

THE BOARD OF BENEFITS
SERVICES OF THE REFORMED
CHURCH IN AMERICA, INC.,
RETIREMENT PROGRAM AND
GENERAL FUND

Financial Statements
With Independent Auditors' Report

September 30, 2021 and 2020

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.**

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SECTION I—RETIREMENT PROGRAM

INDEPENDENT AUDITORS' REPORT

The Board of Benefits Services of the
Reformed Church in America, Inc.
Retirement Program
Grand Rapids, Michigan

We have audited the accompanying financial statements of The Board of Benefits Services of the Reformed Church in America, Inc., Retirement Program, which comprise the statements of net assets available for benefits as of September 30, 2021 and 2020, 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.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Board of Benefits Services of the Reformed Church in America, Inc., Retirement Program as of September 30, 2021 and 2020, and the changes in net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Capin Crouse LLP".

Grand Rapids, Michigan
January 25, 2022

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Statement of Net Assets Available for Benefits

September 30, 2021

	403(b) Retirement Program	RCA Retirement Plan	Support and Investment Funds	Total
ASSETS:				
Investments—at fair value:				
Mutual funds	\$ 304,741,146	\$ 254,878,059	\$ 267,134	\$ 559,886,339
Insurance contracts	-	5,464,310	-	5,464,310
	<u>304,741,146</u>	<u>260,342,369</u>	<u>267,134</u>	<u>565,350,649</u>
Notes receivable from participants	1,912,015	-	-	1,912,015
Contributions receivable, net of allowance of \$328,421	1,096,483	-	-	1,096,483
	<u>1,096,483</u>	<u>-</u>	<u>-</u>	<u>1,096,483</u>
Total Assets	<u>307,749,644</u>	<u>260,342,369</u>	<u>267,134</u>	<u>568,359,147</u>
LIABILITIES:				
Accounts payable	102,929	95,208	-	198,137
Annuities payable	-	5,464,310	-	5,464,310
	<u>-</u>	<u>5,464,310</u>	<u>-</u>	<u>5,464,310</u>
Total Liabilities	<u>102,929</u>	<u>5,559,518</u>	<u>-</u>	<u>5,662,447</u>
Net Assets Available for Benefits	<u>\$ 307,646,715</u>	<u>\$ 254,782,851</u>	<u>\$ 267,134</u>	<u>\$ 562,696,700</u>

See notes to financial statements

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Statement of Net Assets Available for Benefits

September 30, 2020

	403(b) Retirement Program	RCA Retirement Plan	Support and Investment Funds	Total
ASSETS:				
Investments—at fair value:				
Mutual funds	\$ 249,800,981	\$ 241,062,727	\$ 249,571	\$ 491,113,279
Insurance contracts	-	4,660,193	-	4,660,193
	<u>249,800,981</u>	<u>245,722,920</u>	<u>249,571</u>	<u>495,773,472</u>
Notes receivable from participants	1,966,771	-	-	1,966,771
Contributions receivable, net of allowance of \$354,476	<u>1,110,973</u>	<u>-</u>	<u>-</u>	<u>1,110,973</u>
Total Assets	<u>252,878,725</u>	<u>245,722,920</u>	<u>249,571</u>	<u>498,851,216</u>
LIABILITIES:				
Accounts payable	76,591	83,190	-	159,781
Annuities payable	-	4,660,193	-	4,660,193
Total Liabilities	<u>76,591</u>	<u>4,743,383</u>	<u>-</u>	<u>4,819,974</u>
Net Assets Available for Benefits	<u>\$ 252,802,134</u>	<u>\$ 240,979,537</u>	<u>\$ 249,571</u>	<u>\$ 494,031,242</u>

See notes to financial statements

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Statement of Changes in Net Assets Available for Benefits

Year Ended September 30, 2021

	403(b) Retirement Program	RCA Retirement Plan	Support and Investment Funds	Total
Additions:				
Investment income:				
Interest and dividends	\$ 19,746,210	\$ 17,381,439	\$ 30,722	\$ 37,158,371
Realized/unrealized gains on investments	31,958,166	18,832,574	26,325	50,817,065
Employer contribution interest	254,760	-	-	254,760
Total investment and interest income	<u>51,959,136</u>	<u>36,214,013</u>	<u>57,047</u>	<u>88,230,196</u>
Contributions:				
Participants	2,535,939	-	-	2,535,939
Organizations	7,939,206	-	-	7,939,206
Rollovers	165,882	-	-	165,882
Total contributions	<u>10,641,027</u>	<u>-</u>	<u>-</u>	<u>10,641,027</u>
Total Additions	<u>62,600,163</u>	<u>36,214,013</u>	<u>57,047</u>	<u>98,871,223</u>
Deductions:				
Distributions to Program participants	13,478,926	15,453,733	39,484	28,972,143
Administrative fee-General Fund	452,706	507,613	-	960,319
Other expense	249,750	23,553	-	273,303
Total Deductions	<u>14,181,382</u>	<u>15,984,899</u>	<u>39,484</u>	<u>30,205,765</u>
Net Increase Before Transfers	48,418,781	20,229,114	17,563	68,665,458
Transfer from RCA Retirement Plan to 403(b) Retirement Program	<u>6,425,800</u>	<u>(6,425,800)</u>	<u>-</u>	<u>-</u>
Total Change in Net Assets	54,844,581	13,803,314	17,563	68,665,458
Net Assets, Beginning of Year	<u>252,802,134</u>	<u>240,979,537</u>	<u>249,571</u>	<u>494,031,242</u>
Net Assets, End of Year	<u>\$ 307,646,715</u>	<u>\$ 254,782,851</u>	<u>\$ 267,134</u>	<u>\$ 562,696,700</u>

See notes to financial statements

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Statement of Changes in Net Assets Available for Benefits

Year Ended September 30, 2020

	403(b) Retirement Program	RCA Retirement Plan	Support and Investment Funds	Total
Additions:				
Investment income:				
Interest and dividends	\$ 12,914,447	\$ 13,469,671	\$ 10,956	\$ 26,395,074
Realized/unrealized gains on investments	11,510,127	8,823,730	28,553	20,362,410
Employer contribution interest	136,731	-	-	136,731
Total investment and interest income	<u>24,561,305</u>	<u>22,293,401</u>	<u>39,509</u>	<u>46,894,215</u>
Contributions:				
Participants	2,423,852	-	-	2,423,852
Organizations	8,252,962	162,446	-	8,415,408
Rollovers	425,444	-	-	425,444
Total contributions	<u>11,102,258</u>	<u>162,446</u>	<u>-</u>	<u>11,264,704</u>
Total Additions	<u>35,663,563</u>	<u>22,455,847</u>	<u>39,509</u>	<u>58,158,919</u>
Deductions:				
Distributions to Program participants	10,458,439	14,278,095	41,118	24,777,652
Administrative fee-General Fund	389,866	511,992	-	901,858
Other expense	484,736	18,017	-	502,753
Total Deductions	<u>11,333,041</u>	<u>14,808,104</u>	<u>41,118</u>	<u>26,182,263</u>
Net Increase Before Transfers	24,330,522	7,647,743	(1,609)	31,976,656
Transfer from RCA Retirement Plan to 403(b) Retirement Program	<u>5,133,532</u>	<u>(5,133,532)</u>	<u>-</u>	<u>-</u>
Total Change in Net Assets	29,464,054	2,514,211	(1,609)	31,976,656
Net Assets, Beginning of Year	<u>223,338,080</u>	<u>238,465,326</u>	<u>251,180</u>	<u>462,054,586</u>
Net Assets, End of Year	<u>\$ 252,802,134</u>	<u>\$ 240,979,537</u>	<u>\$ 249,571</u>	<u>\$ 494,031,242</u>

See notes to financial statements

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND RETIREMENT PROGRAM:

The Board of Benefits Services (BOBS) of the Reformed Church in America, Inc. was established by the General Synod of the Reformed Church in America (RCA) and incorporated and approved by Act of the Assembly of the State of New York on April 16, 1923. It had operated continuously as a New York not-for-profit corporation until 2019. In 2019 its board of directors voted to re-domicile to the State of Michigan. This action was approved by the General Synod of the Reformed Church in America during its 2019 session. In the fall of 2019, "The Board of Benefits Services of the Reformed Church in America, Inc." was incorporated as a Michigan domestic nonprofit corporation. Thereafter all operations, assets, liabilities, and contract rights of the New York corporation were transferred to the Michigan corporation. Dissolution of the New York corporation is expected to occur during the calendar year 2022.

The purpose of BOBS is to provide retirement plans, assistance and debt relief grants, financial and retirement education, and insurance benefits for eligible ordained ministers and their dependents, and for certain other employees of the RCA congregations, classes, regional synods and other RCA affiliated boards and agencies. BOBS consists of the Retirement Program and the General Fund.

RCA 403(b) RETIREMENT PROGRAM

The RCA 403(b) Retirement Program (403(b) Program) provides funds for eligible retired ordained ministers, and for other retired employees of the Reformed Church in America congregations, classes, regional synods and other RCA affiliated boards and agencies who are covered by the 403(b) Program. Employers contribute to the 403(b) Program a percentage of the participant's compensation as defined in the terms of the 403(b) Program. Participants may contribute additional amounts to the 403(b) Program within specified limitations through employee pre-tax or after-tax salary deferrals. Participants are immediately 100 percent vested in the 403(b) Program contributions and earnings thereon. Upon retirement, termination, disability or attainment of age 59 1/2, the following distribution options are available under the 403(b) Program:

1. *Installment Form:* The installment form provides installment payments for a designated number of years specified by the participant or the plan document.
2. *Lump Sum:* The lump sum form of payment provides a single distribution on a date specified by the participant equal to the value selected by the participant or limited by the terms of the 403(b) Program.
3. *Annuity:* Under the annuity form, a participant may elect to have BOBS use his or her account balance to purchase a single premium commercial annuity from an organization selected by the participant, to be payable in a form selected by the participant.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND RETIREMENT PROGRAM, continued:

RCA 403(b) RETIREMENT PROGRAM, continued

Any active participants or terminated participants who are younger than age 59 1/2 may request a loan from his or her account of no less than \$1,000 and no more than 50 percent of the participant's current vested account balance at the time the request is made, not to exceed \$50,000. Only one loan per participant may be outstanding at any given time and all loan repayments must be made by automated clearing house (ACH) deduction. However, partial prepayments are not allowed. Loans are due, with interest equal to the prime rate plus one percent, in installments over a specified period of time, not to exceed five years unless the loan is for the purchase of a primary residence in which case the loan must be paid back within fifteen years. Should a participant wish to close their account after termination of employment while he or she has a loan outstanding, the outstanding loan balance is included as part of the taxable distribution and the participant will be responsible for all penalties and taxes associated therewith. Participant principal payments are applied to the outstanding loan balance. Interest payments are added to the participant's account balances. Participant loans are classified as notes receivable from participants on the statements of net assets available for benefit.

RCA RETIREMENT PLAN

The RCA Retirement Plan provides funds for certain retired ordained ministers and their families, and for certain other retired employees of the RCA congregations, classes, regional synods and other RCA affiliated boards and agencies who have adopted the RCA Retirement Plan. Until December 31, 2004, all employer and church contributions were made to the RCA Retirement Plan, which is a nonqualified deferred compensation plan. The RCA Retirement Plan is closed to new contributions. Participants were immediately 100 percent vested in the RCA Retirement Plan contributions and earnings thereon. Upon retirement, termination, disability or attainment of age 59 1/2, the following distribution options are available under the RCA Retirement Plan.

1. *Systematic Withdrawal Plan:* The participant may elect periodic withdrawals based upon his or her choice within the limits of the terms of the RCA Retirement Plan.
2. *Annuity:* The participant may elect to have BOBS use the participant's deemed account balance to purchase a single premium commercial annuity from an organization selected by the participant, to be payable in a form selected by the participant. An annuity provided through the RCA Retirement Plan associated with the nonqualified deferred plan is owned by BOBS with specified distributions provided to the participant. This option has been temporarily suspended through December 31, 2022. Alternatively, a participant may elect to take a fully taxable distribution from the RCA Retirement Plan and purchase an annuity in the participant's name.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND RETIREMENT PROGRAM, continued:

SUPPORT FUND AND INVESTMENT FUND

The Support Fund and Investment Fund are closed to new participants. Participants are 100 percent vested in the funds' contributions and earnings thereon. The funds are 403(b) retirement funds.

TAX STATUS

BOBS is an agency of the General Synod of the RCA (as the term "agency" is defined in the RCA's *Book of Church Order*). As such, it is included under the group exemption ruling issued to the General Synod of the Reformed Church in America in January of 1988 by the Department of the Treasury, Internal Revenue Service. That ruling establishes that BOBS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986, except for taxes pertaining to unrelated business income. Accordingly, no provision for income taxes has been made in the financial statements.

The Retirement Program administrator and tax counsel believe that the Retirement Program is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Retirement Program is qualified, and the related trust is tax-exempt.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Retirement Program have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from their estimates.

INVESTMENTS

Investments in equity securities with readily determinable fair values, investment in debt securities and investments in insurance contracts are reported at fair value, with realized and unrealized gains and losses included in the statements of changes in net assets available for benefits. The various investments in mutual funds and insurance contracts are exposed to a variety of uncertainties, including interest rate, market, and credit risks.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENT OPTIONS

A participant may at any time direct his or her investment option to various mutual funds. All investment options are reviewed by the Investment Advisory Committee, approved by the Executive Director, and reported to the board. At retirement, a participant may elect to have his or her funds invested in an annuity.

CONTRIBUTIONS RECEIVABLE AND ALLOWANCE

Contributions receivable are recorded for past due employer contributions to the 403(b) Program. Management established an allowance against the receivable based on general and individual estimates of collectability. Interest is charged on past due accounts based on a rate determined by management.

NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants are measured at the current open balance of the participant loans at year end. Delinquent participant loans are recorded as distributions based upon the terms of the plan document.

CONTRIBUTIONS TO THE RETIREMENT PROGRAM

Contributions from participating members and organizations are recorded as income when earned.

EXPENSES OF THE RETIREMENT PROGRAM

Costs of administering the RCA Retirement Plan and 403(b) Program are paid to the General Fund by each of the plans, respectively.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

3. INVESTMENTS:

The fair values of mutual fund investments held for the 403(b) Program and RCA Retirement Plan at September 30, 2021, were as follows:

Mutual Fund	403(b) Program	RCA Retirement Plan	Total
Fidelity 500 Index Fund	\$ 9,351,186	\$ 3,868,632	\$ 13,219,818
Fidelity Balanced K Fund	5,002,094	4,301,941	9,304,035
Fidelity Extended Market Index Fund	4,044,978	1,569,860	5,614,838
Fidelity Freedom K Income Fund	3,363,808	18,458,285	21,822,093
Fidelity Freedom K 2005 Fund	3,026,838	13,358,186	16,385,024
Fidelity Freedom K 2010 Fund	11,747,556	33,552,547	45,300,103
Fidelity Freedom K 2015 Fund	27,250,783	43,600,969	70,851,752
Fidelity Freedom K 2020 Fund	40,642,017	45,665,533	86,307,550
Fidelity Freedom K 2025 Fund	40,831,358	24,952,643	65,784,001
Fidelity Freedom K 2030 Fund	29,363,341	12,548,126	41,911,467
Fidelity Freedom K 2035 Fund	25,864,798	4,985,438	30,850,236
Fidelity Freedom K 2040 Fund	23,832,636	2,866,511	26,699,147
Fidelity Freedom K 2045 Fund	12,208,825	726,098	12,934,923
Fidelity Freedom K 2050 Fund	6,960,241	194,952	7,155,193
Fidelity Freedom K 2055 Fund	3,067,442	-	3,067,442
Fidelity Freedom K 2060 Fund	1,012,709	11,892	1,024,601
Fidelity Freedom K 2065 Fund	8,946	-	8,946
Fidelity Government Money Market Fund	6,035,498	9,911,888	15,947,386
Fidelity Growth Company K Fund	15,263,289	9,280,237	24,543,526
Fidelity International Index Fund	1,934,835	482,929	2,417,764
Fidelity International Sustainability Index Fund	82,317	78,995	161,312
Fidelity Small Cap Value Fund	2,728,761	2,590,450	5,319,211
Fidelity Strategic Real Return	494,433	485,743	980,176
Fidelity U.S. Bond Index Fund	3,516,084	3,415,005	6,931,089
Invesco Diversified Dividend Fund R5	2,112,318	1,878,346	3,990,664
Janus Henderson Triton Fund Class N	1,892,374	645,163	2,537,537
MFS International Diversification Fund Class R6	1,954,788	1,395,417	3,350,205
MFS Massachusetts Investors Tr R6	2,775,223	1,598,466	4,373,689
Oakmark International I	2,512,634	1,222,496	3,735,130

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

3. INVESTMENTS, continued:

Mutual Fund	403(b) Program	RCA Retirement Plan	Total
PIMCO Total Return ESG Fund			
Institutional Class	4,826,263	4,771,481	9,597,744
PIMCO Income Fund Institutional Class	1,033,959	1,233,747	2,267,706
Parnassus Core Equity IS	8,441,104	4,320,015	12,761,119
Pioneer Balanced ESG Fund	-	150,854	150,854
Wells Fargo Emerging Markets Equity Fund	1,557,710	755,214	2,312,924
	<u>\$ 304,741,146</u>	<u>\$ 254,878,059</u>	<u>\$ 559,619,205</u>

The fair values of mutual fund investments held for the Support and Investment Funds at September 30, 2021, were as follows:

Mutual Fund	Support and Investment Funds
Fidelity Balanced Fund	<u>\$ 267,134</u>

The fair values of mutual fund investments held for the 403(b) Program and RCA Retirement Plans at September 30, 2020, were as follows:

Mutual Fund	403(b) Program	RCA Retirement Plan	Total
Fidelity 500 Index Fund	\$ 8,187,913	\$ 4,155,086	\$ 12,342,999
Fidelity Balanced K Fund	3,320,899	3,333,396	6,654,295
Fidelity Extended Market Index Fund	2,445,021	1,172,309	3,617,330
Fidelity Freedom K Income Fund	3,377,944	18,325,874	21,703,818
Fidelity Freedom K 2005 Fund	2,940,336	14,289,127	17,229,463
Fidelity Freedom K 2010 Fund	10,896,050	32,540,497	43,436,547
Fidelity Freedom K 2015 Fund	25,082,663	42,543,371	67,626,034

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

3. INVESTMENTS, continued:

Mutual Fund	403(b) Program	RCA Retirement Plan	Total
Fidelity Freedom K 2020 Fund	38,718,238	45,414,919	84,133,157
Fidelity Freedom K 2025 Fund	33,884,065	21,471,167	55,355,232
Fidelity Freedom K 2030 Fund	23,934,901	10,953,422	34,888,323
Fidelity Freedom K 2035 Fund	19,903,600	4,474,774	24,378,374
Fidelity Freedom K 2040 Fund	17,974,097	2,316,284	20,290,381
Fidelity Freedom K 2045 Fund	9,124,288	585,726	9,710,014
Fidelity Freedom K 2050 Fund	5,259,045	143,239	5,402,284
Fidelity Freedom K 2055 Fund	1,865,955	88,389	1,954,344
Fidelity Freedom K 2060 Fund	690,498	-	690,498
Fidelity Freedom K 2065 Fund	763	-	763
Fidelity Government Money Market Fund	6,261,695	11,340,541	17,602,236
Fidelity Growth Company K Fund	10,456,366	8,232,250	18,688,616
Fidelity International Index Fund	1,215,170	366,137	1,581,307
Fidelity International Sustainability Index Fund	459,294	233,343	692,637
Fidelity Small Cap Value Fund	1,388,437	823,812	2,212,249
Fidelity Strategic Real Return	200,436	240,392	440,828
Fidelity U.S. Bond Index Fund	5,255,461	5,742,995	10,998,456
Invesco Diversified Dividend Fund R5	2,032,460	1,887,806	3,920,266
Janus Henderson Triton Fund Class N	1,545,874	670,425	2,216,299
MFS International Diversification Fund Class R6	1,325,464	971,905	2,297,369
MFS Massachusetts Investors Tr R6	872,422	412,661	1,285,083
Oakmark International I	1,143,806	820,766	1,964,572
PIMCO Total Return ESG Fund			
Institutional Class	2,929,374	3,649,771	6,579,145
PIMCO Income Fund Institutional Class	338,585	147,291	485,876
Parnassus Core Equity IS	5,818,157	3,207,585	9,025,742
Wells Fargo Emerging Markets Equity Fund	951,704	507,467	1,459,171
	<u>\$ 249,800,981</u>	<u>\$ 241,062,727</u>	<u>\$ 490,863,708</u>

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

3. INVESTMENTS, continued:

The fair values of mutual fund investments held for the Support and Investment Funds at September 30, 2020, were as follows:

Mutual Fund	Support and Investment Funds
Fidelity Balanced Fund	\$ 249,571

4. FAIR VALUE MEASUREMENTS:

The Retirement Program follows the provisions of the *Fair Value Measurements and Disclosures* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of valuation methodologies with one or more unobservable inputs and have the lowest priority. The Retirement Program uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Retirement Program measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 and Level 2 inputs are not available.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

4. FAIR VALUE MEASUREMENTS, continued:

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2021 and 2020, respectively:

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of September 30, 2021:				
Investments:				
Mutual funds	\$ 559,886,339	\$ 559,886,339	\$ -	\$ -
Insurance contracts	5,464,310	-	5,464,310	-
	\$ 565,350,649	\$ 559,886,339	\$ 5,464,310	\$ -
As of September 30, 2020:				
Investments:				
Mutual funds	\$ 491,113,279	\$ 491,113,279	\$ -	\$ -
Insurance contracts	4,660,193	-	4,660,193	-
	\$ 495,773,472	\$ 491,113,279	\$ 4,660,193	\$ -

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such instruments pursuant to the valuation hierarchy.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

4. FAIR VALUE MEASUREMENTS, continued:

Level 1 Fair Value Measurements

The fair values of these financial instruments are based on quoted market prices or dealer quotes. Level 1 financial instruments consist of mutual funds.

Level 2 Fair Value Measurements

Insurance contracts are reported at fair value based on the cash surrender value provided by the broker, or, if not available, the value of the amortized contract based on life expectancy.

Level 3 Fair Value Measurements

In certain cases where Level 1 or Level 2 inputs are not available, investments are classified as Level 3 that use unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions. The Retirement Program did not have any investments valued with Level 3 inputs as of or for the years ended September 30, 2021 and 2020.

As described in Note 1, BOBS was redomiciled in the state of Michigan during fiscal year 2020. All insurance contracts were moved to assets in the state of Michigan as of September 30, 2021. These contracts' assets are shown by state incorporated below:

	September 30,	
	2021	2020
State:		
Michigan	\$ 5,464,310	\$ 4,172,910
New York	-	487,283
	\$ 5,464,310	\$ 4,660,193

5. RELATIONSHIP TO THE GSC, RELATED PARTY TRANSACTIONS:

Although a separate not-for-profit corporation, BOBS is an agency of the General Synod of the Reformed Church in America (General Synod). As a result, BOBS's mission and purpose are unavoidably intertwined with those of the RCA and its agencies, assemblies and institutions, and there are numerous relationships with these parties. Those relationships include the election by General Synod of at-large board members. In many cases General Synod Council of the Reformed Church in America (GSC) employees, The Reformed Church in America Church Growth Fund (RCA Church Growth Fund) and BOBS, and officers and directors of BOBS, or their respective family members, are participants in the retirement plans offered by BOBS.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

5. RELATIONSHIP TO THE GSC, RELATED PARTY TRANSACTIONS, continued:

The schedule below summarizes related party assets, liabilities, income and expenses and the amounts attributable to them at September 30:

	2021	2020
Liabilities:		
Accounts payable to BOBS General Fund	\$ 198,137	\$ 159,781
Organization Contributions:		
GSC	\$ 691,306	\$ 806,595
RCA Church Growth Fund	20,999	22,566
BOBS General Fund	44,094	38,418
Assistance retirement benefits received from BOBS General Fund	70,725	57,370
	\$ 827,124	\$ 924,949
Expenses:		
Revenue share granted to BOBS General Fund	\$ 741,646	\$ 637,860
Administrative expenses paid to the BOBS General Fund	960,319	901,858
	\$ 1,701,965	\$ 1,539,718

6. RETIREMENT PROGRAM TERMINATION:

Although it has not expressed any intent to do so, BOBS has the right to terminate the Retirement Program at any time.

7. RISKS AND UNCERTAINTIES:

The Retirement Program provides for investment options in various mutual funds. The underlying investment securities are exposed to various risks, such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and participants' individual account balances.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
RETIREMENT PROGRAM**

Notes to Financial Statements

September 30, 2021 and 2020

7. RISKS AND UNCERTAINTIES, continued:

In March of 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Retirement Program for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

2020 VISION GROUP

There are differences within the RCA regarding theology and ministry practices. As a way to address these issues and the disagreement surrounding them within the denomination, General Synod of June 2018 appointed a vision team to identify possible scenarios, strategies, and consequences for the following three future options for the RCA: (a) staying together, (b) radical reconstituting and reorganization of the denomination, or (c) grace-filled separation of the denomination. The vision group presented an interim report to General Synod of June 2019 with the intent to present a final report to the General Synod of June 2020. Due to the COVID-19 pandemic, the 2020 General Synod is not scheduled to be held until October 2021. The vision team released its final report; however due to this postponement no action has been taken relating to the report. Depending on how RCA churches view the report and General Synod's ultimate action on it, there remains the possibility that some churches may leave the RCA.

8. SUBSEQUENT EVENTS:

The General Synod met in October 2021. At this meeting, General Synod voted to form a team that is tasked to develop a restructuring plan for the denomination "with a view to optimizing the RCA's sustained spiritual and organizational health". General Synod also adopted new regulations that provide for mutually generous separation when churches leave the RCA over the next five years.

Subsequent events were evaluated through January 25, 2022, which is the date the financial statements were available to be issued.

SECTION II—GENERAL FUND

INDEPENDENT AUDITORS' REPORT

The Board of Benefits Services of the
Reformed Church in America, Inc.
General Fund
Grand Rapids, Michigan

We have audited the accompanying financial statements of The Board of Benefits Services of the Reformed Church in America, Inc., General Fund, which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the statements of financial position of The Board of Benefit Services of the Reformed Church in America, Inc., General Fund as of September 30, 2021 and 2020, and the statements of activities and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Capin Crouse LLP".

Grand Rapids, Michigan
January 25, 2022

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Statements of Financial Position

	September 30,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 1,686,915	\$ 1,316,351
Investments	9,296,143	8,147,189
Insurance premiums receivable	13,445	7,705
Other receivable	198,138	159,781
Investments held for long-term purposes	16,532,232	14,648,336
Beneficial interest in a perpetual trust	500,823	424,720
	<u>\$ 28,227,696</u>	<u>\$ 24,704,082</u>
Total Assets		
	<u>\$ 28,227,696</u>	<u>\$ 24,704,082</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accrued expenses	\$ 97,283	\$ 99,684
	<u>\$ 97,283</u>	<u>\$ 99,684</u>
Net assets:		
Without donor restrictions	26,077,716	22,469,685
With donor restrictions:		
Restricted by purpose or time	988,460	1,149,130
Restricted in perpetuity	1,064,237	985,583
	<u>2,052,697</u>	<u>2,134,713</u>
Total net assets	<u>28,130,413</u>	<u>24,604,398</u>
	<u>\$ 28,227,696</u>	<u>\$ 24,704,082</u>
Total Liabilities and Net Assets		

See notes to financial statements

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Statements of Activities

Year Ended September 30,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions and grants	\$ 57,064	\$ 35,352	\$ 92,416	\$ 146,204	\$ 924,155	\$ 1,070,359
General Synod assessments	252,114	-	252,114	239,916	-	239,916
Investment income, net	2,993,845	161,630	3,155,475	1,699,427	65,243	1,764,670
Distributions from the RCA Endowment Fund and perpetual trusts	16,216	-	16,216	21,668	-	21,668
Gains in perpetual trusts	-	76,103	76,103	-	17,023	17,023
Administrative fee—Retirement Program	960,319	-	960,319	901,858	-	901,858
Insurance premiums	409,912	-	409,912	428,270	-	428,270
Other income	888,526	-	888,526	708,182	-	708,182
Total Support and Revenue	5,577,996	273,085	5,851,081	4,145,525	1,006,421	5,151,946
RECLASSIFICATIONS:						
Net assets released from restriction	355,101	(355,101)	-	171,420	(171,420)	-
EXPENSES:						
Program expenses	1,940,409	-	1,940,409	1,705,563	-	1,705,563
Management and general	384,657	-	384,657	445,622	-	445,622
Total Expenses	2,325,066	-	2,325,066	2,151,185	-	2,151,185
Total Change in Net Assets	3,608,031	(82,016)	3,526,015	2,165,760	835,001	3,000,761
Net Assets, Beginning of Year	22,469,685	2,134,713	24,604,398	20,303,925	1,299,712	21,603,637
Net Assets, End of Year	\$ 26,077,716	\$ 2,052,697	\$ 28,130,413	\$ 22,469,685	\$ 2,134,713	\$ 24,604,398

See notes to financial statements

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Statement of Functional Expenses

Year Ending September 30, 2021

	Program Expenses				Total	Management and General	Total
	Plan Administration	Assistance Programs	Ancillary Insurance	Financial Wellbeing for Pastoral Leaders			
Payroll and related expenses	\$ 262,944	\$ 158,860	\$ 77,152	\$ 17,533	\$ 516,489	\$ 313,658	\$ 830,147
Travel and staff development	2,920	17,744	-	-	20,664	1,421	22,085
Meetings and events	-	889	-	-	889	488	1,377
Professional services	69,356	2,423	5,507	45,150	122,436	53,834	176,270
Office and occupancy	103,986	15	2,478	753	107,232	15,256	122,488
Insurance premiums	-	-	302,622	-	302,622	-	302,622
Grants	2,884	329,139	-	538,054	870,077	-	870,077
Total Expenses	\$ 442,090	\$ 509,070	\$ 387,759	\$ 601,490	\$ 1,940,409	\$ 384,657	\$ 2,325,066

See notes to financial statements

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Statement of Functional Expenses

Year Ending September 30, 2020

	Program Expenses				Total	Management and General	Total
	Plan Administration	Assistance Programs	Ancillary Insurance	Financial Wellbeing for Pastoral Leaders			
Payroll and related expenses	\$ 268,403	\$ 158,143	\$ 59,412	\$ 15,157	\$ 501,115	\$ 340,749	\$ 841,864
Travel and staff development	3,558	4	-	-	3,562	8,026	11,588
Meetings and events	8,819	29,058	-	-	37,877	1,026	38,903
Professional services	20,140	2,857	5,311	3,000	31,308	82,893	114,201
Office and occupancy	102,194	91	2,375	283	104,943	12,928	117,871
Insurance premiums	-	-	320,787	-	320,787	-	320,787
Grants	-	332,669	-	373,302	705,971	-	705,971
Total Expenses	\$ 403,114	\$ 522,822	\$ 387,885	\$ 391,742	\$ 1,705,563	\$ 445,622	\$ 2,151,185

See notes to financial statements

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Statements of Cash Flows

	Year Ended September 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,526,015	\$ 3,000,761
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) in insurance premiums receivables	(5,740)	(3,815)
(Increase) decrease in other receivable	(38,357)	596
Net realized and unrealized gain on investments	(2,748,002)	(1,294,753)
Gain from beneficial interest in perpetual trust	(76,103)	(17,023)
Increase (decrease) in accrued expenses	(2,401)	24,984
Net Cash Provided by Operating Activities	655,412	1,710,750
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(6,830,312)	(9,766,097)
Proceeds from sale of investments	6,545,464	7,014,182
Net Cash Used by Investing Activities	(284,848)	(2,751,915)
Change in Cash and Cash Equivalents	370,564	(1,041,165)
Cash and Cash Equivalents, Beginning of Year	1,316,351	2,357,516
Cash and Cash Equivalents, End of Year	\$ 1,686,915	\$ 1,316,351

See notes to financial statements

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Notes to Financial Statements

September 30, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND GENERAL FUND:

The Board of Benefits Services (BOBS) of the Reformed Church in America, Inc., was established by the General Synod of the Reformed Church in America and incorporated and approved by Act of the Assembly of the State of New York on April 16, 1923. It had operated continuously as a New York not-for-profit corporation until 2019. In 2019, the BOBS board of directors voted to re-domicile to the State of Michigan. This action was approved by the General Synod of the Reformed Church in America during its 2019 session. In the fall of 2019, “The Board of Benefits Services of the Reformed Church in America, Inc.” was incorporated as a Michigan domestic nonprofit corporation. Thereafter all operations, assets, liabilities, and contract rights of the New York corporation were transferred to the Michigan corporation. Dissolution of the New York corporation is expected to occur during the calendar year 2022.

The General Synod Council (GSC) serves as the Executive Committee of the General Synod of the Reformed Church in America (RCA), as the Committee of Reference at meetings of the General Synod, and as the Board of Trustees of the General Synod. The General Synod Council acts as the agent of the General Synod of the Reformed Church in America to enable its participation in God’s work in the world and to equip congregations and assemblies for mission and ministry. Financial transactions of the two corporations are presented in separate audited financial statements.

The purpose of BOBS is to provide retirement plans, assistance grants and insurance benefits for eligible ordained ministers and their dependents, and for certain other employees of the Reformed Church in America (RCA) congregations, classes, regional synods and other RCA affiliated boards and agencies. BOBS consists of the Retirement Program and the General Fund (hereafter referred to as General Fund).

The General Fund administers the retirement plans of BOBS, provides assistance to certain RCA ordained ministers and their respective dependents and surviving spouses in cases of demonstrated need, and manages the life and long-term disability insurance plans for eligible participants as identified in the *Book of Church Order*.

The *Book of Church Order* mandates that RCA ordained ministers be provided with long term disability and life insurance. BOBS provides long term disability insurance coverage for all eligible ordained ministers and commissioned pastors. BOBS administers long term disability insurances for RCA ordained ministers and life insurance for those ministers who are not enrolled in life insurance through the Reformed Benefits Association (RBA).

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Notes to Financial Statements

September 30, 2021 and 2020

1. DESCRIPTION OF ORGANIZATION AND GENERAL FUND, continued:

TAX STATUS

BOBS is an agency of the General Synod of the Reformed Church in America (as the term “agency” is defined in the RCA’s *Book of Church Order*). As such, it is included under the group exemption ruling issued to the GSC in January of 1988 by the Department of the Treasury, Internal Revenue Service. That ruling establishes that BOBS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, except for taxes pertaining to unrelated business income. Accordingly, no provision for income taxes has been made in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the General Fund have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from their estimates.

CASH AND CASH EQUIVALENTS

The General Fund considers cash on deposit and cash on hand to be cash equivalents. These cash and cash equivalent accounts, at times, exceed federally insured limits. At September 30, 2021 and 2020, the General Fund has funds of \$1,445,907 and \$1,123,524, respectively, in excess of federally insured limits. The General Fund has not experienced any loss on these accounts and does not believe that it is exposed to any significant risk.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Notes to Financial Statements

September 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, investment certificates (with an original maturity greater than three months) are held at cost, with interest, dividends, and realized and unrealized gains and losses included in the statements of activities. The various investments in stocks, securities, mutual funds, and other investments are exposed to a variety of uncertainties, including interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in the financial statements of the General Fund.

INVESTMENTS HELD FOR LONG-TERM PURPOSES

Investments held for long-term purposes consist of funds held for endowment and other donor restricted and non-donor restricted funds for the mission of the General Fund.

BENEFICIAL INTEREST IN A PERPETUAL TRUST

Beneficial interest in a perpetual trust represents funds held and invested by an unrelated third party trustee, where the General Fund has been named as one of the beneficiaries to receive periodic income distributions derived from the funds on deposit. The amount reflected in the financial statements represents the General Fund's pro-rated share of the total trust recorded at fair value.

CLASSES OF NET ASSETS

Net assets without donor restrictions include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the organization to utilize funds in furtherance of its mission.

Net assets with donor restriction-Restricted by time or purpose carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Restrictions may expire either because of the passage of time or because certain actions are taken by the organization which fulfill the restrictions. Expirations of restrictions on net assets (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. Within net assets with donor restrictions are undistributed realized and unrealized earnings on assets restricted in perpetuity.

Net assets with donor restrictions-Restricted in perpetuity are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be retained in perpetuity. Generally, the donors of these funds permit the organization to use all or part of the income earned on related investments and the net capital appreciation thereon for general or specific purposes.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Notes to Financial Statements

September 30, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

REVENUE, EXPENSES AND CONTRIBUTIONS

Revenues are reported as increases in net assets without donor restrictions when earned, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions when incurred. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions when incurred unless their use is restricted by explicit donor stipulation or law. Expiration of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions received with donor-imposed restrictions are reported as revenue in net assets with donor restrictions. Contributions of land, building and equipment without donor-imposed restrictions concerning the use of such long-lived assets are reported as revenue in net assets without donor restrictions.

Assessment revenues are received from RCA classes based upon the number of confessing members in the classes. The assessment was calculated at \$2.00 per confessing member for calendar years 2021 and 2020.

An administrative fee is assessed on the employer contribution balances of the RCA Retirement Plan and on the 403(b) Retirement Program. This fee provides funding for the retirement program plan administration and the assistance program.

FUNCTIONAL ALLOCATION

The costs of providing the various program services and supporting activities of the General Fund have been summarized on a functional basis in the statements of activities and on the statements of functional expenses. Certain costs not directly attributable to specific program services or functions have been allocated to program services and supporting activities. Management allocates costs based on square footage and full time equivalents attributed to the function. The General Fund incurred no joint costs during the years ended September 30, 2021 and 2020.

ADOPTION OF NEW ACCOUNTING STANDARD

In 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, *Changes to the Disclosure Requirements for Fair Value Measurement*. BOBS adopted the provisions of this new standard during the year ended September 30, 2021. This ASU was designed to simplify the disclosures related to fair value measurements. This affects the presentation of Level 3 investments in Note 5. Adoption of this standard had no effect on change in net assets or net assets in total.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Notes to Financial Statements

September 30, 2021 and 2020

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects the General Fund's financial assets as of September 30, 2021 and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Financial assets available to meet cash needs for general expenditures were:

	September 30,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 1,686,915	\$ 1,316,351
Investments	9,296,143	8,147,189
Insurance premiums receivable	13,445	7,705
Other receivable	198,138	159,781
Investments held for long-term purposes	16,532,232	14,648,336
Beneficial interest in third-party perpetual funds	500,823	424,720
Financial assets, at year end	28,227,696	24,704,082
Less those unavailable for general expenditures within one year, due to:		
Beneficial interest in third-party perpetual funds	(500,823)	(424,720)
Restricted in perpetuity	(563,414)	(560,863)
Investments held for long-term purposes including		
Board-designated endowments	(15,384,372)	(13,632,764)
Restricted by donor for time or purpose	(988,460)	(1,149,130)
	(17,437,069)	(15,767,477)
Financial assets available to meet cash needs for general expenditures within one year	\$ 10,790,627	\$ 8,936,605

As part of the General Fund's liquidity management, the General Fund has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Board-designated endowments may be released for general cash needs if approved by the Board.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Notes to Financial Statements

September 30, 2021 and 2020

4. INVESTMENTS:

Investments include the following:

	September 30,	
	2021	2020
Investments:		
At fair value:		
Corporate bonds	\$ 3,773,497	\$ 4,077,130
Exchange-traded funds	3,285,949	1,934,858
Government bonds	1,728,561	1,781,694
Asset backed securities	12,923	69,560
At cost:		
Church Growth Fund savings certificate	495,213	283,947
	9,296,143	8,147,189
Investments held for long-term purposes:		
At fair value:		
Corporate stocks	9,907,879	9,372,682
Exchange-traded funds	3,286,628	2,323,590
Government bonds	1,631,739	1,574,400
Municipal bonds	1,091,890	541,917
Corporate bonds	600,714	829,986
At cost:		
Cash and cash equivalents	13,382	5,761
	16,532,232	14,648,336
	\$ 25,828,375	\$ 22,795,525

5. FAIR VALUE MEASUREMENTS:

The General Fund follows the provisions of the *Fair Value Measurements and Disclosures* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of valuation methodologies with one or more unobservable inputs and have the lowest priority.

**THE BOARD OF BENEFITS SERVICES OF THE
REFORMED CHURCH IN AMERICA, INC.
GENERAL FUND**

Notes to Financial Statements

September 30, 2021 and 2020

5. FAIR VALUE MEASUREMENTS, continued:

The General Fund uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the General Fund measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 and Level 2 inputs are not available.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2021:

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Corporate bonds	\$ 3,773,497	\$ -	\$ 3,773,497	\$ -
Exchange-traded funds	3,285,949	3,285,949	-	-
Government bonds	1,728,561	-	1,728,561	-
Asset backed securities	12,923	12,923	-	-
	<u>8,800,930</u>	<u>3,298,872</u>	<u>5,502,058</u>	<u>-</u>
Investments held for long-term purposes:				
Corporate stocks	9,907,879	9,907,879	-	-
Exchange-traded funds	3,286,628	3,286,628	-	-
Government bonds	1,631,739	-	1,631,739	-
Municipal bonds	1,091,890	-	1,091,890	-
Corporate bonds	600,714	-	600,714	-
	<u>16,518,850</u>	<u>13,194,507</u>	<u>3,324,343</u>	<u>-</u>
Beneficial interest in a perpetual trust	<u>500,823</u>	<u>-</u>	<u>-</u>	<u>500,823</u>
Total investments	<u>\$ 25,820,603</u>	<u>\$ 16,493,379</u>	<u>\$ 8,826,401</u>	<u>\$ 500,823</u>

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5. FAIR VALUE MEASUREMENTS, continued:

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2020:

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Corporate bonds	\$ 4,077,130	\$ -	\$ 4,077,130	\$ -
Exchange-traded funds	1,934,858	1,934,858	-	-
Government bonds	1,781,694	-	1,781,694	-
Asset backed securities	69,560	69,560	-	-
	<u>7,863,242</u>	<u>2,004,418</u>	<u>5,858,824</u>	<u>-</u>
Investments held for long-term purposes:				
Corporate stocks	9,372,682	9,372,682	-	-
Exchange-traded funds	2,323,590	2,323,590	-	-
Government bonds	1,574,400	-	1,574,400	-
Corporate bonds	829,986	-	829,986	-
Municipal bonds	541,917	-	541,917	-
	<u>14,642,575</u>	<u>11,696,272</u>	<u>2,946,303</u>	<u>-</u>
Beneficial interest in a perpetual trust	<u>424,720</u>	<u>-</u>	<u>-</u>	<u>424,720</u>
Total investments	<u>\$ 22,930,537</u>	<u>\$ 13,700,690</u>	<u>\$ 8,805,127</u>	<u>\$ 424,720</u>

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

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5. FAIR VALUE MEASUREMENTS, continued:

Level 1 Fair Value Measurements

Equities – The fair value of these financial instruments is based on quoted market prices or dealer quotes.

Level 2 Fair Value Measurements

Fixed income – The fair value of these financial instruments, including corporate, municipal and government bonds, is based on yields currently available on comparable securities of issuers of similar credit ratings.

Level 3 Fair Value Measurements

Beneficial interest in third-party perpetual trusts – The fair value of beneficial interests in perpetual trusts is determined by using the General Fund's percentage interest in the trust and the fair value of the trust as determined by the trustee.

The following table provides further details of the Level 3 fair value measurements:

Balance, October 1, 2019	\$ 407,697
Change in value	<u>17,023</u>
Balance, September 30, 2020	424,720
Change in value	<u>76,103</u>
Balance, September 30, 2021	<u><u>\$ 500,823</u></u>

6. NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions are available for the following purposes:

	September 30,	
	<u>2021</u>	<u>2020</u>
Undesignated	\$ 10,693,344	\$ 8,836,921
Board designated for endowment	<u>15,384,372</u>	<u>13,632,764</u>
	<u><u>\$ 26,077,716</u></u>	<u><u>\$ 22,469,685</u></u>

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7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions with purpose or time restrictions were available for the following purposes:

	September 30,	
	2021	2020
Restricted by time or purpose	\$ 988,460	\$ 1,149,130
Restricted in perpetuity:		
Funds held for endowment	563,414	560,863
Beneficial interest in a perpetual trust	500,823	424,720
	\$ 2,052,697	\$ 2,134,713

8. ASSISTANCE PROGRAMS:

The BOBS General Fund administers an assistance program (in addition to normal retirement benefits) to be paid to qualifying individuals.

9. RETIREMENT PROGRAM:

The BOBS Retirement Program offers a 403(b) defined contribution plan to all eligible employees. The plan is administered by BOBS. The General Fund contributes 11% of all eligible employees' salaries to the 403(b) plan. For the years ended September 30, 2021 and 2020, the General Fund contributed \$44,094 and \$38,418, respectively, to employee accounts.

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10. ENDOWMENTS:

The General Fund's endowment exists to provide an income source to be used to provide assistance grants for expressed needs. 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 Investment Advisory Committee on behalf of the Board of Benefits Services and GSC's Board of Trustees has interpreted the full provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), 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 for the fiscal years ending September 30, 2021 and 2020. As a result of this interpretation, the General Fund classifies as net assets with donor restrictions in perpetuity (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. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as either net assets with donor restrictions for purpose or time or net assets without donor restrictions until those amounts are appropriated for expenditure by the General Fund in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the General Fund considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the General Fund
2. The purposes of the General Fund and the donor-restricted endowment fund
3. The investment policies of the General Fund
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the General Fund
7. The investment policies of the General Fund
8. In appropriate situations (i.e. underwater) to curtail or eliminate spending

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10. ENDOWMENTS, continued:

Endowment net asset composition by type of fund as of September 30, 2021, was:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains (Losses)	Original Gift	
Donor-restricted endowment funds	\$ -	\$ 387,774	\$ 563,414	\$ 951,188
Board-designated endowment funds	15,384,372	-	-	15,384,372
	<u>\$ 15,384,372</u>	<u>\$ 387,774</u>	<u>\$ 563,414</u>	<u>\$ 16,335,560</u>

Changes in endowment net assets for the year ended September 30, 2021, were:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains (Losses)	Original Gift	
Endowment net assets, October 1, 2020	\$ 13,632,764	\$ 285,836	\$ 560,863	\$ 14,479,463
Investment return:				
Investment income	2,220,713	137,462	-	2,358,175
Contributions	-	-	2,551	2,551
	<u>2,220,713</u>	<u>137,462</u>	<u>2,551</u>	<u>2,360,726</u>
Appropriation of endowment assets for expenditure	(469,105)	(35,524)	-	(504,629)
	<u>(469,105)</u>	<u>(35,524)</u>	<u>-</u>	<u>(504,629)</u>
Endowment net assets, September 30, 2021	<u>\$ 15,384,372</u>	<u>\$ 387,774</u>	<u>\$ 563,414</u>	<u>\$ 16,335,560</u>

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10. ENDOWMENTS, continued:

Endowment net asset composition by type of fund as of September 30, 2020, was:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains (Losses)	Original Gift	
Donor-restricted endowment funds	\$ -	\$ 285,836	\$ 560,863	\$ 846,699
Board-designated endowment funds	13,632,764	-	-	13,632,764
	<u>\$ 13,632,764</u>	<u>\$ 285,836</u>	<u>\$ 560,863</u>	<u>\$ 14,479,463</u>

Changes in endowment net assets for the year ended September 30, 2020, were:

	Without Donor Restrictions	With Donor Restrictions		Total
		Accumulated Gains (Losses)	Original Gift	
Endowment net assets, October 1, 2019	<u>\$ 12,557,575</u>	<u>\$ 229,774</u>	<u>\$ 539,856</u>	<u>\$ 13,327,205</u>
Investment return:				
Investment income	1,316,252	82,352	-	1,398,604
Contributions	-	-	21,007	21,007
	<u>1,316,252</u>	<u>82,352</u>	<u>21,007</u>	<u>1,419,611</u>
Appropriation of endowment assets for expenditure	(241,063)	(26,290)	-	(267,353)
	<u>(241,063)</u>	<u>(26,290)</u>	<u>-</u>	<u>(267,353)</u>
Endowment net assets, September 30, 2020	<u>\$ 13,632,764</u>	<u>\$ 285,836</u>	<u>\$ 560,863</u>	<u>\$ 14,479,463</u>

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10. ENDOWMENTS, continued:

FUNDS WITH DEFICIENCIES

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the General Fund to retain as a fund of perpetual duration. There were no endowments with deficiencies of this nature as of September 30, 2021 and 2020.

RETURN OBJECTIVES AND RISK PARAMETERS

The General Fund has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Under this policy the endowment assets are invested in a manner that focuses on long-term capital appreciation while achieving relatively predictable and modest current income requirements.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVE

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

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

The General Fund appropriates for distribution a percentage of the 20 quarter rolling average of the endowment fund's fair value. The rate established for distributions was 5.0 percent for fiscal years 2021 and 2020. In establishing this policy, the General Fund considered the long-term expected return on its endowment. This is consistent with the General Fund's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. Due the downturn in the financial markets from the COVID-19 pandemic, the General Fund elected to not distribute the full 5.0 percent allowed in fiscal year 2020.

11. RELATIONSHIP TO THE RCA; RELATED PARTY TRANSACTIONS:

Although a separate not-for-profit corporation, BOBS is an agency of the General Synod of the Reformed Church in America (General Synod). As a result, the BOBS's mission and purpose are unavoidably intertwined with those of the RCA and its agencies, assemblies, and institutions, and there are numerous relationships with these parties. Those relationships include the election by General Synod of at-large board members; the sharing of certain staff costs including salaries, benefits, and general office costs; and the sharing of office space, office supplies, computers, and other office resources. In many cases General Synod employees and officers and directors of BOBS, or their respective family members, are participants in the retirement and insurance plans offered by the BOBS.

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11. RELATIONSHIP TO THE RCA; RELATED PARTY TRANSACTIONS, continued:

The schedule below summarizes related party assets, income and expenses and the amounts attributable to them at September 30:

	2021	2020
Assets:		
Revenue sharing agreement receivable from Retirement Program	\$ 198,137	\$ 159,781
Investment in RCA Church Growth Fund Certificate	495,213	283,947
	\$ 693,350	\$ 443,728
Liabilities:		
Accounts payable to GSC	\$ 13,303	\$ 8,341
Income:		
CGF certificate income	\$ 11,266	\$ 8,947
Insurance premiums received from GSC	8,374	7,195
Administrative fee–Retirement Program	960,319	901,858
Revenue share income from Retirement Program	741,646	637,860
Grants from GSC	-	156,048
	\$ 1,721,605	\$ 1,711,908
Expenses:		
GSC for shared services	\$ 173,127	\$ 220,370
GSC for Endowment administration	47,256	20,722
Board of Benefits Services:		
Retirement benefits paid to the Retirement Program	44,094	38,418
Assistance retirement benefits paid to the Retirement Program	70,725	57,370
	\$ 335,202	\$ 336,880

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12. RISKS AND UNCERTAINTIES:

COVID-19

In March of 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the General Fund for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

VISION 2020

There are differences within the RCA regarding theology and ministry practices. As a way to address these issues and the disagreement surrounding them within the denomination, General Synod of June 2018 appointed a vision team to identify possible scenarios, strategies, and consequences for the following three future options for the RCA: (a) staying together, (b) radical reconstituting and reorganization of the denomination, or (c) grace-filled separation of the denomination. The vision group presented an interim report to General Synod of June 2019 with the intent to present a final report to the General Synod of June 2020. Due to the COVID-19 pandemic, the 2020 General Synod is not scheduled to be held until October 2021. The vision team released its final report; however due to this postponement no action has been taken relating to the report. Depending on how RCA churches view the report and General Synod's ultimate action on it, there remains the possibility that some churches may leave the RCA. This could result in decreased assessment revenue and contributions to BOBS.

13. SUBSEQUENT EVENTS:

The General Synod met in October 2021. At this meeting, General Synod voted to form a team that is tasked to develop a restructuring plan for the denomination "with a view to optimizing the RCA's sustained spiritual and organizational health". General Synod also adopted new regulations that provide for mutually generous separation when churches leave the RCA over the next five years.

Subsequent events were evaluated through January 25, 2022, which is the date the financial statements were available to be issued.