Reformed Church in America 403(b) Retirement Program

Modified Cash Basis Financial Report

September 30, 2024

Reformed Church in America 403(b) Retirement Program

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Independent Auditor's Report

To the Audit and Risk Management Committee
of the General Synod Council and
the Board of Benefits Services
of the Reformed Church in America, Inc.
Reformed Church in America 403(b)
Retirement Program

Opinion

We have audited the financial statements of Reformed Church in America 403(b) Retirement Program (the "Plan"), which comprise the statement of net assets available for benefits (modified cash basis) as of September 30, 2024 and 2023 and the related statement of changes in net assets available for benefits (modified cash basis) for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying modified cash basis financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan (modified cash basis) as of September 30, 2024 and 2023 and the changes in net assets available for benefits for the years then ended on the modified cash basis of accounting described in Note 2.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 to the modified cash basis financial statements, which describes the basis of accounting. The financial statements and supplemental schedule are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

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To the Audit and Risk Management Committee
of the General Synod Council and
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Retirement Program

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

Portage, Michigan
February 6, 2025

Reformed Church in America 403(b) Retirement Program

Statement of Net Assets Available for Benefits - Modified Cash Basis

September 30, 2024 and 2023

	2024	2023
Assets		
Participant-directed investments at fair value:		
Mutual funds	$ 345,902,230	$ 282,160,645
Self-directed brokerage account investments	375,216	-
Net Assets Available for Benefits	**$ 346,277,446**	**$ 282,160,645**

See notes to modified cash basis financial statements.

Reformed Church in America 403(b) Retirement Program

Statement of Changes in Net Assets Available for Benefits - Modified Cash Basis

Years Ended September 30, 2024 and 2023

	2024	2023
Additions		
Contributions:		
Participants	$ 2,523,184	$ 2,306,141
Organizations	6,247,680	6,780,898
Rollovers	732,304	163,452
Reallocations from Reformed Church in America Retirement Plan	6,166,863	6,735,639
Total contributions	15,670,031	15,986,130
Investment income:		
Interest and dividends	9,204,020	10,717,755
Net appreciation in fair value of investments	59,115,224	27,216,785
Net realized gains (losses) on investments	495,762	(3,595,075)
Total investment income	68,815,006	34,339,465
Interest from participant notes receivable	105,117	83,340
Participant notes receivable payments collected	679,141	554,954
Total additions	85,269,295	50,963,889
Deductions		
Benefits paid directly to participants or beneficiaries	20,038,142	13,789,709
Administrative expenses:		
General Fund	257,416	165,339
Other	82,682	68,143
Participant notes receivable disbursements	774,254	659,383
Total deductions	21,152,494	14,682,574
Net Increase	64,116,801	36,281,315
Net Assets Available for Benefits		
Beginning of year	282,160,645	245,879,330
End of year	**$ 346,277,446**	**$ 282,160,645**

See notes to modified cash basis financial statements.

Note 1 - Plan Description

The following description of Reformed Church in America 403(b) Retirement Program (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a multiple-employer plan established to provide funds for eligible ordained ministers and lay employees of Reformed Church in America (RCA) congregations, classes, regional synods, and other agencies or institutions that are controlled by or associated with the RCA or one of its assemblies. The Plan covers ordained ministers and employees who are employed by an adopting employer. The Plan is administered by the Board of Benefits Services of the Reformed Church in America, Inc. (BOBS).

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

Contributions

The Plan provides for employee salary deferral contributions up to a maximum of annual compensation subject to maximum tax-deferred limitations established by the Internal Revenue Code (IRC). The Plan also allows participants to contribute on an after-tax basis. Participants may make contributions to the Plan in the form of a rollover of funds from another qualified plan.

Participating employers are required to make basic contributions on behalf of eligible ordained ministers and foreign missionaries. For full-time ordained ministers, basic contributions must be at least the amount of effective buying power per household, as approved by BOBS annually, or 11 percent, whichever is greater. Participating employers may make basic contributions on behalf of lay employees under the terms of their adoption agreement, and the amount of such lay employee basic contributions shall be established pursuant to the adoption agreement.

Participating employers may make matching contributions under the terms of their adoption agreement, and the amount of such matching contributions shall be established pursuant to the adoption agreement.

Participating employers may make special contributions on behalf of participants who are eligible to receive such special contributions. BOBS may make such special contributions on behalf of the participating employer. These special contributions are subject to certain IRC limits and are presented as reallocations from the Reformed Church in America Retirement Plan on the statement of changes in net assets available for benefits - modified cash basis.

Participant Notes Receivable

Participants may borrow from their accounts a minimum of $1,000 up to a maximum of 50 percent of their account balances, not to exceed $50,000. Notes receivable are collateralized by the participant's account balance and bear interest at the prime rate plus 1 percent. Participant notes receivable are not recognized on the statement of net assets available for benefits - modified cash basis given the financial statements are prepared under the modified cash basis of accounting.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of the participating employers' contributions and plan earnings and charged with an allocation of administrative expenses. Allocations are based on participants' compensation or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants may direct the investments of their account balances into various investment options offered by the Plan.

Note 1 - Plan Description (Continued)

Vesting

Participants are immediately vested in their contributions and employer basic contributions, plus actual earnings thereon. Vesting in the participating employer's matching contribution portion of their accounts, plus actual earnings thereon, is determined as part of the participating employer's adoption agreement.

Benefit Payments

On termination of service due to death, disability, or retirement, participants (or the participant's beneficiary in the case of death) may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or various installment annuities. For distributions to participants at least age 59½, participants may only withdraw all or a portion of their employee contributions. Participants may request that all or a portion of their accounts be distributed in the case of financial hardship, as defined in the plan document.

Termination

While it has not expressed any intent to do so, BOBS has the right under the Plan to reduce, suspend, or discontinue contributions at any time and to terminate the Plan subject to the provisions set forth in BOBS' bylaws. Upon termination of the Plan, participants become 100 percent vested in their employer matching contribution account balances.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Plan prepares its financial statements on the modified cash basis of accounting. Revenue is recorded when received rather than when earned, expenses are recorded when paid rather than when the obligation is incurred, and investments are recognized at fair value. Accordingly, the financial statements are not intended to be in conformity with accounting principles generally accepted in the United States of America.

BOBS elected not to recognize the balance of participant notes receivable, and, therefore, these balances are not reflected on the statement of net assets available for benefits - modified cash basis. Principal payments are recognized as revenue when received rather than reducing participant notes receivable. Disbursements of funds on newly issued participant notes receivable are recognized as expenses when disbursed rather than increasing participant notes receivable. Accordingly, the financial statements are not intended to be in conformity with GAAP.

Investment Valuation

The Plan's investments are stated at fair value, based on quoted market values. Net appreciation (depreciation) in fair value of investments includes the Plan's unrealized gains and losses on investments held during the year. See Note 5 for additional information.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date.

Benefit Payments

Benefits are recorded when paid.

Administrative Expenses

Various administrative costs are paid by the RCA.

Note 2 - Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including February 6, 2025, which is the date the financial statements were available to be issued.

Note 3 - Tax Status

The plan administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of Internal Revenue Service 403(b). Therefore, no provision for income taxes has been included in the Plan's financial statements. The Plan has not yet requested or received a determination letter.

Note 4 - Investments

The fair values of investments held for the Plan at September 30, 2024 and 2023 were as follows:

	2024	2023
PIMCO Total Return ESG Fund	$ -	$ 3,006,491
PIMCO Income Fund	3,069,481	1,893,306
Putnam Large Cap Value Fund	7,689,614	4,686,174
Pioneer Balanced ESG Fund	203,542	90,844
Parnassus Core Equity Fund	8,806,203	8,817,352
MFS Massachusetts Investors Trust	2,435,283	710,387
Janus Henderson Triton Fund	1,576,485	1,451,094
MFS International Diversification Fund	4,967,752	4,246,302
Fidelity Government Money Market Fund Premium Class	7,633,739	7,163,802
Fidelity Small Cap Value Fund	2,199,051	2,531,899
Fidelity Strategic Real Return Fund	758,697	765,162
Fidelity Balanced Fund	7,738,587	5,236,428
Fidelity Growth Company Fund	19,369,208	13,396,590
Fidelity Bond U.S. Bond Index Fund	8,807,757	5,287,227
Fidelity 500 Index Fund	16,721,208	12,039,173
Fidelity International Index Fund	4,918,525	3,872,904
Fidelity Extended Market Index Fund	4,753,136	3,460,487
Fidelity International Sustainability Index Fund	483,466	201,508
Fidelity Freedom Income Fund	4,505,364	2,891,104
Fidelity Freedom 2005 Fund	-	2,019,327
Fidelity Freedom 2010 Fund	9,390,024	8,695,549
Fidelity Freedom 2015 Fund	20,762,300	19,766,530
Fidelity Freedom 2020 Fund	38,386,097	34,212,185
Fidelity Freedom 2025 Fund	39,961,903	34,749,130
Fidelity Freedom 2030 Fund	35,788,986	28,950,273
Fidelity Freedom 2035 Fund	32,628,757	23,850,022
Fidelity Freedom 2040 Fund	29,489,587	23,684,402
Fidelity Freedom 2045 Fund	16,764,855	12,419,038
Fidelity Freedom 2050 Fund	10,126,313	7,596,126
Fidelity Freedom 2055 Fund	4,624,568	3,355,570
Fidelity Freedom 2060 Fund	1,129,653	988,313
Fidelity Freedom 2065 Fund	135,470	65,500
Support and Investment Funds - Fidelity Balanced Fund	76,619	60,446
Self-directed brokerage account	375,216	-
Total	$ 346,277,446	$ 282,160,645

Note 5 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the valuation techniques and inputs used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable for the asset.

Note 5 - Fair Value Measurements (Continued)

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Plan measures mutual funds and the investments within the self-directed brokerage account at fair value on a recurring basis. The fair value of mutual funds and self-directed brokerage account are based primarily on Level 1 inputs, as described above.

Note 6 - Related Parties

Trustee services are provided to the Plan by Fidelity Management Trust Company (the "Trustee") pursuant to the terms outlined in the amended Trustee Agreement. The following are transactions with BOBS, the plan administrator, for the years ended September 30, 2024 and 2023:

	2024	2023
Assistance retirement benefits received from BOBS	$ 34,792	$ 52,699
Revenue sharing paid to BOBS	414,601	368,901
Administrative fee paid to BOBS	257,416	165,339
Total	$ 706,809	$ 586,939