

Retirement Plan for Ministers of  
the Christian Reformed Church in  
Canada  
Financial Statements  
For the year ended December 31, 2024

**Retirement Plan for Ministers of the  
Christian Reformed Church in Canada  
Financial Statements**  
For the year ended December 31, 2024

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## Independent Auditor's Report

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To the Administrator of  
Retirement Plan for Ministers of the Christian Reformed Church in Canada

### Opinion

We have audited the financial statements of the Retirement Plan for Ministers of the Christian Reformed Church in Canada (the "Plan"), which comprise the statement of net assets available for benefits as at December 31, 2024, and the statement of changes in net assets available for benefits for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as at December 31, 2024, and its changes in net assets available for benefits for the year then ended in accordance with the financial reporting provisions of Section 76 of Regulation 909 under the Pension Benefits Act, 1990 (Ontario).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted 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 independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Emphasis of Matter Basis of Accounting and Restriction on Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Administrator of the Plan to meet the requirements of the Financial Services Regulatory Authority of Ontario. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the Administrator of the Plan and the Financial Services Regulatory Authority of Ontario and should not be used by parties other than the Administrator of the Plan and the Financial Services Regulatory Authority of Ontario.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of Section 76 of Regulation 909 under the Pension Benefits Act, 1990 (Ontario), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.



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## Independent Auditor's Report (Continued)

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### 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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

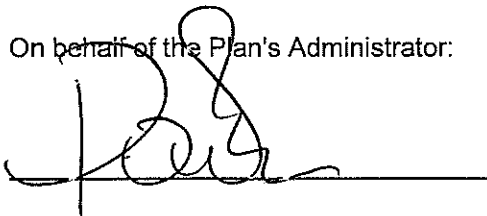
Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario  
August 26, 2025

**Retirement Plan for Ministers of the  
Christian Reformed Church in Canada  
Statement of Net Assets Available for Benefits**

December 31	2024	2023
<b>Assets</b>		
<b>Retirement Plan component</b>		
Cash	\$ 359,157	\$ 225,194
Investments (Note 2)	93,506,135	82,206,656
Accrued income	83,303	152,441
Accounts receivables	48,798	53,341
	<b>93,997,393</b>	<b>82,637,632</b>
<b>Special Assistance Fund component</b>		
Cash	1,893,304	1,699,775
Due from related parties (Note 5)	146,003	63,936
	<b>2,039,307</b>	<b>1,763,711</b>
	<b>96,036,700</b>	<b>84,401,343</b>
<b>Liabilities</b>		
<b>Retirement Plan component</b>		
Accounts payable and accrued liabilities	501,179	439,697
Due to related parties (Note 5)	166,862	268,297
	<b>668,041</b>	<b>707,994</b>
<b>Special Assistance Fund component</b>		
Accounts payable and accrued liabilities	500	-
	<b>668,541</b>	<b>707,994</b>
<b>Net assets available for benefits (Note 3)</b>	<b>\$ 95,368,159</b>	<b>\$ 83,693,349</b>

On behalf of the Plan's Administrator:




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**Retirement Plan for Ministers of the  
Christian Reformed Church in Canada  
Statement of Changes in Net Assets Available for Benefits**

<b>For the year ended December 31</b>	<b>2024</b>	<b>2023</b>
<b>Increase in assets</b>		
<b>Retirement Plan component</b>		
Other Income	\$ 12,400	\$ 36,550
Investment income		
Realized gain on sale of investments	5,729,515	2,702,966
Unrealized gain on investments	7,576,956	5,818,095
Interest	523,121	509,082
Dividends	2,044,498	1,567,031
	<u>15,874,090</u>	<u>10,597,174</u>
	<u>15,886,490</u>	<u>10,633,724</u>
<b>Special Assistance Fund component</b>		
Employer contributions - normal	2,058,980	2,077,816
Interest income	43,548	24,472
Ministry shares	2,098	7,073
	<u>2,104,626</u>	<u>2,109,361</u>
Total increase in assets	<u>17,991,116</u>	<u>12,743,085</u>
<b>Decrease in assets</b>		
<b>Retirement Plan component</b>		
Benefit costs		
Canadian pensionable service	3,497,938	3,365,634
Lump sum disbursements	9,276	10,332
Retirement contributions and other fringe benefits	8,663	11,542
Administrative expenses (Note 4)	970,899	1,107,077
	<u>4,486,776</u>	<u>4,494,585</u>
<b>Special Assistance Fund component</b>		
Expenses		
Assistance payments	6,000	6,000
Moving allowances, net of reimbursements	11,590	22,000
Spousal supplemental payments	11,940	10,780
Transfers to the Christian Reformed Church in North America Denominational Services (Note 5)	1,800,000	702,662
	<u>1,829,530</u>	<u>741,442</u>
Total decrease in assets	<u>6,316,306</u>	<u>5,236,027</u>
<b>Net increase in net assets</b>	<b>11,674,810</b>	<b>7,507,058</b>
<b>Net assets available for benefits, beginning of year</b>	<b>83,693,349</b>	<b>76,186,291</b>
<b>Net assets available for benefits, end of year</b>	<b>\$ 95,368,159</b>	<b>\$ 83,693,349</b>

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

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# Retirement Plan for Ministers of the Christian Reformed Church in Canada

## Notes to Financial Statements

**December 31, 2024**

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### 1. Significant Accounting Policies

#### **Purpose of the Plan**

The purpose of the Plan is to provide benefits to members upon pension eligibility. The Plan is comprised of a Retirement Plan component and a Special Assistance Fund component. Retirement plan funds are invested in accordance with the Plan's Statement of Investment Policies and Procedures.

#### **Basis of Presentation**

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the accounting requirements prescribed by the Financial Services Regulatory Authority of Ontario for financial statements in accordance with the financial reporting provisions of Section 76 of Regulation 909 under the Pension Benefits Act, 1990 (Ontario). These regulations require pension plans to adhere to the provisions of *Section 4600 – Pension Plans in Part IV – Accounting Standards for Pension Plans* of the Chartered Professional Accountants (CPA) Canada Handbook, although they permit the exclusion of the actuarial liabilities of the Plan. Consequently, these financial statements do not purport to show the adequacy of the Plan's assets to meet its pension obligations. For accounting policies that do not relate to the Plan's investment portfolio, the Plan has elected to apply Canadian accounting standards for private enterprises.

#### **Contributions**

In accordance with the provisions of the Plan, the minister's annual pension amount at normal retirement age is 1.1% of the Plan's pensionable salary multiplied by the minister's years of pensionable service in Canada prior to January 1, 1985 plus 1.46% of the Plan's pensionable salary for service performed after December 31, 1984 through December 31, 2010, plus 1.3% of the Plan's pensionable salary for service performed after December 31, 2010.

Based on the periodic actuarial valuations, the sponsor is required to provide the funding necessary to ensure that benefits will be fully provided for on retirement. Based on an actuarial valuation of the Plan prepared as at December 31, 2022, no contributions are required for the year ending December 31, 2024 for the Retirement Plan component. All contributions in excess of those required to fund the Retirement Plan component are allocated to the Special Assistance Fund component.

Contributions are recognized in the financial statements on the accrual basis for contributions reported by the employer up to and including the December 2024 month. Contributions reported after this date are included in the next fiscal period.

#### **Investments and Investment Income**

All investment transactions are recorded when the risks and rewards of ownership are transferred. Investment transactions are recorded on a trade date basis. Investments are stated at their fair values. The fair value is defined 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.

Where ascertainable, fair values of the underlying assets are based on public market prices or independent quotations. Where public market prices or quotations are not ascertainable, fair values are derived from use of inputs observed from markets, using methods such as discounted cash flows, earnings multiples, appraisals, prevailing market rates for instruments with similar characteristics and other pricing models, as appropriate.

The investments are held in trust by the custodian, CIBC Mellon.

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# Retirement Plan for Ministers of the Christian Reformed Church in Canada

## Notes to Financial Statements

**December 31, 2024**

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### 1. Significant Accounting Policies (Continued)

#### Investments and Investment Income (Continued)

##### *Cash*

Cash is reported at the fair value of the reporting currency, which is Canadian dollars.

##### *Short-term Investments*

Short-term investments represent highly liquid, low-risk debt investments. Due to their short-term nature, the fair value of these investments approximates cost plus accrued interest or amortized discount/premium.

Interest income is recognized on a time proportionate basis, using the effective interest method. This method ensures that interest income is recognized in accordance with the passage of time and the applicable interest rate, reflecting the economic benefits earned during the reporting period.

##### *Equities*

Equities are stated at fair value which is based on closing quoted market prices on active exchanges.

Dividend income is recognized when the right to receive payment is established, based on the ex-dividend date.

The realized gain or losses on sale of investments sold during in the year are determined by the excess of proceeds over average cost of investments sold and, accordingly, includes the applicable share of the excess of fair value over cost of investments at the beginning of the year.

The current period change in fair value of investments represents the unrealized appreciation or depreciation of the fair value of investments held at year end less the related unrealized appreciation or depreciation at the previous year end.

##### *Pooled Funds*

Pooled funds are managed investments that pool assets in a diversified portfolio. The Plan holds pooled fund investments in fixed income investments and real estate.

Pooled funds are valued at the unit net asset values supplied by the pooled fund administrator, which represents the Plan's proportionate share of underlying net assets. The unit net asset value is determined based on the fair value of the underlying assets and liabilities of the pooled fund.

The Plan's fair value holding in pooled funds is calculated as the unit net asset value of the pooled fund, multiplied by the number of units held by the Plan.

Investment income is the increase or decrease in the fair value of the pooled funds reflective of the fair value of the underlying investments held by the pooled funds. Dividends and interest are reinvested within the pooled funds. Distributions from pooled funds are recorded when declared by the pooled fund managers.

The realized gain or losses on sale of investments sold during in the year are determined by the excess of proceeds over average cost of investments sold and, accordingly, includes the applicable share of the excess of fair value over cost of investments at the beginning of the year.

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# Retirement Plan for Ministers of the Christian Reformed Church in Canada

## Notes to Financial Statements

**December 31, 2024**

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### 1. Significant Accounting Policies (Continued)

#### **Investments and Investment Income (Continued)**

##### *Pooled Funds (continued)*

The current period change in fair value of investments represents the unrealized appreciation or depreciation of the fair value of investments held at year end less the related unrealized appreciation or depreciation at the previous year end.

##### *Limited Partnerships*

The Plan holds units in limited partnerships, that in turn, hold private equity investments that are not traded in an active market.

The fair value of the underlying limited partnership investments is determined using valuation techniques as described in the limited partnership's audited financial statements.

The fair value of the Plan's investments in limited partnerships is based on its proportionate share of the limited partnership's net assets or equity as reported in its audited financial statements.

Investment income related to the Plan's holdings in the limited partnerships includes the change in fair value of investments which represents the unrealized appreciation or depreciation of the fair value of investments held at year end less the related unrealized appreciation or depreciation at the previous year end.

Investment income is also earned within the limited partnership. To the extent that the Plan receives distributions from the limited partnership, they are based on the Plan's proportionate share of the limited partnership and are recorded when declared by the limited partnership investment managers.

The realized gains or losses on sale of limited partnership investments sold during the year are determined by the excess of proceeds over average cost of investments sold and, accordingly, includes the applicable share of the excess of fair value over cost of investments at the beginning of the year.

#### **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments are reported at fair value and all other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

#### **Pension Benefits and Funding Policy**

Benefit payments to participants are recorded upon distribution.

Actuarial valuations are prepared and filed as required by the Pension Benefits Act (Ontario) to estimate the surplus or deficit for the Plan and to determine required contributions. The last actuarial valuation was completed by Eckler Ltd. and filed as of December 31, 2022. The actuarial basis used in the valuation was the projected unit credit method prorated on service. Reference should be made to this actuarial valuation with respect to the most recently calculated actuarially determined going concern and solvency funding positions.

The next actuarial valuation will be completed as at December 31, 2025 and is expected to be filed in September 2026.

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# Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements

**December 31, 2024**

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## **1. Significant Accounting Policies (Continued)**

### **Foreign Currency Translation**

Foreign currency accounts are translated to Canadian dollars as follows:

At the transaction date, each asset, liability, revenue or expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities, including investments which are carried at fair value, are translated into Canadian dollars by using the exchange rate in effect at that date and the resulting foreign exchange gains and losses are included in income in the current period.

### **Use of Estimates**

The preparation of financial statements requires the Plan Administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities at the financial statement date and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates as additional information becomes available in the future.

### **Income Tax Status**

The Plan is registered pursuant to the Pension Benefits Act and the Income Tax Act (Canada), and is not subject to income taxes.

## Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements

**December 31, 2024**

### 2. Investments

#### (a) Investments by Investment Manager

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Advisory Research				
Cash and short-term investments	\$ 8,994	\$ 8,932	\$ 2,752	\$ 2,631
Apex Investments				
Canadian equities	20,465	20,556	-	-
Cash and short-term investments	86,374	85,228	147,965	151,630
Foreign equities	3,352,783	2,539,957	2,850,741	2,286,036
	<b>3,459,622</b>	<b>2,645,741</b>	2,998,706	2,437,666
Bahl Gaynor				
Cash and short-term investments	54,584	54,047	63,005	64,461
Foreign equities	7,009,492	4,330,134	5,515,547	4,001,767
	<b>7,064,076</b>	<b>4,384,181</b>	5,578,552	4,066,228
Boston Partners LCV				
Cash and short-term investments	37,023	36,897	179,465	182,872
Canadian equities	257,666	212,744	207,350	147,581
Foreign equities	6,609,514	4,786,240	5,786,885	4,326,279
	<b>6,904,203</b>	<b>5,035,881</b>	6,173,700	4,656,732
Earnest Partners				
Cash and short-term investments	38,119	36,709	59,926	61,637
Foreign equities	3,522,859	2,536,216	3,090,454	2,617,177
	<b>3,560,978</b>	<b>2,572,925</b>	3,150,380	2,678,814
Edgewood Management LLC				
Cash and short-term investments	142,148	141,135	111,816	114,980
Foreign equities	6,157,058	3,570,820	5,796,655	3,550,598
	<b>6,299,206</b>	<b>3,711,955</b>	5,908,471	3,665,578
Fidelity				
Fixed income	12,957,461	14,293,187	12,369,803	13,816,199
Cash and short-term investments	6,862	6,862	-	-
	<b>12,964,323</b>	<b>14,300,049</b>	12,369,803	13,816,199
Fiera Capital				
Foreign equities	16,367,203	7,531,432	16,635,010	8,744,128
Real estate	3,754,740	3,157,028	3,511,481	3,040,033
	<b>20,121,943</b>	<b>10,688,460</b>	20,146,491	11,784,161

## Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements

**December 31, 2024**

### 2. Investments (Continued)

(a) Investments by Investment Manager (continued)

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Guardian Capital				
Cash and short-term investments	419,493	419,492	480,802	480,802
Canadian equities	19,599,304	13,214,720	16,370,458	12,428,257
Foreign equities	-	-	177,160	219,738
	<b>20,018,797</b>	<b>13,634,212</b>	17,028,420	13,128,797
Merrill Lynch				
Cash and short-term investments	1,598,113	1,593,043	127,845	127,845
Private equity	7,546,453	6,884,621	5,692,077	5,548,926
	<b>9,144,566</b>	<b>8,477,664</b>	5,819,922	5,676,771
Principal Group				
Cash and short-term investments	86,291	84,772	64,921	67,091
Canadian equities	399,994	287,046	292,136	274,595
Foreign equities	3,473,142	2,205,718	2,672,402	2,059,750
	<b>3,959,427</b>	<b>2,577,536</b>	3,029,459	2,401,436
<b>Total investments</b>	<b>\$ 93,506,135</b>	<b>\$ 68,037,536</b>	\$ 82,206,656	\$ 64,315,013

## Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements

**December 31, 2024**

### 2. Investments (Continued)

#### (b) Investment Allocation

The individual investments that exceed 1% of the fair value of the Plan are as follows:

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
<b>Fixed income</b>				
Fidelity Canadian Bond Core Plus Trust	\$12,957,461	\$14,293,187	\$12,369,803	\$13,816,199
<b>Canadian equity investments</b>				
Agnico Eagle Mines Limited	1,110,992	716,864	798,133	755,044
Bank of Montreal	895,492	706,404	1,193,888	1,002,418
Brookfield Corporation	1,134,538	494,828	763,021	517,313
Canadian Natural Resources Ltd.	769,416	503,024	1,013,420	677,430
Canadian Imperial Bank of Commerce	1,254,197	898,083	329,208	297,160
Royal Bank of Canada	1,423,131	772,876	1,013,576	665,938
Suncor Energy Inc	859,852	416,807	989,255	579,620
Other (less than 1% individually)	12,829,811	9,226,180	10,769,443	8,355,510
Total Canadian equity investments	20,277,429	13,735,066	16,869,944	12,850,433
<b>Cash and short-term investments</b>				
Other (less than 1% individually)	2,478,001	2,467,117	1,238,497	1,253,949
<b>Foreign equity investments</b>				
Fiera International Equity Fund	16,367,203	7,531,432	16,635,010	8,744,128
Other (less than 1% individually)	30,124,848	19,969,085	25,889,844	19,061,345
Total foreign equity investments	46,492,051	27,500,517	42,524,854	27,805,473
<b>Private equity investments</b>				
BCP VIII Access Fund (Offshore) L.P.	1,363,689	1,207,836	971,103	899,368
Carlyle Buyout VII - Access Fund (Offshore) L.P.	1,687,805	1,456,053	1,553,455	1,339,298
KKR Custom Equity - Opportunities Cayman Fund LP	1,288,650	1,168,788	1,101,185	1,075,067
TPG Growth V Access Fund (Offshore) L.P.	1,724,638	1,682,343	1,416,724	1,501,151
Other (less than 1% individually)	1,481,671	1,369,601	649,610	734,042
	7,546,453	6,884,621	5,692,077	5,548,926
<b>Real estate investments</b>				
Fiera Real Estate Core Fund LP	3,754,740	3,157,028	3,511,481	3,040,033
<b>Total investments</b>	<b>\$93,506,135</b>	<b>\$68,037,536</b>	<b>\$82,206,656</b>	<b>\$64,315,013</b>

## Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements

**December 31, 2024**

### 2. Investments (Continued)

(b) Investment Allocation (continued)

Percentage of investments at fair value:

	Fund Policy %	Target Allocation %	2024 %	2023 %
Fixed income	15 - 40	<b>25</b>	<b>14</b>	15
Canadian equities	15 - 30	<b>20</b>	<b>22</b>	20
Foreign equities	30 - 60	<b>40</b>	<b>50</b>	52
Cash and short-term investments	0 - 20	-	<b>2</b>	2
Private equity	0 - 15	<b>10</b>	<b>8</b>	7
Real estate	0 - 10	<b>5</b>	<b>4</b>	4
		<b>100</b>	<b>100</b>	100

As of December 31, 2024, the target asset allocation is outside the recommended target allocations. The Trustees monitor the asset allocation regularly, and rebalancing can occur within six months of an imbalance being identified. The Trustees will perform rebalancing of the asset mix portfolio to achieve the target asset allocation as determined in the Statement of Investment Policies and Procedures.

(c) Investment Commitments

As at December 31, 2024, the Plan has the following investment commitments, denominated in \$USD:

	Aggregate Commitment	Capital Calls to December 31, 2024	Balance Outstanding
BCP VIII - Access Fund (Offshore) L.P.	\$ 1,000,000	\$ 840,000	\$ 160,000
Carlyle Buyout VIII - Access Fund (Offshore) L.P.	1,000,000	615,000	385,000
Coller Secondaries Access Fund IX (Offshore) LP	1,500,000	337,500	1,162,500
TPG Growth V Access Fund (Offshore) L.P.	1,000,000	985,000	15,000
	<b>\$ 4,500,000</b>	<b>\$ 2,777,500</b>	<b>\$ 1,722,500</b>

## Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements

**December 31, 2024**

### 3. Net Assets Available for Benefits

Net assets available for benefits is comprised of:

	2024	2023
Retirement Plan component	\$ 93,329,352	\$ 81,929,638
Special Assistance Fund component	2,038,807	1,763,711
	\$ 95,368,159	\$ 83,693,349

### 4. Administrative Expenses

Administrative expenses are comprised of:

	2024	2023
Actuarial fees	\$ 55,592	\$ 59,824
Audit	28,618	46,243
Investment management and custodial fees	513,472	602,767
Office expense - coordinated services and other fees (Note 5)	373,217	398,243
	\$ 970,899	\$ 1,107,077

### 5. Related Party Transactions and Balances

The Christian Reformed Church in North America Denominational Services administers the Plan and pays the shared expenses of the Plan and is reimbursed. In the current year, an amount of \$373,217 (2023 - \$398,243) was allocated to the Plan and is included in administrative expenses at its exchange value (the amount of consideration established and agreed to by the parties).

The following amounts are from (due) to the related parties at December 31:

	2024	2023
<b>Retirement Plan component</b>		
Christian Reformed Church in North America Denominational Services	\$ (20,859)	\$ (203,087)
Special Assistance Fund component	(146,003)	(65,210)
	\$ (166,862)	\$ (268,297)
<b>Special Assistance Fund component</b>		
Christian Reformed Church in North America Denominational Services	\$ -	\$ (1,274)
Retirement Plan component	146,003	65,210
	\$ 146,003	\$ 63,936

# Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements

**December 31, 2024**

## 5. Related Party Transactions and Balances (Continued)

### Special Assistance Fund component (continued)

In the current year, the Board of Trustees approved transfers of \$1,800,000 (2023 - \$702,662) from the Special Assistance Fund component to the Christian Reformed Church in North America Denominational Services.

## 6. Financial Instruments and Risk Management

The Plan's investing activities expose it to a variety of direct and indirect financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). These risks have not changed from the prior year.

### Credit Risk

*Credit risk* is the risk that the counterparty to a financial instrument will fail to discharge an obligation that is entered into with the Plan. The risk of default on transactions in listed securities is considered minimal, as the trade will fail if either party to the transaction does not meet its obligation. While the Plan may have credit risk with respect to the underlying holdings of the fixed income investments, it manages this risk by investing primarily in investment-grade and government bonds.

As at December 31, the credit rating of fixed income investments are as follows:

	2024	2023
AAA	\$ 3,420,769	\$ 3,018,231
AA	3,602,174	3,389,326
A	1,243,916	1,509,115
BBB	2,306,428	2,300,783
< BB and below	1,334,618	1,224,610
Not rated	1,049,556	927,738
	<b>\$ 12,957,461</b>	<b>\$ 12,369,803</b>

### Liquidity Risk

The Plan is also exposed to *liquidity risk* in the event that investments must be sold quickly. The Plan manages its liquidity risk by investing mainly in active markets with assets that can be readily disposed as liquidity needs arise, assuming orderly markets, however, the private equity and real estate investments are susceptible to increased liquidity risk.

### Market Risk

*Market risk* is the risk of loss that results from fluctuations in equity prices, interest and exchange rates. The Plan is exposed to market risk from its investing activities. The level of risk to which the Plan is exposed varies depending on market conditions and the composition of the asset mix.

*Interest rate risk* arises from the possibility that changes in interest rates will affect the fair value of financial instruments. It arises when the Plan invests in interest-sensitive investments such as bonds and other fixed income investments. The Plan mitigates this risk by investing in interest-bearing investments with varying maturity dates.

# Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements

**December 31, 2024**

## 6. Financial Instruments and Risk Management (Continued)

### Market Risk (Continued)

As at December 31, the terms to maturity of the underlying holdings of the fixed income investments are as follows:

	2024	2023
Less than 1 year	\$ 759,891	\$ 626,636
1-5 years	3,183,683	3,822,482
> 5 years	9,013,887	7,920,685
	\$ 12,957,461	\$ 12,369,803

As of December 31, 2024, had prevailing interest rates increased or decreased by 1% with all other variables held constant, net assets available for benefits would have decreased or increased, respectively, by approximately \$220,000 (2023 - \$192,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The Plan is not exposed to significant interest rate risk on its cash and short-term investments due to the short-term maturity of investments.

*Currency risk* is the risk that the value of a financial instrument will fluctuate due to changes in foreign currencies. Since the foreign equities and private equity investments are denominated in U.S. Dollars, the Plan is directly exposed to currency risk on these investments. As of December 31, 2024, had the Canadian dollar appreciated or depreciated by 5% relative to other currencies with all other variables held constant, net assets available for benefits would have decreased or increased, respectively, by approximately \$2,702,000 (2023 - \$2,126,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

*Other price risk* is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. The Plan manages the price risk primarily through diversifying the investments across industry sectors and through investments strategies. As of December 31, 2024, had equity prices increased or decreased by 10% with all other variables held constant, the net assets available for benefits would have increased or decreased, respectively, by approximately \$6,677,000 (2023 - \$5,939,000).

### Financial Instruments Fair Value Hierarchy

Disclosure of a three-level hierarchy for fair value measurements is based upon transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 - For securities valued based on unadjusted quoted prices in active markets for identical assets.

Level 2 - For securities valued based on inputs, other than quoted prices included in Level 1, that are observable for the asset, either directly or indirectly.

## Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements

**December 31, 2024**

### 6. Financial Instruments and Risk Management (Continued)

#### Market Risk (Continued)

#### Financial Instruments Fair Value Hierarchy (Continued)

Level 3 - For securities valued based on inputs that are based on unobservable market data.

As at December 31, the following table represents a summary of investments held by level:

	2024	2023
Level 1 - Cash and short-term investments and equities	\$ 69,247,481	\$ 60,633,295
Level 2 - Fixed income investments	12,957,461	12,369,803
Level 3 - Private equity and real estate investments	11,301,193	9,203,558
	\$ 93,506,135	\$ 82,206,656

The schedule below presents a reconciliation of Level 3 investments measured at fair value using unobservable inputs during the year. Realized and unrealized gains are included in investment income.

	2024	2023
Balance, beginning of year	\$ 9,203,558	\$ 8,268,146
Purchases	811,370	1,307,774
Realized gain on sale of investments	641,320	-
Unrealized gain (loss) on investments	644,945	(372,362)
	\$ 11,301,193	\$ 9,203,558

### 7. Capital Management

The Plan considers its capital to be its net assets available for benefits. The Plan's objective when managing its capital is to accumulate funds to provide retirement benefits to Plan members, as further described in Note 8.

Based on periodic actuarial valuations, the sponsor is required to provide the funding, in accordance with applicable regulatory requirements, to ensure that benefits will be fully provided for on retirement. The Plan's investment assets are invested in accordance with the Plan's Statement of Investment Policies and Procedures, most recently amended and approved September 2024 that reflects the new target asset allocations, and within the applicable regulatory limits. The Plan's Statement of Investment Policies and Procedures is reviewed at least annually.

The investment managers appointed by the Trustees are directed to achieve a long-term rate of return through a diversified portfolio, consistent with acceptable risks and prudent management. The long-term investment objective of the Plan is to achieve a minimum rate of return of 3% per annum in excess of the increase in the Consumer Price Index, before investment management fees. Actual results related to the Plan's investment portfolio are disclosed in the Statement of Changes in Net Assets Available for Benefits.

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## **Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements**

**December 31, 2024**

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### **7. Capital Management (Continued)**

The investment policy includes guidelines on asset mix and risk allocation. The document lists the investment constraints, for example, the maximum exposure permitted for a single issuer, the liquidity requirements and currency management. The policy also identifies the authorized counterparties and includes the approval requirements.

The objective of risk management is to achieve a diversifying of risks and returns in order to minimize the likelihood of an overall reduction in total Plan value and maximize the opportunity for gains over the entire portfolio. The Trustees also manage the liquidity risk so that there is sufficient liquidity to meet current benefit payments, and to give the Plan the ability to adjust the asset mix in response to changes in the market conditions.

The Canadian Pension Trustees meet regularly to assess the investment risk associated with the portfolio and determine action plans, if required.

The risk management strategy of the Plan did not change during the year ended December 31, 2024.

There has been no change in what the Plan considers to be its capital and there have been no significant changes to the Plan's capital management objectives, policies and processes in the year.

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### **8. Plan Information**

The following description of the Retirement Plan for Ministers of the Christian Reformed Church in Canada (the "Retirement Plan") and the Special Assistance Fund for Ministers of the Christian Reformed Church in Canada (the "Special Assistance Fund") is only a summary. For more complete information, reference should be made to the Retirement Plan and Special Assistance Fund documents.

The Plan is a defined benefit pension plan established for ministers in Canada of The Christian Reformed Church in North America (the "Church"). The Plan is registered with the Financial Services Regulatory Authority of Ontario (registration #458596). The Plan is administered by the Canadian Pension Trustees in accordance with the terms of the Trust Deed. The Plan also provides for a disability pension prior to age 65 in circumstances as defined by the Plan. A minister becomes eligible for the Plan on his service commencement date in the Church. The Plan provides for 100% vesting of the Church's contribution upon Plan registration.

All organized churches are required to pay church assessments determined at an amount per professing member age 18 years and older or, if greater, the direct costs of their first or only pastor's participation in the Retirement Plan. These amounts are collected by means of monthly billings to each organized church based on reported membership statistics.

All emerging churches and each other ministry that employs a minister or endorsed chaplain as a missionary, professor, teacher or in any other capacity are required to pay the annual cost of participation in the Retirement Plan. Grant of credited service for pastors in the employ of agencies, churches and other organizations is contingent on timely payment of amounts billed.

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## **Retirement Plan for Ministers of the Christian Reformed Church in Canada Notes to Financial Statements**

**December 31, 2024**

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### **8. Plan Information (Continued)**

The Church maintains a similar plan for ministers serving in the United States of America. The Synod of the Christian Reformed Church (the "Synod") has established that the total pension obligation to ministers and their dependents in Canada and the United States of America is an across-the-board denominational responsibility requiring joint financing.

The Special Assistance Fund provides to any retired minister, their surviving spouse or orphan, assistance payments for needs that are recognized as a necessity of life and are of an unusual and emergency nature. The Special Assistance Fund also provides for payment of a defined amount to a retired minister or their surviving spouse for one-time moving expenses. The Synod provides financing for the Special Assistance Fund through denominational ministry shares and contributions.

The Plan provides for five trustees who are appointed by the Synod.

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### **9. Comparative Figures**

Certain of the comparative amounts have been reclassified to conform with the current year's financial statement presentation.