

# **Christian Reformed Church in North America**

**Reviewed Consolidated Financial Statements  
and Supplementary Information  
Year Ended June 30, 2023**

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



# **Christian Reformed Church in North America**

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Reviewed Consolidated Financial Statements  
and Supplementary Information  
Year Ended June 30, 2023

# Christian Reformed Church in North America

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## **Independent Accountant's Review Report**

U.S. Ministry Board of Directors  
Christian Reformed Church in North America  
Grand Rapids, Michigan

We have reviewed the accompanying consolidated financial statements of Christian Reformed Church in North America and its wholly owned subsidiary, which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements. A review primarily includes applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Consolidated 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; this includes 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.

### ***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Christian Reformed Church in North America and its wholly owned subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### ***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



*Emphasis of a Matter*

As described in Note 12 to the consolidated financial statements, beginning net assets have been restated to correct a misstatement. Our conclusion is not modified with respect to this matter.

*BDO USA, P.C.*

January 16, 2024

## **Reviewed Consolidated Financial Statements**

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# Christian Reformed Church in North America

## Consolidated Statement of Financial Position

June 30, 2023

### Assets

Cash and cash equivalents	\$	5,550,275
Investments		22,757,645
Due from other denominational corporations		1,472,575
Accounts and pledges receivable		1,023,104
Prepaid expenses		201,754
Property, plant, and equipment		6,423,907
Less: accumulated depreciation and amortization		(3,723,408)

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<b>Total Assets</b>	<b>\$</b>	<b>33,705,852</b>
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### Liabilities and Net Assets

#### Liabilities

Accounts payable	\$	791,560
Accrued liabilities		1,826,076
Due to other denominational corporations		7,099,204
Annuities payable		123,288

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<b>Total Liabilities</b>		<b>9,840,128</b>
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#### Net Assets

Without donor restrictions:		
Operating		9,510,440
Board-designated		7,284,400

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<b>Total Without Donor Restrictions</b>		<b>16,794,840</b>
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With donor restrictions		7,070,884
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<b>Total Net Assets</b>		<b>23,865,724</b>
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<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>33,705,852</b>
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*See accompanying independent accountant's review report  
and notes to consolidated financial statements.*

# Christian Reformed Church in North America

## Consolidated Statement of Activities

Year ended June 30, 2023

	Without Donor Restrictions			With Donor Restrictions	Total
	Operating	Designated	Total		
<b>Revenues and Other Support</b>					
Denominational ministry shares	\$ 8,607,756	\$ -	\$ 8,607,756	\$ -	\$ 8,607,756
Contributions from churches, agencies, and individuals	4,005,092	634,605	4,639,697	8,944,772	13,584,469
Product and services sales	2,383,739	-	2,383,739	800	2,384,539
Investment return, net	1,637,106	-	1,637,106	41,979	1,679,085
Other	591,929	-	591,929	48,976	640,905
Net assets released from restrictions	9,946,463		9,946,463	(9,946,463)	-
Net assets released from designations	1,508,762	(1,508,762)	-	-	-
<b>Total Revenues and Other Support</b>	<b>28,680,847</b>	<b>(874,157)</b>	<b>27,806,690</b>	<b>(909,936)</b>	<b>26,896,754</b>
<b>Expenses</b>					
Program services:					
Global mission	12,315,828	-	12,315,828		12,315,828
Synod services	2,555,271	-	2,555,271	-	2,555,271
Church ministry	4,565,245	-	4,565,245	-	4,565,245
<b>Total Program Services</b>	<b>19,436,344</b>	<b>-</b>	<b>19,436,344</b>	<b>-</b>	<b>19,436,344</b>
Support services:					
Management and general	7,465,575	-	7,465,575	-	7,465,575
Fundraising	2,152,647	-	2,152,647	-	2,152,647
<b>Total Support Services</b>	<b>9,618,222</b>	<b>-</b>	<b>9,618,222</b>	<b>-</b>	<b>9,618,222</b>
<b>Total Expenses</b>	<b>29,054,566</b>	<b>-</b>	<b>29,054,566</b>	<b>-</b>	<b>29,054,566</b>
<b>Changes in Net Assets</b>	<b>\$ (373,719)</b>	<b>\$ (874,157)</b>	<b>\$ (1,247,876)</b>	<b>\$ (909,936)</b>	<b>\$ (2,157,812))</b>

*See accompanying independent accountant's review report and notes to consolidated financial statements.*



**Christian Reformed Church in North America**

**Consolidated Statement of Functional Expenses**

*Year ended June 30, 2023*

	Program Services						Support Services					Total
	Church Ministry						Total Program Services	Management and General	Fundraising	Total Support Services		
	Global Mission	Synod Services	Justice and Mercy	Faith Formation	Worship Resources	Leadership					Total Church Ministry	
<b>Expenses</b>												
Salaries and wages	\$ 4,069,141	\$ 1,205,857	\$ 667,725	\$ 631,291	\$ 479,488	\$ 956,328	\$ 2,734,832	\$ 8,009,830	\$ 3,269,447	\$ 1,185,568	\$ 4,455,015	\$12,464,845
Fringe benefits	2,135,872	298,995	226,042	188,564	177,079	302,737	894,422	3,329,289	1,359,602	272,561	1,632,163	4,961,452
Professional fees	1,614,896	213,101	3,360	59,165	69,544	29,475	161,544	1,989,541	651,124	750	651,874	2,641,415
Printing and publications	9,471	36,143	19,425	109,488	301,226	13,612	443,751	489,365	60,633	46,655	107,288	596,653
Grants	3,143,866	371,117	25,588	(586,299)	-	87,607	(473,104)	3,041,879	504,069	-	504,069	3,545,948
Software	41,472	8,451	4,149	19,700	8,836	5,322	38,007	87,930	695,500	60,110	755,610	843,540
Depreciation	-	-	-	-	-	-	-	-	284,632	-	284,632	284,632
Utilities	49	231	-	24	-	-	24	304	143,049	-	143,049	143,353
Advertising and promotion	1,144	43,581	15,365	256,429	48,589	10,232	330,615	375,340	(98,894)	52,065	(46,829)	328,511
Postage and delivery	5,595	16,901	7,767	62,848	185,400	644	256,659	279,155	26,746	56,048	82,794	361,949
Dues and subscription	8,214	111,491	5,664	527	3,789	1,674	11,654	131,359	61,268	6,493	67,761	199,120
Insurance	-	8,871	5,261	-	-	-	5,261	14,132	196,121	-	196,121	210,253
Office supplies	141,267	118,386	1,144	5,560	492	2,059	9,255	268,908	27,626	7,822	35,448	304,356
Other expenses	8,629	25,399	3,054	88	13,088	(5,151)	11,079	45,107	204,586	1,637	206,223	251,330
Telecommunications	21,100	2,904	4,178	1,403	350	5,565	11,496	35,500	62,868	1,290	64,158	99,658
Repairs and maintenance	168,191	-	-	364	-	-	364	168,555	33,424	-	33,424	201,979
Royalties	-	-	-	62,905	-	(14,681)	48,224	48,224	178	-	178	48,402
Rent	39,366	4,887	-	-	-	-	-	44,253	30,277	-	30,277	74,530
Taxes	-	-	-	-	-	-	-	-	16,130	-	16,130	16,130
Finance fees	210	49,438	29	10,777	3,357	50,419	64,582	114,230	102,378	32,603	134,981	249,211
Fundraising fees	-	1,750	-	-	-	-	-	1,750	-	89,950	89,950	91,700
Allocated indirect cost	-	-	-	200	217,329	-	217,529	217,529	(268,275)	-	(268,275)	(50,746)
Canada/U.S. cost share	(278,461)	(509,484)	(107,558)	91,227	(167,529)	(379,800)	(563,660)	(1,351,605)	(115,183)	92,456	(22,727)	(1,374,332)
Travel, meeting, and staff development	1,185,806	543,807	91,979	79,543	74,452	110,936	356,910	2,086,523	122,870	220,138	343,008	2,429,531
Legal and accounting	-	3,445	442	4,853	150	356	5,801	9,246	95,399	26,501	121,900	131,146
<b>Total Expenses</b>	<b>\$12,315,828</b>	<b>\$ 2,555,271</b>	<b>\$ 973,614</b>	<b>\$ 998,657</b>	<b>\$ 1,415,640</b>	<b>\$ 1,177,334</b>	<b>\$ 4,565,245</b>	<b>\$19,436,344</b>	<b>\$ 7,465,575</b>	<b>\$ 2,152,647</b>	<b>\$ 9,618,222</b>	<b>\$29,054,566</b>

*See accompanying independent accountant's review report and notes to consolidated financial statements.*

# Christian Reformed Church in North America

## Consolidated Statement of Changes in Net Assets

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	Without Donor Restrictions		With Donor Restrictions	Total
	Operating	Board- Designated		
<b>Balance, July 1, 2022, as restated</b>	\$ 9,884,159	\$ 8,158,557	\$ 7,980,820	\$ 26,023,536
<b>Changes in net assets</b>	(373,719)	(874,157)	(909,936)	(2,157,812)
<b>Balance, June 30, 2023</b>	\$ 9,510,440	\$ 7,284,400	\$ 7,070,884	\$ 23,865,724

*See accompanying independent accountant's review report  
and notes to consolidated financial statements.*

# Christian Reformed Church in North America

## Consolidated Statement of Cash Flows

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*Year ended June 30, 2023*

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### **Cash Flows from Operating Activities**

Changes in net assets	\$ (2,157,812)
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation	284,632
Realized gain on investments	(375,347)
Unrealized gain on investments	(923,352)
Change in value of annuities	10,614
Changes in assets and liabilities:	
Accrued interest receivable	-
Due from other denominational corporations	(456,598)
Accounts and pledges receivable	(134,404)
Prepaid expenses	178,015
Accounts payable	443,383
Accrued liabilities	(569,604)
Due to other denominational corporations	521,205
Deferred revenue	(50,012)

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**Net Cash Used in Operating Activities** (3,229,280)

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### **Cash Flows from Investing Activities**

Purchases of investments	(7,134,613)
Proceeds from the sale of investments	8,762,906

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**Net Cash Provided by Investing Activities** 1,628,293

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### **Cash Flows from Financing Activities**

Payments on notes payable to bank	(8,443)
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**Net Decrease in Cash and Cash Equivalents** (1,609,430)

**Cash and Cash Equivalents, beginning of year** 7,159,705

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**Cash and Cash Equivalents, end of year** \$ 5,550,275

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*See accompanying independent accountant's review report and notes to consolidated financial statements.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

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### 1. Organization

The Christian Reformed Church in North America, a Michigan corporation, (Denomination, CRCNA, or CRCNA-Mich) operates under the direction of the Synod of the Christian Reformed Church (Synod). The overall activities of the Denomination include several not-for-profit corporations, which have been established to carry out the various ministries and educational mandates of the Synod. CRCNA conducts various activities in the United States for the other corporations in the Denomination, individual churches that are part of the Denomination, and ministries within North America and around the world.

CRCNA Funds, LLC is a limited liability company under Delaware law in which CRCNA-Mich is the sole member. CRCNA Funds, LLC was formed to help fulfill the mission and charitable purposes of CRCNA-Mich and related agencies. CRCNA Funds, LLC holds investments for participating U.S. agencies of the Christian Reformed Church, which include ReFrame Ministries and CRCNA-Mich. All participating agencies are considered related parties. These investments were administered and managed by U.S. Trust Manager (Blackrock) and Merrill Lynch.

The consolidated financial statements reflect the combined activities of CRCNA-Mich and its wholly owned subsidiary, CRCNA Funds, LLC, collectively referred to as the Organization. These activities include the following programs:

*Global Mission* - This program includes ministries that witness Christ's kingdom and strengthen churches in North America and around the world. These program activities are managed through the Resonate Global Mission division of the Organization.

*Synod Services* - This program is responsible for the ecclesiastical functions of the Denomination and includes the following areas: candidacy, yearbook, running of the Council of Delegates (COD), and the annual meetings of the Denomination.

*Church Ministry* - This category includes operation of the following programs:

- Justice and Mercy
- Faith Formation
- Worship Resources
- Leadership

Management and general includes administrative services, such as human resources (HR), finance, and information technology (IT).

*See accompanying independent accountant's review report.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

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Resonate Global Mission's principal operations are primarily in the following geographic areas:

Africa	Asia	Latin America	Europe	North America
West Africa*	Asia*	Costa Rica	Eastern Europe*	Canada
Kenya	Middle East*	Dominican Republic	Germany	United States
Nigeria	Cambodia	Guatemala	Lithuania	
Sierra Leone	Japan	Haiti	Romania	
South Africa	Nepal	Honduras	Hungary	
Uganda	Philippines	Mexico	Ukraine	
Zambia		Nicaragua		

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\* Country names have been withheld for security reasons.

Other corporations (Denominational Corporations) that have been established to carry out various ministries and educational mandates of the Synod and that also have been excluded from these consolidated financial statements are as follows:

- Christian Reformed Church in North America (Canada)
- ReFrame Ministries and ReFrame Ministries (Ontario)
- Christian Reformed Church Loan Fund, Inc. - U.S.
- World Renew and World Renew Canada
- Calvin University
- Calvin Theological Seminary

## 2. Summary of Significant Accounting Policies

### *Consolidated Financial Statements*

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Ministry shares are gifts from the congregations of the CRCNA that are pledged yearly and given freely throughout the year. These general gifts are based on a church's interest in partnering with other congregations to do shared ministry. Ministry shares are directed to the CRCNA and are distributed based on the needs of CRCNA ministries and agencies through a recommendation of the Council of Delegates.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional—that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

*See accompanying independent accountant's review report.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

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Product and service sales are considered as earned revenue when the products and services are delivered according to agency order specifications.

Investment return consists of realized and unrealized gains and losses, interest and dividends, and the change in the present value of annuities payable, offset by investment expenses.

### *Use of Estimates*

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may differ from those estimates.

### *Cash and Cash Equivalents*

Cash and cash equivalents consist of cash on hand and estimated highly liquid financial instruments with original maturities of less than three months when purchased.

### *Concentration of Credit Risk*

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization places the cash and cash equivalents with high-credit qualified institutions. At times, the amount of cash and cash equivalents may be in excess of the respective institutions' insurance limits. The Organization has not experienced any losses in such accounts, and management believes the Organization is not exposed to any unusual credit risk on cash and cash equivalents.

### *Investments*

Investments are carried at fair value as determined by quoted market prices and other measurement inputs. See Notes 4 and 5 for additional disclosures on investments.

### *Accounts and Pledges Receivable*

Accounts and pledges receivable include unconditional promises to give and are recorded in the year the promise is made. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated cash flows.

An allowance for uncollectable contributions receivable is provided based on management's judgment, including such factors as prior collection history, subsequent collections, type of contribution, and nature of fundraising activity. Conditional promises to give are not included as revenue until the conditions are substantially met.

### *Property, Plant, and Equipment*

Land, buildings, furniture, and equipment are carried at cost less accumulated depreciation. Donated equipment is stated at its estimated fair market value. Property, plant, and equipment of \$5,000 or more are capitalized and depreciated. Depreciation is computed by the straight-line

*See accompanying independent accountant's review report.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

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method over the estimated useful lives of the assets, which range from two to 40 years. Land, buildings, and equipment acquired in connection with the Organization's operations outside of the United States are expensed in the year of acquisition. Management is of the opinion that capitalization is not appropriate for the following reasons: (1) it is the intention within the objectives of the Organization to eventually convey the properties to the national churches or governments, and/or (2) recovering any significant portion of these capital costs is uncertain because of restrictions on foreign ownership of property and exchange control regulations in many of the foreign fields. Generally, as a matter of policy, the Organization will not demand payment on long-term agreements from church-related organizations to which land, buildings, and equipment are sold. Therefore, proceeds from the sale of these items are recorded on the cash basis as received.

### ***Annuities Payable***

Donors have transferred assets to the Organization in exchange for the right to receive a predetermined return during their lifetime (an annuity). A portion of the transfer is considered to be a charitable contribution for income tax purposes. Upon receipt of the transfer, the Organization records a liability for the annuity payable at the present value of future payments based on life expectancy and the midterm federal rate for U.S. Treasury bills for the month the contract is written with the same maturity as the average life expectancy of the annuitants. The difference between the liability recognized for the annuity and the amount of the transfer is recognized as unrestricted contribution income at the date of the gift, unless the gift portion is restricted. Annuity payments are charged against the liability, which, at the end of each fiscal year, is adjusted to the present value of future payments based on life expectancy (utilizing the Internal Revenue Service (IRS) Life Expectancy Tables for Males and Females) and the interest rate commensurate with the remaining expected term of the contract (4.4% to 8.0% at June 30, 2023). The resulting adjustment is netted against investment income in the consolidated statement of activities.

### ***Net Assets***

Net assets and changes therein are classified and reported as follows:

#### ***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time-to-time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion (see Note 7 for details).

#### ***Net Assets with Donor Restrictions***

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restriction and are reported in the consolidated statement of activities as net assets released from restrictions (see Notes 8 and 9 for details).

*See accompanying independent accountant's review report.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

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### *Functional Allocation of Expenses*

The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of general and administrative costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on the proportion of full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalents.

### *Income Taxes*

CRCNA-Mich is organized as a nonprofit religious entity and is, therefore, exempt from federal and state income taxes in the U.S. under Section 501(c)(3) of the Internal Revenue Code (IRC), and contributions to each corporation are deductible for federal tax purposes.

CRCNA Funds, LLC is a limited liability company and, accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. The income or loss of CRCNA Funds, LLC is passed through to the sole member, which is a nonprofit religious entity and, therefore, exempt from federal and state income taxes under Section 501(c)(3) of the IRC. Gifts to CRCNA Funds, LLC qualify for charitable contribution deductions according to IRS regulations. CRCNA Funds, LLC does not have any material uncertain tax positions.

### *Subsequent Events*

Management has evaluated subsequent events through January 16, 2024, the date the consolidated financial statements were available to be issued. Based on evaluation, there were no matters identified that had a significant impact on the consolidated financial statements as presented.

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*See accompanying independent accountant's review report.*



# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

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### 3. Liquidity

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

*June 30, 2023*

Cash and cash equivalents	\$	5,550,275
Investments		22,757,645
Due from other denominational corporations		1,472,575
Accounts and pledges receivable		1,023,104
<b>Total Financial Assets Available Within One Year</b>		<b>30,803,599</b>
Amounts unavailable for general expenditures within one year due to:		
Portion of financial assets restricted by donors (see Note 9)		7,070,884
Portion of financial assets due to other denominational corporations (see Note 11)		7,066,444
<b>Total Amounts Unavailable for General Expenditures Within One Year</b>		<b>14,137,328</b>
Amounts unavailable to management without board approval (see Note 8)		7,284,400
<b>Total Financial Assets Available to Management for General Expenditure Within One Year</b>	\$	<b>9,381,871</b>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### 4. Investments

#### *Investment Risks*

CRCNA-Mich directs its cash and cash equivalents into one or more of the following: a money market account or bank certificates of deposit. For longer-term investments, CRCNA-Mich and other U.S. agencies use CRCNA Funds, LLC as a managed-investment portfolio.

CRCNA Funds, LLC directs its investments into one or more of the following: a balanced portfolio or a fixed-income portfolio. These U.S. agencies receive allocations of their share of investment income.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated statement of financial position.

*See accompanying independent accountant's review report.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

The Organization's investments at fair value are summarized as follows:

*June 30, 2023*

Investments held by CRCNA Funds, LLC:	
Fixed-income portfolio	\$ 5,015,875
Balanced portfolio	17,009,340
Irrevocable trust	415,070
Other	317,360
<b>Total</b>	<b>\$ 22,757,645</b>

Total investment return of \$1,679,085 for the year ended June 30, 2023 represents interest and dividends of \$507,412, realized gains of \$375,347, unrealized gains of \$923,352, and investment expenses of \$127,026.

### *Fair Value Measurements*

In accordance with the Financial Accounting Standards Board (FASB) standard relating to fair value measurements, the Organization classifies its investments and annuities payable into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities and annuities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities and other investments valued based on significant unobservable inputs. The valuation technique utilized by the Organization for its Level 2 investments is the market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets. Annuities payable are valued at present value. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, a summary of the Organization's investments and annuities payable measured at fair value on a recurring basis:

*June 30, 2023*

	Level 1	Level 2	Level 3	Total
Investments held by CRCNA Funds, LLC	\$ 20,086,050	\$ 1,939,165	\$ -	\$ 22,025,215
Other investments:				
Irrevocable trust	415,070	-	-	415,070
Other	-	-	317,360	317,360
<b>Total Other Investments</b>	415,070	-	317,360	732,430
<b>Investments, at fair value</b>	<b>\$ 20,501,120</b>	<b>\$ 1,939,165</b>	<b>\$ 317,360</b>	<b>\$ 22,757,645</b>
<b>Annuities Payable</b>	<b>\$ -</b>	<b>\$ 123,288</b>	<b>\$ -</b>	<b>\$ 123,288</b>

*See accompanying independent accountant's review report.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

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### 5. Endowments

The Organization's donor-restricted endowments were established to support ministry expenses of the Organization as indicated by the donor. Its endowment consists of only donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### *Interpretation of Relevant Law*

The Organization's Board has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies as donor-restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

#### *Return Objective and Risk Parameters*

The Organization's endowments are invested through CRCNA Funds, LLC and an additional balanced fund. CRCNA Funds, LLC's portfolio is invested in both a balanced fund and a fixed-income fund. The investment objective of the balanced fund is a combination of fixed income and equity securities to offer a higher return potential than the fixed-income fund alone. Investment into this style is assumed to have a relatively long (three to five years) time horizon. It is also assumed that cash flows should be minimal. The asset mix of the balanced fund ranges between equities and fixed income, with a minimal amount included in cash equivalents. The investment objective of the fixed-income fund is a short-bond style, which is intended to provide enhanced returns to a money market fund while retaining a low-risk profile. In order to control risk, a relatively short (approximately 1.5 to two years) duration approach is used. Investment into this style is assumed to be a secondary source of liquidity. The asset mix of the fixed-income fund is mainly fixed income with 10% or less invested in cash equivalents. The distributions of the restricted funds are based solely on the Organization's needs of the funds within the stipulated donor restrictions.

*See accompanying independent accountant's review report.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

The Organization had the following changes in the restricted endowments:

	With Donor Restrictions
<b>Beginning Balance, July 1, 2022</b>	\$ 1,979,699
<b>Additions</b>	30,048
<b>Ending Balance, June 30, 2023</b>	\$ 2,009,747

### *Strategies Employed for Achieving Objectives*

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

## 6. Property, Plant, and Equipment

Property, plant, and equipment consist of the following, at cost:

*June 30, 2023*

Land	\$ 1,041,631
Buildings and improvements	5,223,823
Equipment, vehicles, furniture, and fixtures	158,453
<b>Total</b>	<b>\$ 6,423,907</b>

Depreciation expense was \$284,632 for the year ended June 30, 2023.

## 7. Net Assets Without Donor Restriction

The Organization's net assets without donor restrictions are comprised of undesignated and Board-designated amounts for the following purposes:

*June 30, 2023*

Undesignated	\$ 9,510,440
Board-designated:	
Mission Investment Fund	2,154,233
North American Innovation Fund	895,390
International Innovation Fund	717,752
Abuse Survivor Fund	1,452,443
North America Church Development	768,836
Johanna Veenstra Missionary Support	1,295,746
<b>Total Board-Designated</b>	<b>7,284,400</b>
<b>Total Net Assets Without Donor Restrictions</b>	<b>\$ 16,794,840</b>

*See accompanying independent accountant's review report.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

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- *Mission Investment Fund* - This fund creates a more sustainable method of funding for the ministry.
- *North American Innovation Fund* - This is used to fund new or innovative ministry initiatives with emphasis on church planting and new campus ministries.
- *International Innovation Fund* - This is used to fund new or innovative international ministry initiatives.
- *Abuse Survivor Fund* - This is used to fund investigations, legal costs, and support for survivors of former Resonate/Home/World Mission ministries.
- *North America Church Development* - This is used to fund church planting and church development initiatives.
- *Johanna Veenstra Missionary Support* - This includes funding to increase the number of international missionaries that do not have close connections to CRCNA congregations.

During the fiscal year ended June 30, 2023, \$1,508,762 was released from designation and moved to operating net assets without donor restrictions.

### 8. Net Assets with Donor Restriction

The Organization's net assets with donor restrictions are restricted for the following purposes:

*June 30, 2023*

Global Mission Endowments	\$	2,009,747
Global Mission Projects		1,219,713
Global Mission Funding and Equipping Missionaries		1,009,346
Vibrant Congregations		75,983
Church support services, other programs, and initiatives		2,756,095
<b>Total Net Assets with Donor Restriction</b>	<b>\$</b>	<b>7,070,884</b>

The various purposes of the above donor-restricted amounts are as follows:

- *Global Mission Endowments* - These represent permanently restricted gifts invested in order to create income that may be spent supporting Global Missions programs.
- *Global Mission Projects* - These represent gifts that have been designated to particular Global Mission projects.
- *Global Mission Funding and Equipping Missionaries* - This represents gifts that have been designated to support missionaries and volunteers in their Global Mission work.
- *Vibrant Congregations* - This represents grant monies received by CRCNA-Mich that support the efforts of the Organization to work more closely with the Reformed Church in America church denomination. This is the final year of this project.
- *Church Support Services, Other Programs, and Initiatives* - These represent gifts that have been designated to particular church support services projects.

*See accompanying independent accountant's review report.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

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### 9. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or other events specified by donors. The net assets released from restrictions are as follows:

*Year ended June 30, 2023*

Global Mission Endowments	\$	-
Global Mission Projects		77,339
Global Mission Funding and Equipping Missionaries		9,148,257
Vibrant Congregations		316,029
Church support services, other programs, and initiatives		404,838
<b>Total Net Assets Released from Donor Restrictions</b>	<b>\$</b>	<b>9,946,463</b>

### 10. Employee Retirement Plans

Retirement plan contributions for employees of CRCNA-Mich are made to the Christian Reformed Church in North America Employees' Savings Plan (the Savings Plan), a defined contribution multi-employer retirement plan for the benefit of covered non-ordained employees, and to the Retirement Plan for Ministers of the Christian Reformed Church in the United States of America (U.S. Ordained Plan), a defined benefit retirement plan for ordained employees. The obligation of the Organization is limited to a matching contribution of up to 4% of eligible wages of qualified employees to either the U.S. Ordained Plan or the Savings Plan non-ordained plan, with employer discretionary contributions of up to 6% of eligible wages of qualified employees. A fixed amount is contributed to the U.S. Ordained Plan. As a result, there are no past-service costs or unfunded vested benefits for the plans. Retirement plan expense for the Organization for the year ended June 30, 2023 amounted to approximately \$1,093,000.

Information with respect to the plan assets and accumulated plan benefits for the defined benefit plans is as follows:

- Regarding the U.S. Ordained Plan, the estimated actuarial present value of accumulated plan benefits and plan assets, assuming a 7.5% interest rate, as of the most recent valuation, January 1, 2023, was \$133,117,102 U.S. dollars. Net assets available for benefits for the U.S. Ordained Plan were \$117,268,793 U.S. dollars as of December 31, 2022.

The Organization anticipates that the difference between estimated actuarial present value of accumulated plan benefits and net assets available for benefits at the most recent valuation date will be met through future pension investment gains and possible higher contributions to the Plan.

### 11. Transactions with Other Denominational Corporations

During the year ended June 30, 2023, the Organization provided services of \$624,061 for administrative support, printing, and other services. During the year ended June 30, 2023, the Organization also provided financial services support of \$933,596 to other denominational corporations, IT services of \$719,056, HR services of \$609,327, gift entry services of \$155,559, risk management services of \$43,544, and also charged \$350,369 of allocated building occupancy expenses.

*See accompanying independent accountant's review report.*

# Christian Reformed Church in North America

## Notes to Consolidated Financial Statements

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Due from other denominational corporations includes the following:

*June 30, 2023*

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Christian Reformed Church in North America (Canada)	\$	1,455,768
Other denominational corporations		16,807
<b>Total</b>	<b>\$</b>	<b>1,472,575</b>

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CRCNA-Mich manages a consolidated cash management system with a single bank, which includes certain other denominational corporations. As part of this process, CRCNA-Mich may borrow funds of participating entities as needed.

As a result of borrowing and investments made by other denominational corporations into CRCNA Funds, LLC, the due to other denominational corporations includes the following:

*June 30, 2023*

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ReFrame Ministries	\$	7,066,444
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### 12. Correction of Error - Beginning-of-Year Balances

During the preparation of the June 30, 2023 consolidated financial statements, management determined that a portion of operating net assets (net assets without donor restrictions or board designations) reported in previous years, was incorrect due to the overstatement of amounts due from other denominational corporations.

As such, the Organization's beginning net assets have been restated to correct this error:

Operating net assets, as previously reported at June 30, 2022, were \$11,422,882. That amount has been reduced by \$1,538,723, resulting in a restated balance as of July 1, 2022 of \$9,884,159.

Total net assets, as previously reported at June 30, 2022, were \$27,562,259. That amount has also been reduced by \$1,538,723, resulting in a restated balance as of July 1, 2022 of \$26,023,536.

*See accompanying independent accountant's review report.*

## Supplementary Information

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## Independent Accountant's Review Report on Supplementary Information

U.S. Ministry Board of Directors  
Christian Reformed Church in North America  
Grand Rapids, Michigan

Our report on our review of the consolidated financial statements of Christian Reformed Church in North America (the Organization) as of and for the year ended June 30, 2023 appears on page 3. The objective of that review was to perform procedures to obtain limited assurance as a basis for reporting whether we were aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. The accompanying supplementary information on pages 25 to 28 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the representation of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the review procedures applied in our review of the consolidated financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

*BDO USA, P.C.*

January 16, 2024

**Christian Reformed Church in North America**  
**Consolidating Summary of Financial Position Information -**  
**(United States and International)**

*June 30, 2023*

	Consolidated	Eliminations	Resonate Global Mission	Other Ministries
<b>Assets</b>				
Cash and cash equivalents	\$ 5,550,275	\$ -	\$ 2,083,904	\$ 3,466,371
Investments	22,757,645	-	15,548,218	7,209,427
Due from other denominational corporations	1,472,575	(759,343)	-	2,231,918
Accounts and pledges receivable	1,023,104	-	510,271	512,833
Prepaid expenses	201,754	-	201,675	79
Property, plant, and equipment	6,423,907	-	547,678	5,876,229
Less: accumulated depreciation and amortization	(3,723,408)	-	(274,583)	(3,448,825)
<b>Total Assets</b>	<b>\$ 33,705,852</b>	<b>\$ (759,343)</b>	<b>\$ 18,617,163</b>	<b>\$ 15,848,032</b>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable	\$ 791,560	\$ -	\$ 369,326	\$ 422,234
Accrued liabilities	1,826,076	-	1,037,983	788,093
Due to other denominational corporations	7,099,204	(759,343)	759,343	7,099,204
Deferred revenue	-	-	-	-
Annuities payable	123,288	-	123,288	-
Notes payable to bank	-	-	-	-
<b>Total Liabilities</b>	<b>9,840,128</b>	<b>(759,343)</b>	<b>2,289,940</b>	<b>8,309,531</b>
<b>Net Assets</b>	<b>23,865,724</b>	<b>-</b>	<b>16,327,223</b>	<b>7,538,501</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 33,705,852</b>	<b>\$ (759,343)</b>	<b>\$ 18,617,163</b>	<b>\$ 15,848,032</b>

*See accompanying independent accountant's review report on supplementary information.*

# Christian Reformed Church in North America

## Consolidating Summary of Activities Information - (United States and International)

*Year ended June 30, 2023*

	Consolidated	Eliminations	Resonate Global Mission	Other Ministries
<b>Revenues and Other Support</b>				
Denominational ministry shares	\$ 8,607,756	\$ -	\$ 2,167,867	\$ 6,439,889
Contributions from churches, agencies, and individuals	13,584,469	-	11,999,119	1,585,350
Product and services sales	2,384,539	(1,918,793)	-	4,303,332
Investment return, net	1,679,085	-	1,447,739	231,346
Other	640,905	-	227,261	413,644
<b>Total Revenues and Other Support</b>	<b>26,896,754</b>	<b>(1,918,793)</b>	<b>15,841,986</b>	<b>12,973,561</b>
<b>Expenses</b>				
Program services:				
Synod services	2,555,271	-	-	2,555,271
Global mission	12,315,828	-	12,315,828	-
Church ministry	4,565,245	-	12,256	4,552,989
<b>Total Program Services</b>	<b>19,436,344</b>	<b>-</b>	<b>12,328,084</b>	<b>7,108,260</b>
Support services:				
Management and general	7,465,575	(1,918,793)	2,955,320	6,429,048
Fundraising	2,152,647	-	1,914,601	238,046
<b>Total Support Services</b>	<b>9,618,222</b>	<b>(1,918,793)</b>	<b>4,869,921</b>	<b>6,667,094</b>
<b>Total Expenses</b>	<b>29,054,566</b>	<b>(1,918,793)</b>	<b>17,198,005</b>	<b>13,775,354</b>
<b>Changes in Net Assets</b>	<b>\$ (2,157,812)</b>	<b>\$ -</b>	<b>\$ (1,356,019)</b>	<b>\$ (801,793)</b>

*See accompanying independent accountant's review report  
on supplementary information.*

## Christian Reformed Church in North America

### Resonate Global Mission Schedule of Functional Expenses - After Eliminations - (United States)

*Year ended June 30, 2023*

	Program Services	Support Services		Total
	Global Mission	Management and General	Fundraising	
<b>Expenses</b>				
Salaries and wages	\$ 4,070,323	\$ 510,926	\$ 1,061,443	\$ 5,642,692
Fringe benefits	2,135,881	201,281	217,566	2,554,728
Professional fees	1,616,613	40,276	750	1,657,639
Printing and publications	9,471	600	42,146	52,217
Grants	3,146,033	-	-	3,146,033
Software	41,651	12	56,778	98,441
Depreciation	-	17,660	-	17,660
Utilities	49	11,907	-	11,956
Advertising and promotion	1,144	8,009	43,483	52,636
Postage and delivery	5,595	5,294	43,155	54,044
Dues and subscriptions	8,214	2,183	3,863	14,260
Insurance	-	77,625	-	77,625
Office supplies	141,267	17,989	7,521	166,777
Other expenses	(1,748)	185,512	586	184,350
Telecommunications	21,100	7,011	885	28,996
Repairs and maintenance	168,191	(9,729)	-	158,462
Rent	39,366	1,583	-	40,949
Taxes	-	16,130	-	16,130
Finance fees	13,905	72,601	31,439	117,945
Fundraising fees	-	-	79,500	79,500
Cost share U.S./Canada	(278,461)	(203,609)	91,544	(390,526)
Travel, meeting, and staff development	1,189,490	61,150	207,442	1,458,082
Legal and professional fees	-	12,116	26,500	38,616
<b>Total Expenses</b>	<b>\$ 12,328,084</b>	<b>\$ 1,036,527</b>	<b>\$ 1,914,601</b>	<b>\$ 15,279,212</b>

*See accompanying independent accountant's review report  
on supplementary information.*

## Christian Reformed Church in North America

### Consolidating Summary of Cash Flows - (Resonate Global Mission and Other Ministries)

*Year ended June 30, 2023*

	Consolidated	Resonate Global Mission	Other Ministries
<b>Cash Flows from Operating Activities</b>			
Changes in net assets	\$ (2,157,812)	\$ (1,356,019)	\$ (801,793)
Adjustments to reconcile changes in net assets to net cash used in operating activities:			
Depreciation	284,632	11,971	272,661
Realized gain on investments	(375,347)	(375,347)	-
Unrealized gain on investments	(923,352)	(923,352)	-
Change in value of annuities	10,614	10,614	-
Changes in assets and liabilities:			
Due from other denominational corporations	(456,598)	878,200	(1,334,798)
Accounts and pledges receivable	(134,404)	(436,457)	302,053
Prepaid expenses	178,015	127,234	50,781
Accounts payable	443,383	90,897	352,486
Accrued liabilities	(569,604)	(287,469)	(282,135)
Due to other denominational corporations	521,205	-	521,205
Deferred revenue	(50,012)	-	(50,012)
<b>Net Cash Used in Operating Activities</b>	<b>(3,229,280)</b>	<b>(2,259,728)</b>	<b>(969,552)</b>
<b>Cash Flows from Investing Activities</b>			
Purchases of investments	(7,134,613)	(6,875,633)	(258,980)
Proceeds from the sale of investments	8,762,906	8,762,906	-
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>1,628,293</b>	<b>1,887,273</b>	<b>(258,980)</b>
<b>Cash Flows from Financing Activities</b>			
Payments on notes payable	(8,443)	-	(8,443)
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(1,609,430)</b>	<b>(372,455)</b>	<b>(1,236,975)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>7,159,705</b>	<b>2,456,359</b>	<b>4,703,346</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 5,550,275</b>	<b>\$ 2,083,904</b>	<b>\$ 3,466,371</b>

*See accompanying independent accountant's review report on supplementary information.*