



# **Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers**

Reviewed Financial Statements  
and Supplementary Information  
Years Ended December 31, 2019 and 2018

**Christian Reformed Church Retirement Plan  
and Special Assistance Fund For U.S. Ministers**

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Reviewed Financial Statements and Supplementary Information  
Years Ended December 31, 2019 and 2018

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

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## Independent Accountant's Review Report

U.S. Pension Trustees  
Christian Reformed Church Retirement Plan  
and Special Assistance Fund for U.S. Ministers  
Grand Rapids, Michigan

We have reviewed the accompanying financial statements of the Christian Reformed Church Retirement Plan for U.S. Ministers (the Plan) and the Christian Reformed Church Special Assistance Fund for U.S. Ministers (the Fund), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Plan management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

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

Our responsibility is to conduct the review engagements 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 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.

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

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

BDO USA, LLP

May 28, 2020

**Christian Reformed Church  
Retirement Plan For U.S. Ministers**

**Statements of Net Assets Available for Benefits**

<i>December 31,</i>	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Cash	\$ 560,681	\$ 465,570
Investments, at fair value:		
Money market funds	4,649,449	6,283,350
Common stocks	71,474,902	59,408,757
Exchange traded fund	5,135,789	4,319,974
High yield funds	8,492,690	7,383,429
Private equity	2,625,158	1,476,406
Hedge fund	1,676,529	2,131,627
Real estate	11,464,892	10,392,016
Collective trusts	11,088,038	10,392,319
Total investments	116,607,447	101,787,878
Participants' assessments receivable	174,161	170,867
Accrued interest receivable	231	25,123
Equipment, net	157,190	235,785
<b>Total Assets</b>	<b>117,499,710</b>	<b>102,685,223</b>
<b>Liability</b>		
Accounts payable	59,736	37,511
<b>Net Assets Available for Benefits</b>	<b>\$ 117,439,974</b>	<b>\$ 102,647,712</b>

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

**Christian Reformed Church  
Retirement Plan For U.S. Ministers**

**Statements of Changes in Net Assets Available for Benefits**

<i>Year ended December 31,</i>	<b>2019</b>	<b>2018</b>
<b>Additions</b>		
Contributions:		
Participant assessments	\$ 5,117,032	\$ 5,174,400
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	19,063,949	(6,124,157)
Interest and dividends	2,054,014	1,982,573
Miscellaneous revenue	4,597	2,985
<b>Total investment income (loss)</b>	<b>21,122,560</b>	<b>(4,138,599)</b>
<b>Total Additions</b>	<b>26,239,592</b>	<b>1,035,801</b>
<b>Deductions</b>		
Pension benefit payments to retirees:		
United States pensionable services	10,244,446	10,061,557
Lump-sum withdrawals	26,855	206,570
<b>Total pension benefit payments to retirees</b>	<b>10,271,301</b>	<b>10,268,127</b>
Investment consulting fees and administrative expenses	1,176,029	1,223,186
<b>Total Deductions</b>	<b>11,447,330</b>	<b>11,491,313</b>
Net increase (decrease)	14,792,262	(10,455,512)
<b>Net Assets Available for Benefits, beginning of year</b>	<b>102,647,712</b>	<b>113,103,224</b>
<b>Net Assets Available for Benefits, end of year</b>	<b>\$ 117,439,974</b>	<b>\$ 102,647,712</b>

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

**Christian Reformed Church  
Special Assistance Fund For U.S. Ministers**

**Statements of Net Assets Available for Benefits**

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<i>December 31,</i>	2019	2018
<b>Assets</b>		
Cash	\$ 217,476	\$ 167,816
Accrued interest receivable	160	216
Prepaid expenses	539	-
<b>Total Assets</b>	<b>218,175</b>	<b>168,032</b>
<b>Liability</b>		
Accounts payable	47,683	56,712
<b>Net Assets Available for Benefits</b>	<b>\$ 170,492</b>	<b>\$ 111,320</b>

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

**Christian Reformed Church  
Special Assistance Fund For U.S. Ministers**

**Statements of Changes in Net Assets Available for Benefits**

<i>Year ended December 31,</i>	2019	2018
<b>Additions</b>		
Ministry shares	\$ 162,029	\$ 175,933
Interest income	2,497	2,138
<b>Total Additions</b>	<b>164,526</b>	<b>178,071</b>
<b>Deductions</b>		
Assistance payments	82,518	110,249
Moving allowances	20,000	39,560
Spouse supplemental payments	2,836	2,873
Miscellaneous	-	225
<b>Total Deductions</b>	<b>105,354</b>	<b>152,907</b>
Net increase	59,172	25,164
<b>Net Assets Available for Benefits, beginning of year</b>	<b>111,320</b>	<b>86,156</b>
<b>Net Assets Available for Benefits, end of year</b>	<b>\$ 170,492</b>	<b>\$ 111,320</b>

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

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

## Notes to Financial Statements

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### 1. Plan Description

The Christian Reformed Church Retirement Plan for U.S. Ministers (the Plan), formerly the Retirement Plan for Ministers of the Christian Reformed Church in the United States, is a defined benefit pension plan established for ministers of The Christian Reformed Church in North America (the Church) in the United States of America. A minister becomes eligible for participation in the Plan as of his service commencement date in the Church. The current Plan provides for 100% immediate vesting.

Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

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 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 Plan. Grant of credited service for pastors in the employ of agencies, churches, and other organizations is contingent on timely payment of amounts billed.

The Church maintains a similar plan for ministers serving in Canada. 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.

Although the Plan is intended to be ongoing, the Synod reserves the right to terminate the Plan. Upon termination or partial termination, all accrued benefits, to the extent funded, become fully vested.

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

The Special Assistance Fund (the Fund) provides to any retired minister, their surviving spouse, or orphan with assistance payments for needs which are recognized as a necessity of life and are of an unusual and emergency nature. The 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 Fund through denominational ministry share.

### 2. Summary of Significant Accounting Policies

#### *Basis of Accounting*

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### *Investment Valuation and Income Recognition*

The fair value of investments is determined by reference to closing market prices on national exchanges as of year-end, where available. Net appreciation or depreciation includes the Plan's

*See accompanying independent accountant's review report.*

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

## Notes to Financial Statements

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gains or losses on investments bought and sold as well as held during the year. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, certain management fees and operating expenses are reflected as a reduction of investment return for such investments.

### ***Investments in Private Equity***

Currently the Plan invests in the KKR Custom Equity Opportunities Cayman Fund L.P. (KKR Fund) and Carlyle Buyout VII (Carlyle Fund). The KKR Fund seeks to provide capital growth by investing in, and partnering with, industry leading franchises and companies poised for significant improvement or growth and focusing on long-term business fundamentals. The Carlyle Fund seeks to provide capital growth with a primary focus in majority and strategic minority investments in the U.S. in targeted markets.

The funds are non-transferable. See Note 4 for additional information.

### ***Investments in Hedge Funds***

Currently, the Plan invests in The PMF TEI Fund, L.P. (The Endowment Fund) and the iShares Currency Hedged MSCI EAFE ETF (iShares HEFA). The Endowment Fund is a highly diversified fund intended to preserve capital across all market cycles, while still providing equity-like returns. The iShares HEFA Fund seeks to reduce the impact of foreign currencies relative to the U.S. dollar.

The funds are non-transferable. See Note 4 for additional information.

### ***New Accounting Pronouncements***

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2018-13, *Fair Value Measurements Topic (820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. ASU No. 2018-13 eliminates certain disclosures including the disclosure related to transfers between Level 1 and 2 investments, the valuation policies for Level 3 measurements and, for nonpublic entities, the change in the Level 3 investments' unrealized gains and losses included in earnings. This ASU also amends certain disclosures including disclosing purchases, sales, and transfers for Level 3 investments instead of the Level 3 roll-forward. ASU No. 2018-13 is effective for periods beginning after December 15, 2019. Early adoption is permitted. Management is currently evaluating the impact of this ASU on the Plan's financial statements.

### ***Risks and Uncertainties***

The Plan utilizes various investment instruments including cash and cash equivalents, U.S. government securities, corporate debt instruments and corporate stocks. 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 that such changes could materially affect the amounts in the financial statements.

*See accompanying independent accountant's review report.*

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

## Notes to Financial Statements

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### *Use of Estimates*

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

### *Payment of Benefits*

Benefit payments to participants are recorded upon distribution.

### *New Accounting Pronouncement*

In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2018-13, *Fair Value Measurements Topic (820), Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. ASU No. 2018-13 eliminates certain disclosures including the disclosure related to transfers between Level 1 and 2 investments, the valuation policies for Level 3 measurements and, for nonpublic entities, the change in the Level 3 investments' unrealized gains and losses included in earnings. This ASU also amends certain disclosures including disclosing purchases, sales, and transfers for Level 3 investments instead of the Level 3 roll-forward. ASU No. 2018-13 is effective for periods beginning after December 15, 2019. Early adoption is permitted. Management is currently evaluating the impact of this ASU on the Plan's financial statements.

### *Subsequent Events*

Subsequent events have been evaluated by management through May 28, 2020, the date these financial statements were available to be issued.

### *COVID-19*

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result, the Plan's investment portfolio has incurred a significant decline in fair value since December 31, 2019. However, because the values of the Plan's investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. The value of the Plan's investments has a direct impact on its funded status. As a result of such declines in market value and possible changes to the actuarial assumptions used in determining the present value of accumulated plan benefits, the Plan Sponsor may need to make greater cash contributions to fund the Plan. Based on the Plan's funded percentage, there may be certain benefit limitations

*See accompanying independent accountant's review report.*

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

## Notes to Financial Statements

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imposed. However, the actual impact, if any, on future required contributions, Plan liquidity, and benefit limitations cannot be determined at this time.

### *CARES Act*

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act, among other things, includes several relief provisions available to tax-qualified retirement plans and their participants. Plan management is currently evaluating the impact of the CARES Act on the Plan's financial statements.

### **3. Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service participants have rendered as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated participants or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present participants or their beneficiaries. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The actuarial present value of accumulated Plan benefits as of January 1, 2020, date of the most recent actuarial valuation (for the year ended December 31, 2019), is as follows:

#### *January 1, 2020*

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Vested benefits	
Participants currently receiving payments	\$ 88,249,745
Other participants	41,896,366
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Total vested benefits	130,146,111
Non-vested benefits	-
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<b>Total Actuarial Present Value of Accumulated Plan Benefits</b>	<b>\$ 130,146,111</b>

The actuarial present value of accumulated plan benefits is calculated once every three years by enrolled actuaries.

The actuarial accrued liability under the Projected Unit Credit Funding Method as of January 1, 2020, assuming increases in compensation between that date and the projected retirement dates of Plan participants, is approximately \$134,709,668. This amount is used by the actuaries to determine Plan funding.

*See accompanying independent accountant's review report.*

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

## Notes to Financial Statements

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The significant assumptions underlying the actuarial computations used to calculate the accumulated benefit obligations are as follows:

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Interest rates	7.5% per annum compounded
Retirement age probability	5% of participants age 64 will retire 15% of participants age 65 will retire 60% of participants age 66 (normal) will retire 75% of participants age 70 will retire 100% participants age 71 and older will retire
Normal retirement age	66 for participants covered effective 7/1/11 65 for participants terminated prior to 7/1/11
Mortality table used:	
Healthy participants	Pri-2012 Employee and Healthy Annuitant Mortality Tables for Males and Females with White Collar Adjustments, with generational mortality improvements using Scale MP-2019
Disabled participants	Pri-2012 Employee and Healthy Annuitant Mortality Tables for Males and Females with White Collar Adjustments, with generational mortality improvements using Scale MP-2019
Withdrawal	Rate range from 2.4% at age 20 to 1.2% at age 55
Marriage assumption	95% of active participants are married. Husbands are assumed to be 1 year older than wives.
Amortization period for unfunded liabilities	15 years

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The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

#### 4. Investments

Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. The Plan utilizes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

*See accompanying independent accountant's review report.*

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

## Notes to Financial Statements

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The three levels to the fair value hierarchy are described as follows:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets.

*Level 2* - Inputs to the valuation methodology include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, and other inputs that are observable or can be corroborated by observable market data.

*Level 3* - Inputs to the valuation methodology are both significant to the fair value measurement and unobservable.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

*Money market funds* - Valued at the closing price of the money market fund reported at year-end. Because the short-term obligations are not actively traded, the fair values are classified as Level 2 measurements.

*Common stocks* - Valued at quoted market prices.

*Exchange traded fund* - Valued at fair value using quoted market prices on an exchange. The iShares Currency Hedged MSCI EAFE ETF (iShares HEFA) is valued using quoted market prices on an exchange. The fair value of iShares HEFA as of December 31, 2019 is approximately \$5,136,000.

*High yield funds* - Valued by a pricing agency based on quoted prices for similar assets in active markets.

*Private equity* - The KKR Custom Equity Opportunity Cayman Fund (KKR) invests substantially all its assets in the KKR Fund. Valuation of the Fund is estimated at fair value using information provided by the general partner of the KKR Fund, including audited financial statements, which reflect the Fund's share of the fair value of the net assets of the KKR Fund, and any other relevant factors determined by the Administrator of the Fund if necessary to be in conformance with GAAP. As of December 31, 2019, the Plan has \$82,110 of unfunded commitments related to this investment. The fair value of KKR as of December 31, 2019 is approximately \$2,170,000. The Carlyle Buyout VII Access Fund, (Offshore) L.P. (Carlyle) invests substantially all of its investable capital in the Underlying Fund, Carlyle Partners VII, L.P. Carlyle uses a practical expedient based on the net asset value (NAV) of the underlying fund to estimate values subject to adjustments by the Administrator for any other relevant factors. As of December 31, 2019, the Plan has \$1,440,000 in unfunded commitments to the Carlyle fund. The fair value of the investment in Carlyle as of December 31, 2019 is approximately \$455,000.

The Plan has also made a capital commitment of \$2,000,000 to the Blackstone Capital Partners VIII Access Fund (Offshore) L.P. which invests substantially all its funds in the BCP VIII fund. No capital contributions had been made as of December 31, 2019 against this commitment.

*Hedge funds* - Valued based upon management estimates using NAV as a practical expedient. The PMF TEI Fund L.P. (formerly The Endowment Fund) invests substantially all of its assets in the PMF TEI Offshore Fund, Ltd., which is an underlying investment of the Endowment PMF Master Fund, L.P.

*See accompanying independent accountant's review report.*

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

## Notes to Financial Statements

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The Plan's investment in this fund may be redeemed quarterly. The Plan does not have any unfunded commitments related to this fund. The fair value of the Plan's investment in the Endowment Fund as of December 31, 2019 is approximately \$1,677,000.

*Collective trusts* - The fair values of the Plan's interest in collective trust funds are based on the NAV reported by the fund manager as of the financial statement date and recent transaction prices. The collective trusts provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. There is no restriction in place with respect to the daily redemption of the collective trusts. Fair values for the investments within the collective trusts are based on quoted prices in active markets and securities valued using either observable inputs or quotations from inactive markets. The Plan is permitted to redeem investment units at NAV on the measurement date with various investment strategies. The fair value of the Plan's investment in the funds as of December 31, 2019 is approximately \$11,088,000.

*Real Estate* - Valued based upon management estimates using NAV as a practical expedient. The Blackstone real estate income trust invests substantially all of its assets in stabilized commercial real estate properties diversified by sector, with a focus on providing current income to investment. The Plan's investment in this trust may be redeemed monthly. The Plan does not have any unfunded commitments related to this trust. The fair value of the Plan's investment in the trust as of December 31, 2019 is approximately \$5,796,000. Brookfield premium real estate partners pooling invests substantially all of its assets in stabilized commercial real estate properties diversified by sector, with a focus on providing current income to investment. The Plan's investment in this pool may be redeemed monthly. The Plan does not have any unfunded commitments related to this pool. The fair value of the Plan's investment in the pool as of December 31, 2019 is approximately \$5,669,000.

The Plan's valuation methods may result in a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although Plan management believes the valuation methods are appropriate and consistent with the market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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*See accompanying independent accountant's review report.*

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

## Notes to Financial Statements

The following tables set forth the Plan's investments by level within the fair value hierarchy:

<i>December 31, 2019</i>	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 4,649,449	\$ -	\$ 4,649,449
Common stocks	71,474,902	-	-	71,474,902
Exchange traded fund	5,135,789	-	-	5,135,789
High yield funds	-	8,492,690	-	8,492,690
Private equity	-	-	2,170,171	2,170,171
<b>Total investments in the fair value hierarchy</b>	<b>76,610,691</b>	<b>13,142,139</b>	<b>2,170,171</b>	<b>91,923,001</b>
<b>Total investments at net asset value</b>				<b>24,684,446</b>
<b>Total Investments, at fair value</b>	<b>\$ 76,610,691</b>	<b>\$ 13,142,139</b>	<b>\$ 2,170,171</b>	<b>\$ 116,607,447</b>

<i>December 31, 2018</i>	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 6,283,350	\$ -	\$ 6,283,350
Common stocks	59,408,757	-	-	59,408,757
Exchange traded fund	4,319,974	-	-	4,319,974
High yield funds	-	7,383,429	-	7,383,429
Private equity	-	-	1,366,406	1,366,406
<b>Total investments in the fair value hierarchy</b>	<b>63,728,731</b>	<b>13,666,779</b>	<b>1,366,406</b>	<b>78,761,916</b>
<b>Total investments at net asset value*</b>				<b>23,025,962</b>
<b>Total Investments, at fair value</b>	<b>\$ 63,728,731</b>	<b>\$ 13,666,779</b>	<b>\$ 1,366,406</b>	<b>\$ 101,787,878</b>

\* Investments in the collective trusts, private equity funds, hedge funds and real estate are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient and have not been categorized in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

See accompanying independent accountant's review report.

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

## Notes to Financial Statements

The table below sets forth a summary of changes in the fair values of the Plan's Level 3 investments:

*December 31, 2019*

<b>Balance</b> , beginning of year	\$	1,366,406
Unrealized gains relating to investments still held at the reporting date		133,765
Purchases		670,000
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<b>Balance</b> , end of year	\$	2,170,171

### ***Quantitative Information About Significant Unobservable Inputs Used in Level 3 Fair Value Measurements***

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

<i>Instrument</i>	<i>Fair Value at December 31, 2019</i>	<i>Principal Valuation Technique</i>	<i>Liquidity of Investments</i>
KKR	\$ 2,170,171	Capital contributions with adjustments <sup>1, 2</sup>	Restricted

<sup>1</sup> *Estimated fair value is based on the Fund's share of the fair value of the net assets of the KKR Fund and other relevant factors as determined by the Fund Administrator.*

<sup>2</sup> *Unobservable valuation input.*

## **5. Expenses and Transactions With Other Denominational Entities**

Administrative expenses include costs of \$239,711 in 2019 and \$284,849 in 2018, which were paid by The Christian Reformed Church in North America Denominational Services and allocated to the Plan.

The Minister's Pension Plan in the U.S. and the Special Assistance Fund manage cash in conjunction with the Church's consolidated cash management system.

Investments in certain investment accounts are managed by Brookfield Premier Real Estate Partners. Therefore, these transactions qualify as party-in-interest transactions. Fees paid to Brookfield Premier Real Estate Partners for investment consulting fees were \$55,687 and \$25,944 for 2019 and 2018, respectively.

*See accompanying independent accountant's review report.*

# Christian Reformed Church Retirement Plan and Special Assistance Fund For U.S. Ministers

## Notes to Financial Statements

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### 6. Income Tax Status

The Plan and the Fund are part of the Church and, under Internal Revenue Service regulations, are exempt from taxation. The Plan and the Fund are also exempt from the reporting requirements of the Employee Retirement Income Security Act of 1974. Plan and Fund management have analyzed the tax positions taken by the Plan and the Fund and have concluded that as of December 31, 2019 and 2018 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan and the Fund are subject to routine audits by taxing jurisdictions; however, there currently are no audits for any tax periods in progress.

*See accompanying independent accountant's review report.*

## Supplementary Information

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## Independent Accountant's Review Report on Supplementary Information

Our report on our reviews of the basic financial statements of the Christian Reformed Church Retirement Plan for U.S. Ministers (the Plan) and the Christian Reformed Church Special Assistance Fund for U.S. Ministers (the Fund) of 2019 appears on page 3. The objective of those reviews 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 financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. The Details of Investment Consulting Fees and Administrative Expenses on page 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

*BDO USA, LLP*

May 28, 2020

**Christian Reformed Church  
Retirement Plan For U.S. Ministers**

**Details of Investment Consulting Fees and Administrative Expenses**

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<i>Year ended December 31,</i>	<b>2019</b>	<b>2018</b>
Investment consulting fees	\$ 825,685	\$ 829,038
Administrative expenses allocated from The Christian Reformed Church in North America Denominational Services	239,711	284,849
Other administrative expenses	103,069	100,554
Professional fees	7,564	8,745
<b>Total</b>	<b>\$ 1,176,029</b>	<b>\$ 1,223,186</b>

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