28,987
Total net assets	87,716	80,568
Total liabilities and net assets	\$ 92,818	\$ 85,245

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

National Benevolent Association of the Christian Church (Disciples of Christ)  
Consolidated Statement of Activities  
For the Year Ended December 31, 2025  
(In thousands)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Fees for services	\$ 3	\$ -	\$ 3
Contributions	425	40	465
Bequests and other planned gift distributions	126	-	126
Investment return, net	7,904	3,893	11,797
Gain on deferred gift values	65	71	136
Change in beneficial interest in perpetual trusts	116	388	504
Net assets released from restriction	1,479	(1,479)	-
Other	<u>39</u>	<u>-</u>	<u>39</u>
Total revenues, gains, and other support	<u>10,157</u>	<u>2,913</u>	<u>13,070</u>
Functional expenses			
Program services	3,269	-	3,269
Management and general	1,753	-	1,753
Fundraising	<u>900</u>	<u>-</u>	<u>900</u>
Total functional expenses	<u>5,922</u>	<u>-</u>	<u>5,922</u>
Change in net assets	4,235	2,913	7,148
Net assets, beginning of year	<u>51,581</u>	<u>28,987</u>	<u>80,568</u>
Net assets, end of year	<u>\$ 55,816</u>	<u>\$ 31,900</u>	<u>\$ 87,716</u>

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

National Benevolent Association of the Christian Church (Disciples of Christ)  
Consolidated Statement of Activities  
For the Year Ended December 31, 2024  
(In thousands)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support			
Fees for services	\$ 5	\$ -	\$ 5
Contributions	426	162	588
Bequests and other planned gift distributions	10	-	10
Investment return, net	5,816	2,363	8,179
Gain on deferred gift values	47	49	96
Change in beneficial interest in perpetual trusts	-	275	275
Net assets released from restriction	1,469	(1,469)	-
Other	<u>23</u>	<u>-</u>	<u>23</u>
Total revenues, gains, and other support	<u>7,796</u>	<u>1,380</u>	<u>9,176</u>
Functional expenses			
Program services	2,876	-	2,876
Management and general	1,483	-	1,483
Fundraising	<u>863</u>	<u>-</u>	<u>863</u>
Total functional expenses	<u>5,222</u>	<u>-</u>	<u>5,222</u>
Change in net assets	2,574	1,380	3,954
Net assets, beginning of year	<u>49,007</u>	<u>27,607</u>	<u>76,614</u>
Net assets, end of year	<u>\$ 51,581</u>	<u>\$ 28,987</u>	<u>\$ 80,568</u>

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

National Benevolent Association of the Christian Church (Disciples of Christ)  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2025  
(In thousands)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses				
Wages, benefits and program consultants	\$ 1,613	\$ 1,158	\$ 576	\$ 3,347
Staff travel	175	65	67	307
Mission grants	884	-	38	922
Mission events	288	1	-	289
Publication and information events	61	115	133	309
Office, information technology and other	106	173	39	318
Professional services	133	223	44	400
Depreciation and amortization	<u>9</u>	<u>18</u>	<u>3</u>	<u>30</u>
	<u>\$ 3,269</u>	<u>\$ 1,753</u>	<u>\$ 900</u>	<u>\$ 5,922</u>

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

National Benevolent Association of the Christian Church (Disciples of Christ)  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2024  
(In thousands)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses				
Wages, benefits and program consultants	\$ 1,492	\$ 896	\$ 612	\$ 3,000
Staff travel	164	58	86	308
Mission grants	669	-	38	707
Mission events	349	1	3	353
Publication and information events	16	49	75	140
Office, information technology and other	97	169	36	302
Professional services	82	245	10	337
Depreciation and amortization	7	62	3	72
Interest expense	-	3	-	3
	<u>\$ 2,876</u>	<u>\$ 1,483</u>	<u>\$ 863</u>	<u>\$ 5,222</u>

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

National Benevolent Association of the Christian Church (Disciples of Christ)  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2025 and 2024  
(In thousands)

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 7,148	\$ 3,954
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	30	72
Net realized and unrealized gain on investments	(12,070)	(8,150)
Change in deferred gift values - annuity and trust obligations	(136)	(96)
Gain on beneficial interest in perpetual trusts	(504)	(275)
Net loss on assets sold	3	4
Changes in operating assets and liabilities		
Bequests and other receivable	(4)	81
Contributions receivable	(4)	1
Prepaid expenses	(16)	(4)
Accounts payable and accrued expenses	140	(77)
Other assets and liabilities	22	33
Net cash used in operating activities	(5,391)	(4,457)
Cash flows from investing activities		
Purchase of property and equipment	(102)	(35)
Purchase of investments	(4,641)	(5,435)
Proceeds from disposition of investments	9,753	10,504
Net cash provided by investing activities	5,010	5,034
Cash flows from financing activities		
Principal payments on notes payable to related party	(19)	(53)
Payment of annuity obligations	(358)	(171)
Net proceeds from planned giving program	725	49
Net cash provided by (used in) financing activities	348	(175)
Net increase (decrease) in cash and cash equivalents	(33)	402
Cash and cash equivalents, beginning of year	1,060	658
Cash and cash equivalents, end of year	\$ 1,027	\$ 1,060

Supplemental disclosure of cash flow information

Cash paid during the year interest	\$ -	\$ 3
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The accompanying notes are an integral part of these consolidated financial statements.

National Benevolent Association of the Christian Church (Disciples of Christ)  
Notes to Consolidated Financial Statements  
December 31, 2025 and 2024  
(In thousands)

1. NATURE OF OPERATIONS

The National Benevolent Association ("NBA") is the social and health services general ministry of the Christian Church (Disciples of Christ) with a central office located in St. Louis, Missouri. NBA is a Missouri not-for-profit corporation. The mission statement of the NBA is:

*The NBA empowers health and social service leaders, organizations, and ministries to do justice and transform communities.*

The NBA partners with local congregations, regional and general ministries of the Christian Church (Disciples of Christ) (the "Church"), and other Disciples-affiliated health and social service agencies. The NBA equips and collaborates with these partners to deliver direct services, including affordable housing; spiritual care for incarcerated individuals; children and family services; supports for adults with intellectual and developmental disabilities; care and advocacy for older adults; and hunger-response initiatives. Equity and justice have been central to this work since the NBA's founding.

In affiliation with nonprofit agencies and projects, there are times that the NBA enters into Memorandums of Understanding (MOU) with the Church related health and social service providers in their work. The MOU serves to define and clarify the NBA's affiliation with these organizations. As affiliated partners, the NBA can be publicly listed with each organization. Reciprocally, the NBA will list the agency and/or project with whom they are affiliated. Each MOU details the specifics of the relationship between the NBA and the particular service provider. Individual MOU's may include items such as: funding grants; coaching services; access to NBA's networks of health and social service ministries; marketing and communication assistance in their local community and across the Christian Church (Disciples of Christ).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations.

Financial statement presentation

The following is a description of the two classes of net assets of NBA:

- *Net assets without donor restrictions* - Net assets available for use in the general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for various future potential needs of NBA.

National Benevolent Association of the Christian Church (Disciples of Christ)  
Notes to Consolidated Financial Statements  
December 31, 2025 and 2024  
(In thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial statement presentation (continued)

- *Net assets with donor restrictions* - Net assets subject to donor-imposed restrictions may be temporary or perpetual in nature. Restrictions, such as those that will be met by passage of time or specific program use, are considered to be temporary in nature and are released when a donor-imposed restriction expires, that is, when the stipulated purpose for which the resource was restricted has been fulfilled or by passage of time. The Organization also has net assets whose use has been limited by donor-imposed restrictions that the gifts must be maintained in perpetuity by the Organization. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Principles of consolidation

The consolidated financial statements include the accounts of NBA and the National Benevolent Foundation, a Missouri nonprofit corporation of which NBA is the sole corporate member. All significant intercompany accounts and transactions have been eliminated.

Use of estimates

The preparation of consolidated 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 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.

Cash and cash equivalents

NBA considers all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts, including endowment accounts, are not considered to be cash and cash equivalents. There were no cash equivalents at December 31, 2025 or 2024. At December 31, 2025, NBA's cash accounts exceeded federally insured limits by approximately \$66.

National Benevolent Association of the Christian Church (Disciples of Christ)  
Notes to Consolidated Financial Statements  
December 31, 2025 and 2024  
(In thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions, bequests and other receivables

Gifts of cash, securities, and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. 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 statement of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Gifts of land, buildings, equipment and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Unconditional gifts including bequests in liquidation expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional. NBA is the income beneficiary to a number of trusts held by a related party as trustee where the trustee has been granted variance power. As these amounts can be changed at any time by the trustee, no asset has been recorded. Contribution revenue is recognized as amounts received on an annual basis and was \$136 and \$96 for 2025 and 2024, respectively.

Investments

NBA measures securities at fair value. These investments include investments held in trust in conjunction with pooled investment trusts, living trusts, unitrusts, annuity trusts and those investments permanently restricted by donors in conjunction with endowment agreements from other investments.

National Benevolent Association of the Christian Church (Disciples of Christ)  
Notes to Consolidated Financial Statements  
December 31, 2025 and 2024  
(In thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net investment return

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 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 net assets with donor restrictions and then released from restriction. Other investment return is reflected in the consolidated statements of activities as with or without donor restriction based upon the existence of any donor or legally imposed restrictions.

NBA 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 monthly 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.

Irrevocable split-interest agreements

NBA is the trustee of certain irrevocable split-interest agreements, including pooled life income funds, unitrusts and annuity trusts. Under the terms of these instruments, NBA is named as the trustee, current distributions are made to specified individuals and a remainder interest is to be distributed to NBA. Unitrusts are accounted for using the standard method, which pays the donors based on a fixed percentage. NBA is also the issuer of gift annuity agreements under which NBA, in exchange for a transfer of cash or other property, is obligated to pay an annuity to one or two individuals for their remaining lives. NBA recognizes any assets transferred as part of the initial payment at their fair values. Liabilities for the future payments to annuitants are recorded using published actuarial life expectancies and the Applicable Federal Rate at the date of the gift. The difference between the fair value of donated assets and the calculated liability is recognized as contribution revenue in the year the irrevocable gift is made.

Each year, NBA recognizes net gains and losses on deferred gift values based on the investment income and market appreciation (depreciation) of trust assets, distributions to annuitants and releases of remainder trusts or gift annuities. Assets of the pooled life income funds, unitrusts and annuity trusts are held by NBA as the trustee pursuant to the terms of specific trust agreements. Assets transferred to NBA in exchange for a gift annuity become property of NBA and are not held in trust.

National Benevolent Association of the Christian Church (Disciples of Christ)  
Notes to Consolidated Financial Statements  
December 31, 2025 and 2024  
(In thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are recorded at cost, less accumulated depreciation and amortization, except for property received by gifts which is recorded at fair value on the date of receipt. Property and equipment are depreciated on a straight-line basis over the useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

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

Leasehold improvements	3 - 10 years
Furniture and equipment	3 - 15 years

Long-lived asset impairment

NBA evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2025 and 2024.

Other liabilities

Other liabilities are comprised of reserves established for self-insurance and other insurance reserves for the benefit of NBA and endowment funds held for the benefit of other entities.

Liability for annuity and trust obligations

Liability for annuity and trust obligations represent the net present value of future payments due under irrevocable agreements written in conjunction with certain deferred gift programs.

Funds held in trust

Funds held in trust are comprised primarily of revocable deferred gift deposit agreements and various unitrusts, annuity trusts, gift annuities and pooled fund agreements whose residual beneficiaries are not-for-profit entities other than NBA.

National Benevolent Association of the Christian Church (Disciples of Christ)  
Notes to Consolidated Financial Statements  
December 31, 2025 and 2024  
(In thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fees for services

Fees for services are comprised largely of Mental Health and Wellness Event Fees which were \$3 in 2025 and \$2 in 2024. The remainder for fees for services revenues represent Planned Giving Fees on final releases which were \$0 and \$3, in 2025 and 2024, respectively, for services such as funds management.

Income taxes

NBA is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law, pursuant to a group exemption letter issued to the Christian Church (Disciples of Christ). However, NBA is subject to federal income tax on any unrelated business taxable income.

NBA has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings and believes no provision for income taxes is necessary to cover any uncertain tax positions at this time.

Functional allocation of expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on the best estimates of management.

Wages, benefits and program consultants are allocated on the basis of estimates of time and effort. Other expenses such as computer, telephone, and postage are allocated on the basis of estimates of time and usage.

Subsequent events

Subsequent events have been evaluated through June 12, 2026, which is the date the consolidated financial statements were available to be issued. Based on this evaluation, no subsequent events have occurred that require recognition or disclosure in the accompanying consolidated financial statements.

National Benevolent Association of the Christian Church (Disciples of Christ)  
Notes to Consolidated Financial Statements  
December 31, 2025 and 2024  
(In thousands)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain prior year amounts have been reclassified to confirm with the current year presentation. There is no net effect on the change in net assets as a result of these reclassifications.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2025 and 2024, comprise the following:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 1,027	\$ 1,060
Contributions receivable	20	16
Investments	87,331	80,187
	88,378	81,263
Less investments:		
Restricted by donors for endowment	(26,086)	(23,400)
Restricted by donor with purpose restrictions	(2,873)	(2,885)
To support gift annuities and other planned giving instruments	(2,769)	(2,602)
To support other trusts	(2,436)	(2,230)
Board designated as Permanent Fund	(48,141)	(44,286)
Board designated as Mission Direct Fund	(2,593)	(2,596)
	(84,898)	(77,999)
Expected appropriation from the donor restricted and Board designated endowments	4,635	4,092
	\$ 8,115	\$ 7,356

The board designated funds deducted from financial assets above are not intended to be spent for general expenditures, however, these amounts could be made available by vote of the Board of Trustees if necessary. The Permanent Fund is subject to a spending rate appropriation of 4.5% as part of the board's annual budget approval and appropriation, however, the Mission Direct fund is not subject to a spending rate appropriation per the Board of Trustee policy for that fund.

National Benevolent Association of the Christian Church (Disciples of Christ)  
Notes to Consolidated Financial Statements  
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(In thousands)

3. LIQUIDITY AND AVAILABILITY (continued)

The primary source of cash for the NBA's operating expenditures is appropriated spending rate drawn on the NBA's invested funds at the Christian Church Foundation. The organization maintains cash balances adequate to cover upcoming expenditures for an approximate 50-day window. NBA allows the bulk of the remaining funds to be fully invested in pooled funds at the Christian Church Foundation. Cash balances are developed daily, net of known outstanding checks, and compared to cash needs for the next 50 days. Liquidations are then made, monthly if needed, based on this analysis. During the years ended December 31, 2025 and 2024, the level of liquidity and reserves was managed within the policy requirements.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	2025	2024
Leasehold improvements	\$ 47	\$ 459
Furniture and equipment	320	269
	367	728
Less accumulated depreciation and amortization	(227)	(657)
	\$ 140	\$ 71

5. INVESTMENTS

Investments consisted of the following:

	2025	2024
Money market funds	\$ 125	\$ 3,669
Stock and stock funds	2	4
Christian Church Foundation funds within the Joint Investment Trust	83,407	76,514
Annuity growth plan	582	-
Mutual funds	3,215	-
	\$ 87,331	\$ 80,187

6. DISCLOSURES ABOUT FAIR VALUE OF ASSETS

Fair value is the price that would be received to sell an asset 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. There is a hierarchy of three levels of inputs that may be used to measure fair value:

National Benevolent Association of the Christian Church (Disciples of Christ)  
Notes to Consolidated Financial Statements  
December 31, 2025 and 2024  
(In thousands)

6. DISCLOSURES ABOUT FAIR VALUE OF ASSETS (continued)

Level 1: Quoted prices in active markets for identical assets.

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

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

The following tables present the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Money market funds	\$ 125	\$ -	\$ -	\$ 125
Stock and stock funds	2	-	-	2
Christian Church Foundation funds within the Joint Investment Trust	301	83,106	-	83,407
Annuity growth plan	582	-	-	582
Mutual funds	<u>3,215</u>	<u>-</u>	<u>-</u>	<u>3,215</u>
	<u>4,225</u>	<u>83,106</u>	<u>-</u>	<u>87,331</u>
Beneficial interest in perpetual trusts				
Held by related party	-	1,040	-	1,040
Held by third-party	<u>-</u>	<u>2,941</u>	<u>-</u>	<u>2,941</u>
	<u>-</u>	<u>3,981</u>	<u>-</u>	<u>3,981</u>
	<u>\$ 4,225</u>	<u>\$ 87,087</u>	<u>\$ -</u>	<u>\$ 91,312</u>

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6. DISCLOSURES ABOUT FAIR VALUE OF ASSETS (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Money market funds	\$ 3,669	\$ -	\$ -	\$ 3,669
Stock and stock funds	4	-	-	4
Christian Church Foundation funds within the Joint Investment Trust	<u>290</u>	<u>76,224</u>	-	<u>76,514</u>
	<u>3,963</u>	<u>76,224</u>	-	<u>80,187</u>
Beneficial interest in perpetual trusts				
Held by related party	-	929	-	929
Held by third-party	<u>-</u>	<u>2,702</u>	-	<u>2,702</u>
	<u>-</u>	<u>3,631</u>	-	<u>3,631</u>
	<u>\$ 3,963</u>	<u>\$ 79,855</u>	<u>\$ -</u>	<u>\$ 83,818</u>

Following is a description of the valuation methodologies and inputs used for instruments 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 instruments pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2025 and 2024.

Investments: Where quoted market prices are available in an active market, investments 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 investments 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 and cash flows. Such investments are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. NBA has no Level 3 investments.

A majority of the investments held by NBA for endowment purposes are held at the Christian Church Foundation. NBA holds units within the Total Return Fund which represents their proportionate share of the fund and the underlying investments. The Total Return Fund consists of domestic and international equity securities, fixed income securities, alternative strategies, and real assets.

Beneficial Interest in Perpetual 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 2 of the hierarchy.

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7. BENEFICIAL INTEREST IN PERPETUAL TRUSTS

*Trusts held by related party*

NBA and the Christian Church Foundation, Inc. (the "Foundation") are related parties that are not financially interrelated organizations. Both organizations are General Ministries of the Christian Church (Disciples of Christ). These ministries address broad areas of work, central administrative functions and specialized study and services to meet responsibilities of the Church in its mission of witness and service to the world. In the absence of donor restrictions, the Foundation has discretionary control over the amounts and timing of its distributions to NBA. The Foundation has not made contributions to NBA, other than required pass-through contributions due, during the years ended December 31, 2025 and 2024.

NBA assets held by the Foundation, recorded as a beneficial interest in trust, are recorded at the estimated value of the expected future cash flows of \$1,040 and \$929, which represents the fair value of NBA's share of trust assets at December 31, 2025 and 2024, respectively. The income from the this trust for 2025 and 2024 is recorded as a component of change in beneficial interest in perpetual trusts on the consolidated statement of activities.

*Trusts held by third-parties*

NBA is the beneficiary under a number of perpetual trusts administered by outside parties. Under the terms of the trusts, NBA has the irrevocable right to receive a portion of income earned on trust assets in perpetuity. The estimated value of the expected future cash flows is \$2,941 and \$2,702, which represents the fair value of NBA's share of trust assets at December 31, 2025 and 2024, respectively. The income received from these trusts for 2025 and 2024 was \$491 and \$125, respectively.

8. ANNUITIES AND TRUSTS PAYABLE

NBA receives assets in exchange for charitable gift contracts that provide fixed lifetime payments to the donor or their named beneficiaries. The assets received from the donor are recorded at fair value. NBA has recorded a liability at December 31, 2025 and 2024, of \$376 and \$419, respectively, which represents the present value of the future annuity obligations. The liability has been determined using discount rates as of the date of the gift, which range from 2% to 11%, and applicable mortality tables.

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8. ANNUITIES AND TRUSTS PAYABLE (continued)

NBA administers various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the use of NBA. The portion of the trust attributable to the future interest of NBA is recorded in the consolidated statements of activities as contributions with donor restrictions in the period the trust is established. Assets held in the charitable remainder trusts are recorded at fair value within investments in NBA's consolidated statements of financial position. On an annual basis, NBA revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. NBA has recorded a liability at December 31, 2025 and 2024, of \$862 and \$840, respectively, which represents the present value of the future obligations to make distributions to the designated beneficiaries.

9. NOTE PAYABLE TO A RELATED PARTY

NBA had a note payable agreement with the Board of Church Extension of Disciples of Christ, Inc., a related party. At December 31, 2025, there was no outstanding balance on the note payable. At December 31, 2024, the outstanding balance was \$19. The note required monthly principal and interest payments of \$5 and bore interest at a fixed rate of 4.25%. The note was secured by a specific investment account on deposit with the Christian Church Foundation and matured in March 2025.

10. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consisted of the following:

	2025	2024
Undesignated	\$ 4,110	\$ 3,002
Designated by Board for Permanent Fund	48,141	44,286
Designated by Board for Mission Direct Fund	2,593	2,596
Designated by Board for Operating Reserve	972	1,697
	\$ 55,816	\$ 51,581

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11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	2025	2024
Subject to expenditure for a specified purpose		
NBA Ministry Programs	\$ 1,960	\$ 2,065
Funds held by Christian Church Foundation, Inc.	337	301
Deferred gift agreements	576	519
	2,873	2,885
Funds held in the donor restricted endowment subject to the endowment spending policy for appropriation for general use	26,086	23,400
Not subject to spending policy or appropriation beneficial interest in perpetual trusts	2,941	2,702
	\$ 31,900	\$ 28,987

Net assets with donor restrictions released from restriction during the year were as follows:

	2025	2024
Expiration of time restrictions	\$ 13	\$ 16
NBA Ministry Programs support	1,466	1,453
	\$ 1,479	\$ 1,469

12. ENDOWMENT

NBA's endowment consists of approximately 160 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

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12. ENDOWMENT (continued)

NBA's governing body is subject to the State of Missouri Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. The governing body of NBA has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, NBA considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. NBA has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, NBA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) Duration and preservation of the fund
- 2) Purposes of NBA and the fund
- 3) General economic conditions
- 4) Possible effect of inflation and deflation
- 5) Expected total return from investment income and appreciation or depreciation of investments
- 6) Other resources of NBA
- 7) Investment policies of NBA

The composition of net assets by type of endowment fund at December 31, 2025, was:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 48,141	\$ -	\$ 48,141
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	14,954	14,954
Accumulated investment gains	-	11,132	11,132
	<u>\$ 48,141</u>	<u>\$ 26,086</u>	<u>\$ 74,227</u>

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12. ENDOWMENT (continued)

The composition of net assets by type of endowment fund at December 31, 2024, was:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 44,286	\$ -	\$ 44,286
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	14,933	14,933
Accumulated investment gains	<u>-</u>	<u>8,467</u>	<u>8,467</u>
	<u>\$ 44,286</u>	<u>\$ 23,400</u>	<u>\$ 67,686</u>

Changes in endowment net assets for the fiscal year ended December 31, 2025 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, December 31, 2024	\$ 44,286	\$ 23,400	\$ 67,686
Investment return, net	6,761	3,649	10,410
Contributions	128	21	149
Other transfers	-	74	74
Appropriation of endowment assets for expenditure per spending policy	<u>(3,034)</u>	<u>(1,058)</u>	<u>(4,092)</u>
Balance, December 31, 2025	<u>\$ 48,141</u>	<u>\$ 26,086</u>	<u>\$ 74,227</u>

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12. ENDOWMENT (continued)

Changes in endowment net assets for the fiscal year ended December 31, 2024 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, December 31, 2023	\$ 41,365	\$ 22,185	\$ 63,550
Investment return, net	4,821	2,167	6,988
Contributions	36	10	46
Other transfers	-	36	36
Appropriation of endowment assets for expenditure per spending policy	<u>(1,936)</u>	<u>(998)</u>	<u>(2,934)</u>
Balance, December 31, 2024	<u>\$ 44,286</u>	<u>\$ 23,400</u>	<u>\$ 67,686</u>

*Investing and Spending Policies*

In investing the funds of its endowments assets, NBA has adopted a total return strategy in which investment returns are achieved through both current yield and realized/unrealized capital appreciation and which target a diversified asset allocation that places a greater emphasis on equity based securities to achieve long-term return objectives within prudent risk constraints. To that end, NBA has invested the majority of its endowments in specific funds maintained by the Christian Church Foundation. The predicted long-term return, net of maximum costs and expenses range from 3.6% to 5.9% depending on the fund which assumes a moderate level of investment risk although actual returns in a given year will vary.

Contributions to the endowment are primarily derived from donor bequests received at the end of a donor's life. Consistent with Organizational policy, these contributions are recorded directly to the endowment.

In order to provide a predictable stream of funding to programs from its endowment funds while seeking to maintain the purchasing power of the permanent funds, NBA has appropriated for expenditure each year 4.5% of the average fair value of the fund invested in the Board Designated Permanent Fund and the donor restricted endowment funds. Over the long term, NBA believes that these expenditures will allow its endowment funds to grow at an average rate that will exceed the spending rate and maintain the purchasing power of its endowment funds.

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12. ENDOWMENT (continued)

*Underwater Endowments*

At December 31, 2025, funds with original gift values of \$34; fair values of \$33; and deficiencies of \$1, were reported in net assets with donor restrictions. At December 31, 2024, funds with original gift values of \$31; fair values of \$30; and deficiencies of \$1, 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 was deemed prudent by the governing body.

13. PENSION PLAN

The employees of NBA can participate in a contributory pension plan which is administered by the Pension Fund of the Christian Church (Disciples of Christ), Indianapolis, Indiana. This is a multiemployer pension plan which does not accumulate data on an individual employer basis and accordingly, such disclosure is not possible. The pension plan is fully funded by NBA calculated as 14% of the employee's salary requiring no employee contribution. Employees have the option to direct the 14% either into a defined benefit plan or a defined contribution tax savings plan. Regardless of which plan each employee participates in, the employee may elect to make additional contributions into the defined contribution tax deferred savings plan without a NBA match. Total pension expense for 2025 and 2024 was \$297 and \$279, respectively.

14. SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Insurance

Since 1995, NBA purchased insurance for workers' compensation with between a \$250 and \$350 deductible per occurrence. At December 31, 2025, based on actuarial estimates, NBA did not provide an accrual. At December 31, 2024, NBA provided an accrual of \$2. At December 31, 2025 and 2024, the insurers are holding approximately \$127, in collateral for these related occurrences, which are included as deposits in the consolidated statements of financial position. Effective March 2005, NBA has workers' compensation insurance with no deductible per occurrence.

Investments

NBA invests in various investment securities. Investment securities are exposed to various 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 values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

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14. SIGNIFICANT ESTIMATES AND CONCENTRATIONS (continued)

Contributions

There are no concentration in donors for the years ended December 31, 2025 and 2024.