

GENERAL CONFERENCE SESSION 2022
TREASURER'S REPORT



Partnering with God

OUR MISSION, HIS MONEY

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Introduction

God raised up the Seventh-day Adventist Church with a special end-time message to tell the world. Through the faithfulness of approximately 22 million members, God provides the resources necessary for us to go about the sacred mission to which we have been called. What a privilege is ours to be partners with the Divine. By being obedient in returning God's money we enable our mission to move forward by the power of His Spirit. It is God who, as the Apostle Paul notes in 2 Corinthians 5:18, "reconciled us to himself by Jesus Christ, and hath given to us the ministry of reconciliation." Ellen White further urges, "Let us remember we are laborers together with God. We are not wise enough to work by ourselves. God has made us His stewards to prove us and to try us, even as He proved and tried ancient Israel."¹

In 1863, when the General Conference was organized, the records tell us there were 125 churches reporting a total tithe of \$8,000. Nearly 160 years later, with more than 90,000 churches, the data show approximately \$2.7 billion in tithe, \$1 billion in local church offerings, and \$81 million in world mission offerings. This is God's money to be used for the mission He has entrusted to us. Ellen White penned these words that "Every dollar of our means should be considered as the Lord's, not ours and as a precious trust from God to us; not to be wasted for needless indulgences, but carefully used in the cause of God, in the work of saving men and women from ruin."²

During the quinquennium and through to 2021, we have been about our mission and have been stewards of God's money. The mission before us is great but "as [our] will co-operates with the will of God, it becomes omnipotent. Whatever is to be done at His command may be accomplished in His strength. All His biddings are enablings."³

1863

125
CHURCHES
\$8,000
TITHE

2021

90,000+
CHURCHES
\$2.7 billion
TITHE
\$1 billion
LOCAL CHURCH OFFERINGS
\$81 million
MISSION OFFERINGS

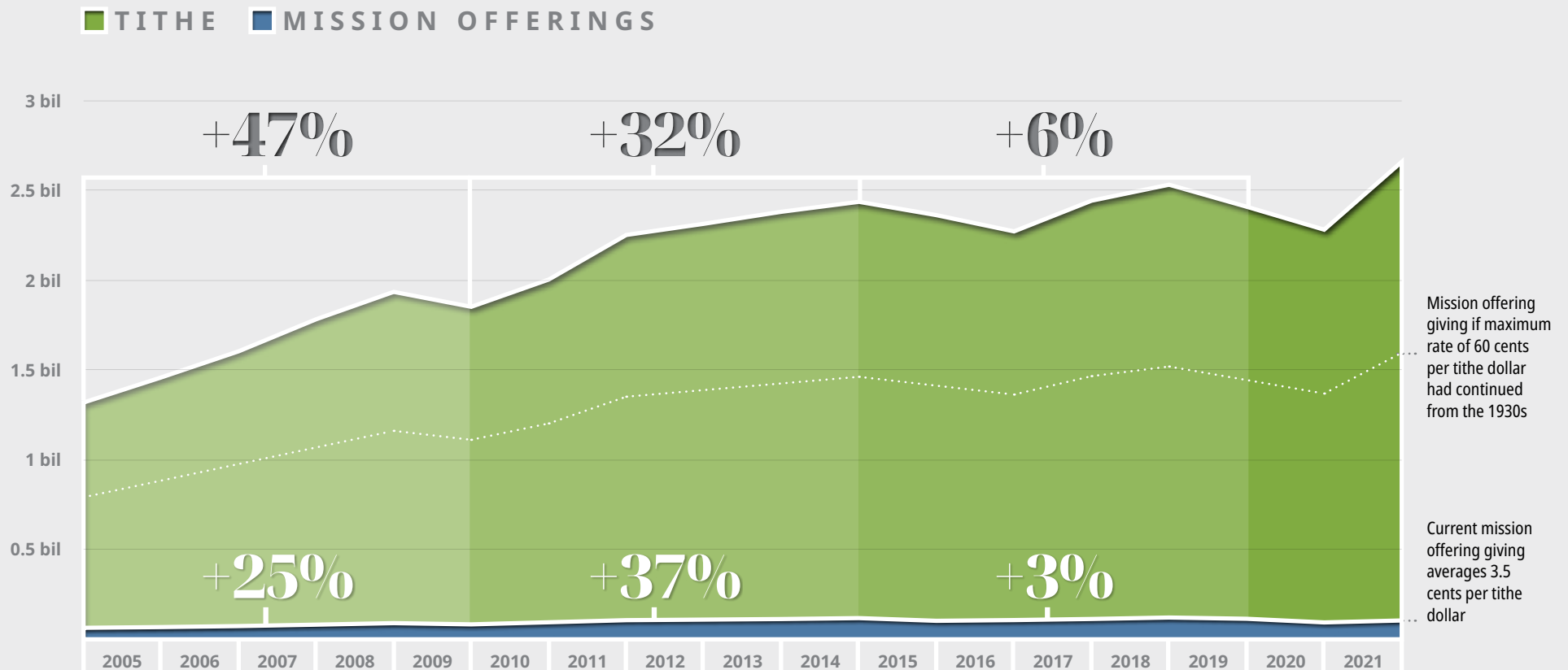
Figures rounded

Global Trends in Giving

The quinquennium saw modest increases in terms of total world tithe and mission offerings for the period. For world tithe, a total of \$12 billion was faithfully returned by church members

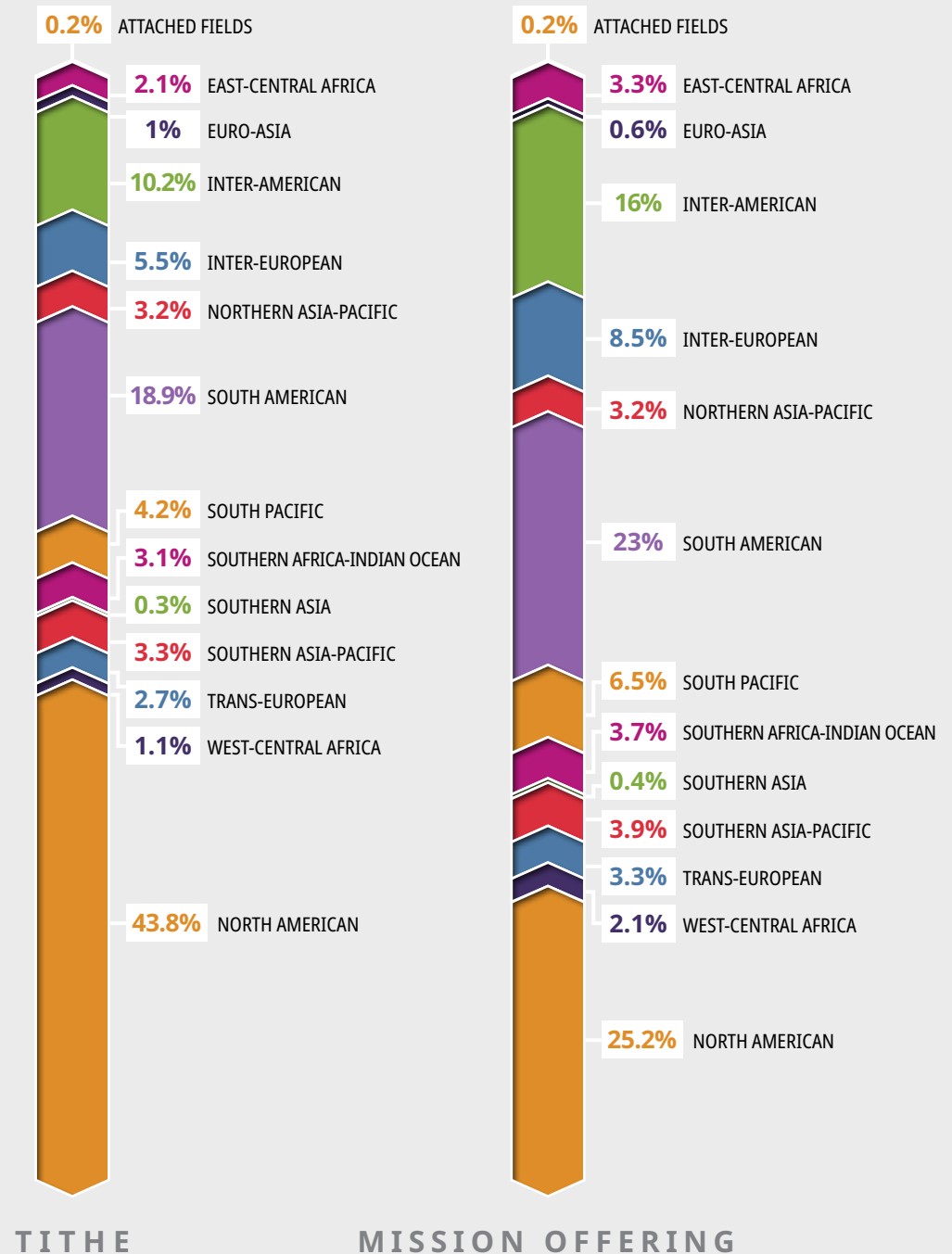
representing a 6% increase from the previous quinquennium ending in 2014. By way of comparison, the previous quinquennial total world tithe had increased by 32%. For world mission offerings, a total of \$429 million was

provided by church members who understand our worldwide mission and supported it by their giving. The total world mission offerings represented an increase of 3% from the previous quinquennium ending in 2014. However, by comparison the previous quinquennium had an increase in total world mission offerings of 37%.



Giving for world missions has been on a steady decline over the years. Today, for every dollar in tithe returned by church members, an average of 3.5 cents is provided for world mission offering. In the 1930s, the peak of giving for world missions, the average was 60 cents. Certainly, there needs to be a revival in giving towards world mission and a renewal of commitment towards being part of supporting our mission to take the saving gospel of Jesus Christ to places both near and far. There is a work for us to do beyond the borders of our local vineyard and here we are guided by the counsel of God's inspired messenger: – "To show a liberal self-denying spirit for the success of foreign missions is a sure way to advance home missionary work; for the prosperity of the home work depends largely, under God, upon the reflex influence of the work done in countries afar off."⁴ This counsel clearly indicates that the more we support mission outside of our local area, the more prosperous will be our mission inside our local area.

World tithe and mission offerings are accounted for by each division and attached field. It has been the practice to compare giving in the North American Division with the composite of other divisions and attached fields. Throughout the quinquennium and into the plus period through 2021, the average tithe from the North American Division represented 44% of the total, while for the composite of other divisions and attached fields it represented 56%. For mission offerings, those percentages were 25% and 75%, respectively.



Financial Position and Performance

(2015-2019)

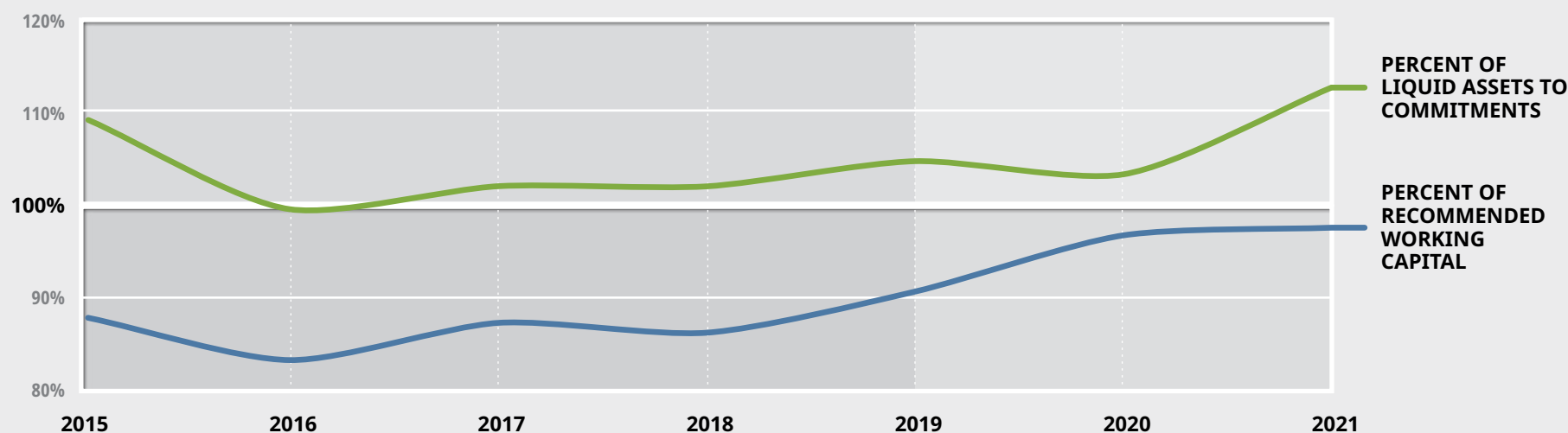
The financing model for mission adopted by our Church involves sharing resources between various levels such as the local church, mission/conference, union, and the General Conference.

From the resources shared with the General Conference, mission is supported throughout the world field. At the end of

the quinquennium, the balance of Cash and Investments was \$344 million representing a 7.9% increase from the start of the period in 2015. Total Assets increased by 5.6% to \$513 million, Total Liabilities decreased by 7.1% to \$51 million, and Total Net Assets increased by 7.2% to \$462 million for the same period. At the end of the quinquennium, 67.1% and 74.4% of Total Assets and Net Assets, respectively, were held in the form of Cash and Investments.

The Total Revenues and Gains for the quinquennium was an annual average of \$243 million of which 40.2% was from tithe; 31.7% from offerings; 4.7% from investment return; 4.7% from engagement fees charged by GCAS; 5.2% from gifts and bequests made by church members; 9.1% from resources released for use because the restricted purpose for which

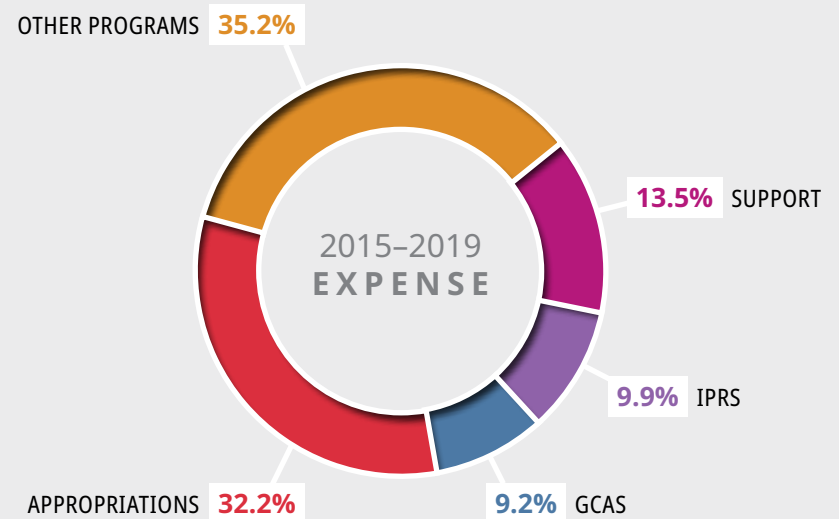
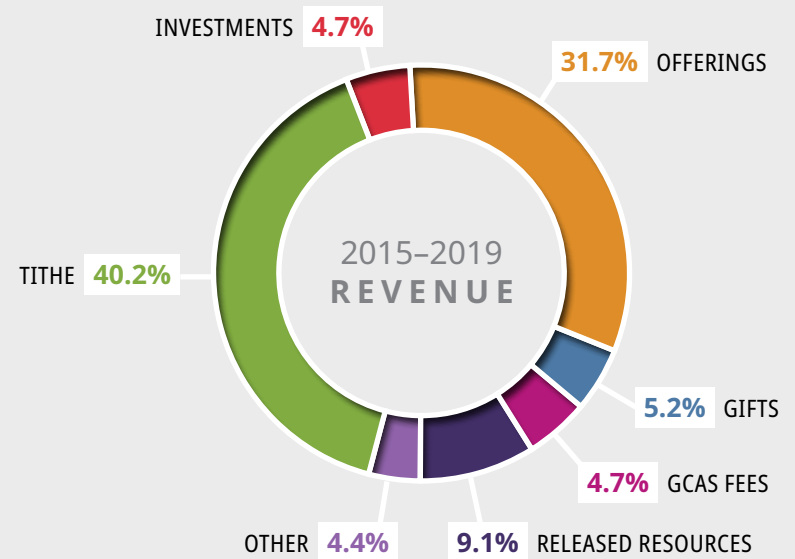
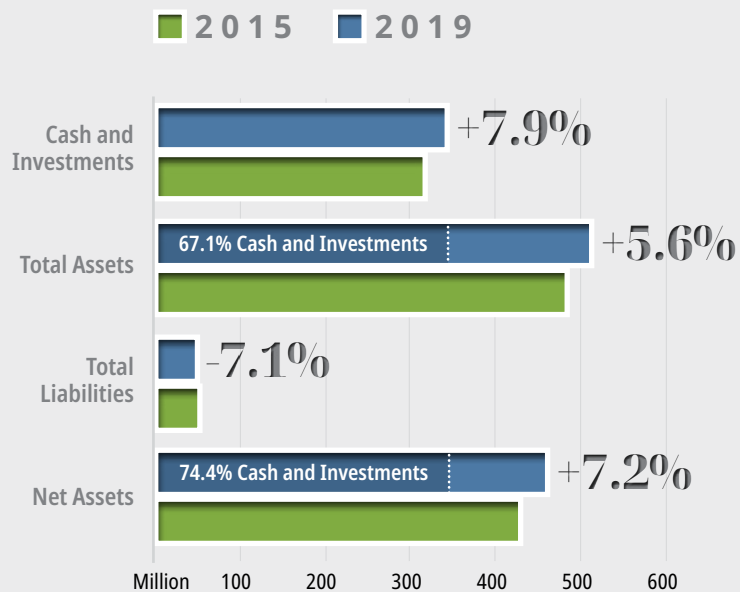
WORKING CAPITAL AND LIQUIDITY



it was given would be satisfied; and 4.4% from other sources.

The Total Expenses for the quinquennium was an average of \$240 million of which 32.2% was for appropriations to world divisions, General Conference institutions, separate units operated by a board and the 10/40 Window. Other program expenses represented 35.2% of total expenses while support expenses accounted for 13.5%. IPRS and GCAS together accounted for the remaining 19.1%.

At the close of the quinquennium, the General Conference reported 90.68% of the recommended amount for working capital and 104.63% in liquid assets as compared to commitments.



The Impact of COVID-19



The COVID-19 pandemic was both destructive and disruptive. Left in its wake are millions who have died, businesses that are shuttered, and life as we know it – never to be the same. The effect of the pandemic has not been limited to the threat to human life or economic well-being. COVID-19 has also been a threat to sustaining the fellowship of our Church family in that many church buildings remain closed more than two years later. We do thank God for the blessing of technology that can keep us digitally connected, but a digital connection is not an optimal human connection.

There is only so much that ZOOM can do.

The financial situation of the General Conference was not immune to the effects of the COVID-19 pandemic on its operations. The lockdowns caused by the pandemic closed most churches around the world

and the flow of tithes and offerings were significantly impacted. Nevertheless, many faithful members found ways to send their tithes and offerings or waited until the situation improved to remit their funds. In response to operational challenges precipitated by the pandemic, Church leaders prayerfully sought the Lord for wisdom on what urgent and critical decisions would need to be made in response to the reality of a significant financial downturn. The unwritten decision was to *remain financially viable, survive the crisis without affecting core mission, and adapt our operations to accomplish these goals*. These three survival components were broken down into multiple strategies that included:

- Suspending all travel
- Authorizing personnel to work from home
- Holding all meetings on-line via Zoom
- Reviewing and adjusting the operating budget
- Suspending financial allocations to IPRS and GCAS
- Postponing salary increases and reducing certain benefits
- Discontinuing functions such as the cafeteria
- Reducing personnel and postponing indefinitely the replacement of retiring personnel

- Abandoning the 'business as usual' approach to program funding

We praise God that the core of mission was not negatively affected in 2020 because the General Conference had preserved an adequate level of working

capital and liquidity that allowed it to withstand the financial downturn. As part of withstanding the financial downturn, appropriations to the divisions, attached unions, and institutions were not delayed or reduced. The operations of the General Conference continued

without interruption and personnel were paid their salaries and allowances on time, even while funding dwindled. Again, we praise God and give Him all the credit for giving us the guidance to have made it all possible. He supplied all our need (Philippians 4:19)!

GLOBAL COVID DEATHS: **6.3 MILLION**



Financial Position and Performance

(2021)

We are now two years into the new quinquennium and are praising God for the rebound in our financial situation after experiencing a financial downturn during 2020. This rebound is not for us to return to business as usual but to allow us the breathing room to engage in more strategic thinking and action on how best to make use of God's resources for mission.

By comparing the results of 2021 with 2019, the last year of the quinquennium, a picture of God's blessings comes into view and inspires us to continue being faithful stewards of the resources He provides for our mission.

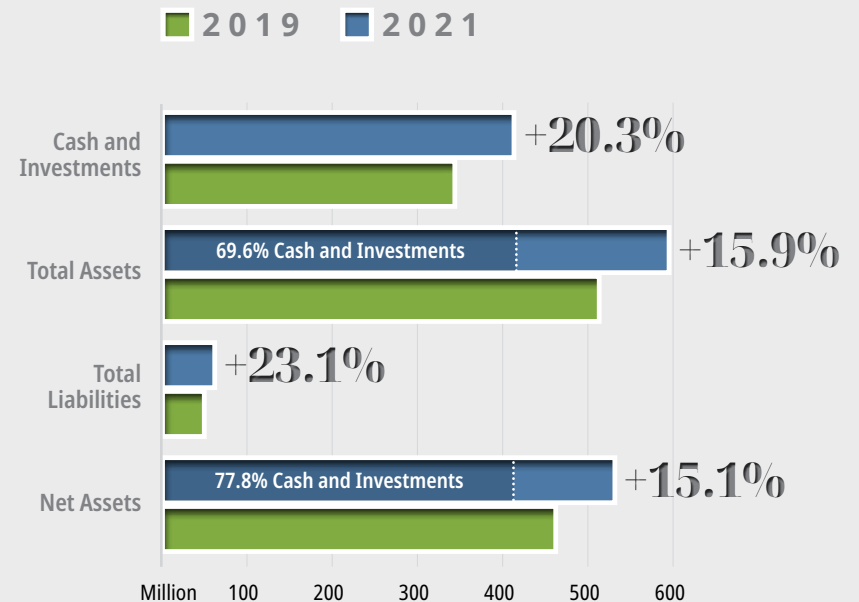
At the end of 2021, the balance of Cash and Investments was \$414 million, which represented a 20.3% increase from 2019. Total Assets increased by 15.9% to \$594 million, Total Liabilities increased by 23.1% to \$62 million, and Total Net Assets increased by 15.1% to \$532 million for the same period. At the end of the 2021, 69.6% and 77.8% of Total Assets and Net Assets, respectively, were held in the form of Cash and Investments.

The Total Revenues and Gains for 2021 was \$270 million of which 33.6% was from tithe; 26.8% from offerings; 3.2% from investment return; 4.4% from engagement fees charged by GCAS; 14.5% from gifts and bequests made by church members; 9.0% from resources released for use because the restricted purpose for which it was given would be satisfied; and 8.5% from other sources.

The Total Expenses for 2021 was \$215 million of which 32.4% was for appropriations to world divisions, General Conference institutions, separate units operated by a board and the 10/40 Window. Other program expenses represented 34.8% of total expenses while support expenses accounted for 13.3%. IPRS and GCAS together accounted for the remaining 19.5%. These percentages are consistent with the average for the quinquennium.

At the close of 2021, the General Conference reported 97.61% of the recommended amount for working capital and 112.61% in liquid assets as compared to commitments. Both measures were higher than 2019.

For 2021, we had a large positive gain of just over \$29 million in the main operating fund that captures the routine activities of the General Conference. For this we praise God! The key drivers for this gain in 2021 were a large distribution from

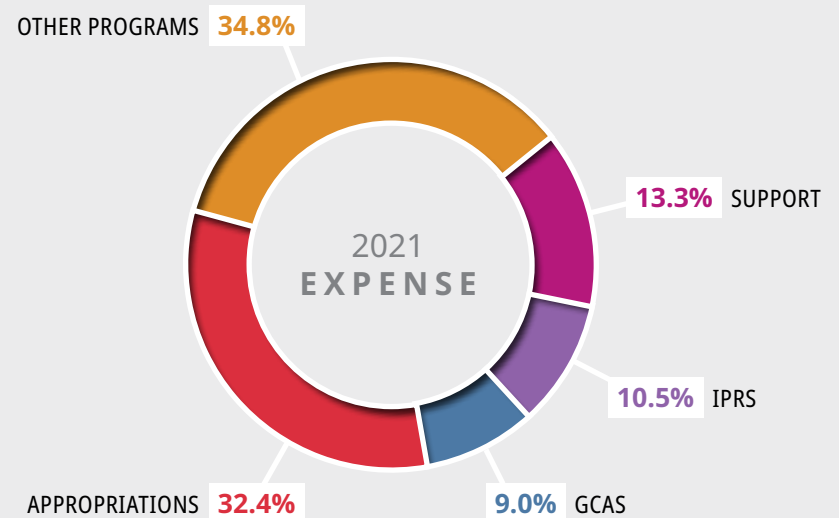
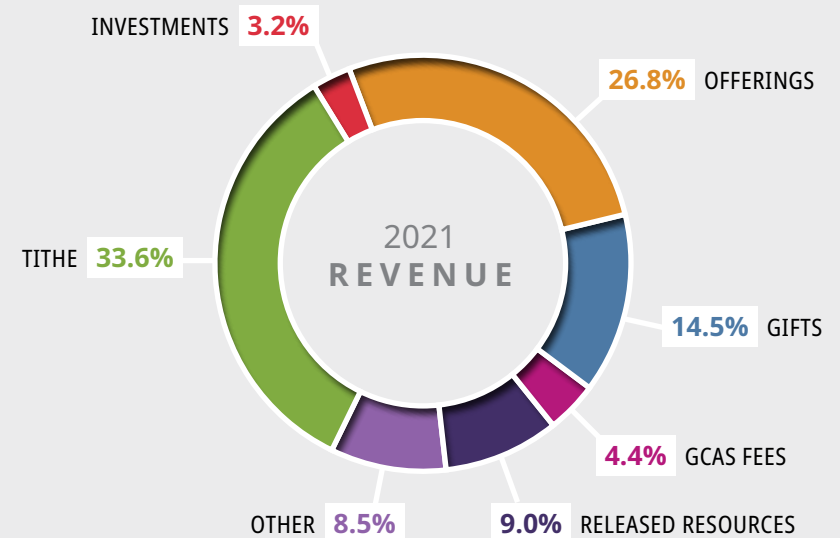


the life estate of a member, savings accruing to us by containing office operating costs, and positive increases in tithes and offerings.

Regarding the large distribution from the life estate of a member, this distribution, and others like it, signifies that church members were intentional to include in their last will and testament amounts to be used for mission. As we contemplated this windfall even with an operating budget that is still challenged by the effects of the pandemic, we were convinced that God did not bless us with these gifts to simply balance the budget. Instead, we believe that God was testing our resolve and our readiness to be bold about finding innovative and impactful ways to engage in mission. From this conviction was born the Mission Impact Fund which purpose is to allocate financial resources to be used in supporting I Will Go initiatives administered by local churches. By providing support to local churches whose project submissions are approved, it expresses the intent of the General Conference to:

- Inspire local churches to be engaged in reaching their communities
- Invest in the frontline mission of local churches
- Impact the world for Christ one community at a time

General Conference Treasury will be working together with the Planned Giving and Trust Services Department to administer this fund. During Annual Council 2022, the first round of approved local church projects will be unveiled.



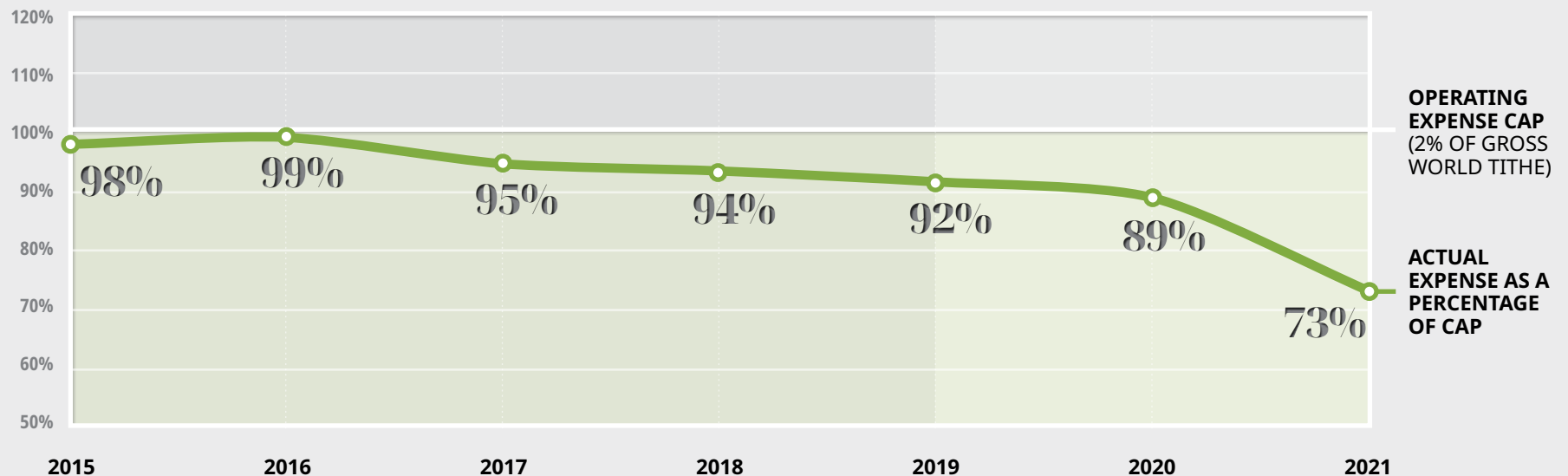
Operating Expense Cap

The Operating Expense Cap is a spending control that was established by the GC Executive Committee and implemented in 1992. In its latest formulation with effect from 2001, the Cap limits the operating expenses of the General Conference to an amount not to exceed 2% of the gross world tithe received in that year. The Cap serves as a self-limiting requirement or a “governor” on the operating expenses of the General Conference. This is an important factor for the world Church because the GC

Executive Committee has the authority to change the various tithe-sharing rates, global offerings, and appropriations for the world field. Without the limitation of the Cap, it would be possible to vote General Conference operating budgets of increasing proportion to the total giving of the Church. Stated another way, the intent of the Cap is to keep as much funding as possible at local levels of the administrative segments of the Church.

As with so many other elements of the General Conference finances, the operating expense cap report this

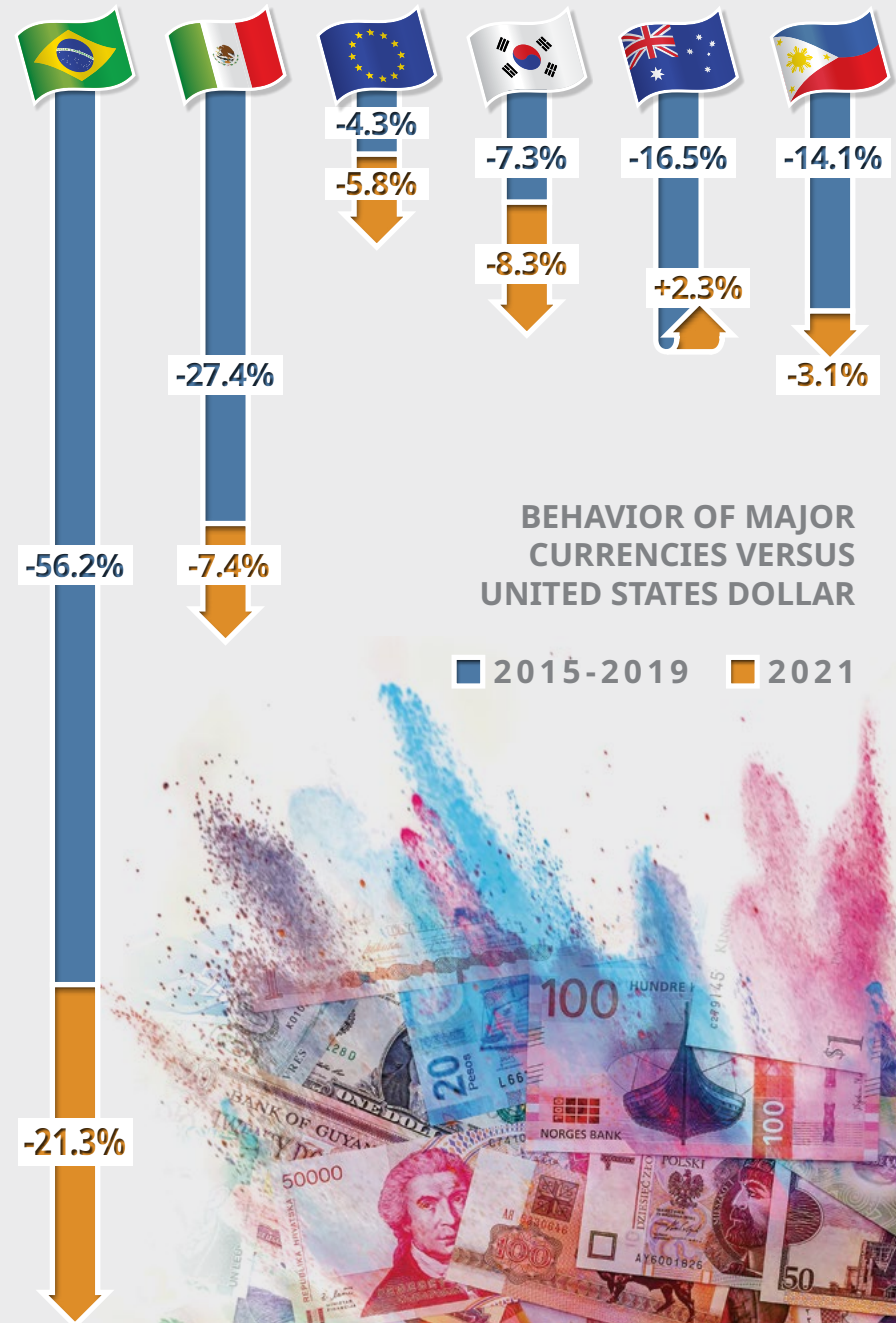
quinquennium is a testimony to the power of God and the faithfulness of His many Christian stewards around the world. This can be seen in the fact that in the thirty years of this Cap, there has not been a single year in which the Cap was exceeded. This was almost not the case at the beginning of the quinquennium when, although actual expenses were less than the approved budget, the global tithe decreased significantly due to strengthening of the US Dollar. The result was that in 2015 and 2016 the expense as a percent of the cap rose to 98% and 99% of the cap, respectively. During the remaining three years, this percentage was between 92 – 95%.



Currencies and Financial Markets

The global financial environment created some challenges for the operation of the Church. In various countries, the exchange rates for currencies and the free movement of funds were negatively affected.

The US dollar grew in strength over the quinquennium and even through to 2021, which meant that funds received by the General Conference from other countries were somewhat less than in prior years. The behaviors of currencies versus the United States dollar are of great interest because approximately 80% of non-United States dollar-based tithes and offerings received by the General Conference are affected by the behaviors of six major currencies. The six major currencies are the Brazilian Real, Mexican Peso, the Euro, Korean Won, Australian dollar, and Philippine Peso. Numerous economic factors combined to impact exchange rates for these foreign currencies, so funds coming to the General Conference were diminished, which in turn decreased our ability to provide more support for the world Church.



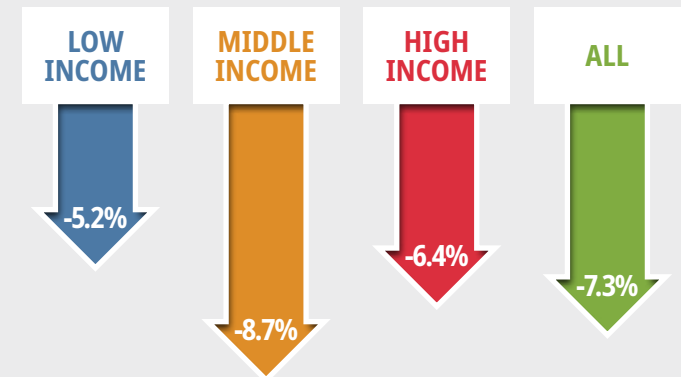
There were some countries with restrictions on their currencies which disallowed tithes and offerings collected from being transferred outside of those countries. These 'blocked currencies' made it difficult for the church to manage finances because free movement of funds was not available. The Church implemented some alternative ways to use the tithes and offerings to manage these situations including paying for certain expenses directly from those territories.

During the quinquennium, the financial markets were generally positive and helped to provide additional support to the Church's financial operations, pension plans and project funds. The investments of the General Conference, though managed very conservatively and with the appropriate social screening, provided meaningful amounts of return.

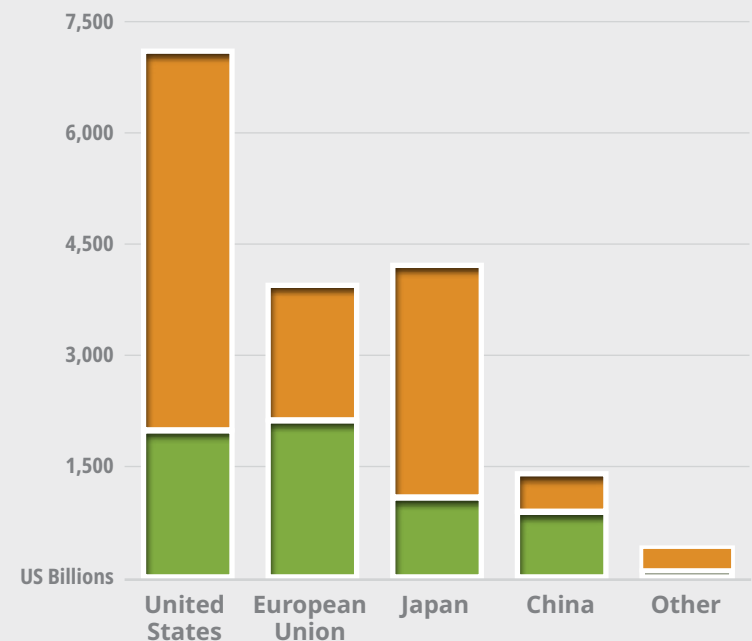
At the beginning of the new quinquennium in 2020, the pandemic was an unknown reality causing a major upheaval in economies and financial markets around the world. As governments tried to interdict and mitigate the effects of the virus, massive stimulus programs were implemented to help sustain people through the ordeal. Governments around the world injected \$14 trillion in stimulus during 2020 and 2021. For many people this was a needed lifeline, while for others, it was extra income which was used to purchase items for the new "stay at home" economy. This created strong demand for many goods, thereby straining supply chains worldwide. This was the start of an inflation cycle that is currently raging. Demand for goods shifted to demand for commodities and energy, which drove input costs higher. Gasoline, fertilizer, and food costs began to rise. With energy, food, housing, and durable goods prices rising rapidly, inflation is no longer transitory, but rather well entrenched in world economies.

Heading into 2022, this new inflationary backdrop is changing the financial landscape. Labor costs, maintenance

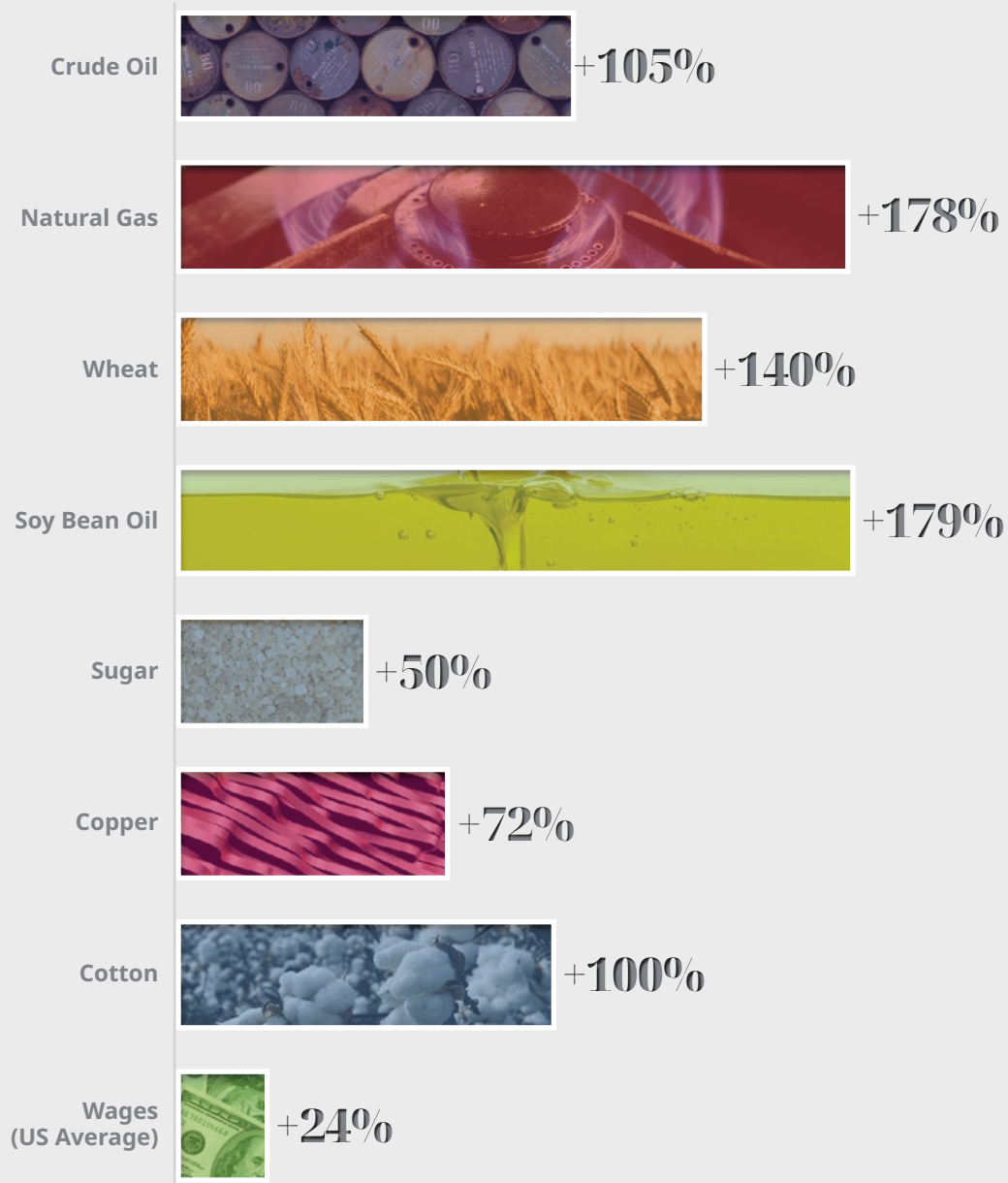
IMPACT OF COVID 19 ON GDP GROWTH BY COUNTRY CLASSIFICATION



COVID 19 RESPONSE: MONETARY AND FISCAL STIMULUS



INFLATION OVER PAST 5 YEARS



The world seems to be careening from one crisis to another, which surely is a sign of the nearness of Time.

costs, operating expenses and materials have all grown more expensive for the Church as well as well as its members. The Ukraine crisis has also placed increased stress on costs, causing food and energy shortages in some parts of the globe. The world seems to be careening from one crisis to another, which surely is a sign of the nearness of Time. We are warned by the Spirit of Prophecy that greater sacrifices will be required by all Church members as we seek to fulfill our mission to spread the Gospel to all the earth, but by God's grace we will find the way through. We will not fail because He who has promised is faithful (Hebrews 10:23).

Extraordinary Tithe Report

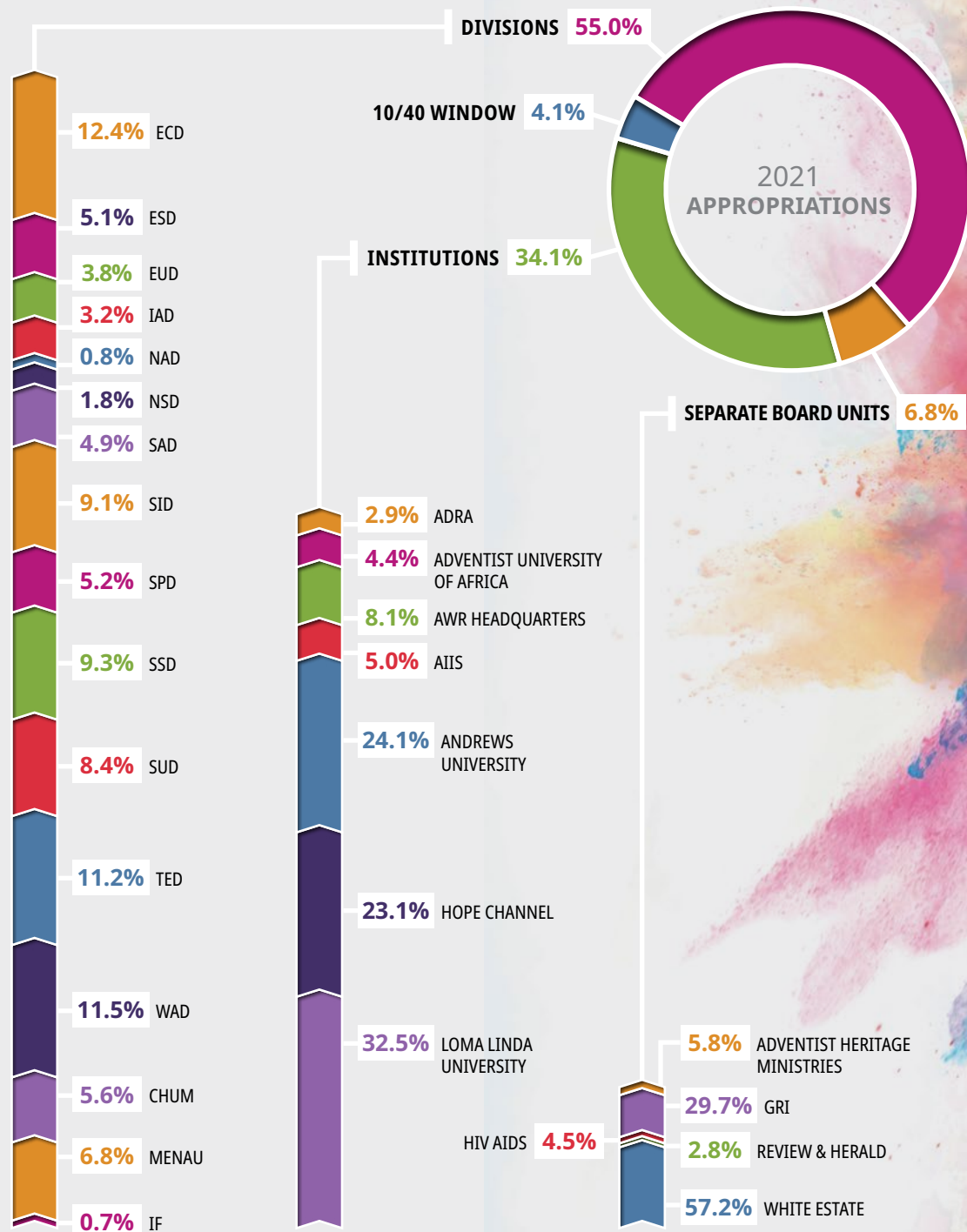
In 2007, the General Conference after consultation took an action to directly receive from a family their tithe on the proceeds from divesting a multinational business. This extraordinary tithe has been a blessing to the Church as it provided the resources to advance ministry in the 10/40 Window and supported many evangelistic and mission related initiatives. Through December 31, 2021, the total available to be distributed – inclusive of investment earnings – was \$160, 241,136. Of that amount, 45% was distributed to Divisions; 48% to programs administered by the General Conference for the world church and for its institutions; with the remaining 7% yet to be disbursed.

Entity	Project	2008 - 2014	2015 - 2021	Total Allocations
Total Amount Available for Allocation				160,241,136
Allocations				
ECD	Public Evangelism, Big Cities & Leadership Training	3,500,000	100,000	3,600,000
EUD	Evangelism in Europe & 10/40 Window Territories	2,759,441	100,000	2,859,441
	MENA Satellite and Internet Coverage	2,000,000		2,000,000
ESD	10/40 Window, Mega Cities and Spiritual Growth	3,800,000	1,600,000	5,400,000
	Bible Translation Institute	400,000		400,000
IAD	Satellite coverage & non-Christian religion outreach	2,500,000	3,000,000	5,500,000
IF	Church Building construction		2,100,000	2,100,000
MENA	Church building in MENA territory from interest	2,150,000	50,000	2,200,000
	Transferred from EUD - for MENA territories	3,240,559		3,240,559
	Transferred from TED - for MENA territories	861,589		861,589
NAD	Public & Media Evangelism, TV frequency & ShareHim	5,500,000	200,000	5,700,000
NSD	10/40 Window penetration & reestablishment	5,700,000	100,000	5,800,000
SAD	TV frequency in Sao Paulo	4,250,000	100,000	4,350,000
SID	Hope for Big Cities, training and media	3,666,204	100,000	3,766,204
SPD	Kids in Discipleship and Evangelism	3,800,000	2,275,000	6,075,000
SSD	Radio/TV Network	4,250,000	100,000	4,350,000
	10/40 Window Bible Training Center	500,000		500,000
SUD	Evangelism in unentered territories	4,500,000	100,000	4,600,000
	Hope Channel expansion	1,000,000		1,000,000
TED	Relay Christ to new generation	4,500,000	100,000	4,600,000
WAD	Evangelism and Media	3,600,000	100,000	3,700,000
Total to World Divisions and Attached Fields		62,477,793	10,125,000	72,602,793

Entity	Project	2008 - 2014	2015 - 2021	Total Allocations
Adventist Health International	Reinforce the work in Big Cities		600,000	600,000
Adventist International Institute of Advanced Studies	AIIAS Academy Building Project		300,000	300,000
Adventist Mission	Reinforce the work in Big Cities	1,000,000		1,000,000
Adventist University of Africa	Multipurpose Complex		400,000	400,000
Adventist World Radio	Expansion of radio coverage in Big Cities & 10/40 Window	4,500,000		4,500,000
Adventist Heritage Ministries	Marketing materials	150,000		150,000
Archives, Statistics & Research	SDA Encyclopedia	-	950,000	950,000
Children's Ministries	Evangelism to children	-	300,000	300,000
Connecting w/Jesus	E G White books printing	1,000,000		1,000,000
Christian Record Services	Termination & Legal Expenses	-	2,000,000	2,000,000
Focus on World Religions	Multiple 10/40 Window leadership projects	3,500,000	60,000	3,560,000
Hope Channel	Expansion of satellite coverage and DirecTV programming	9,400,000		9,400,000
Hope Channel	Long term satellite contracts	8,000,000		8,000,000
Hope Channel	Equipment	1,713,987		1,713,987
Hope Channel	Loan Write-off	-	1,200,000	1,200,000
10/40 Window Items	10/40 Window transition funding for missionaries	1,500,000		1,500,000
Intl Bible & Mission conference	Bible Conferences	1,000,000	600,000	1,600,000
Media Ministry	French media initiative & Digital evangelism	-	7,300,000	7,300,000
Office of Program Evaluation	Assessment and evaluation of programs	896,258		896,258
Office of Global Software	GC web international initiatives	2,000,000		2,000,000
Sabbath School	Sabbath School Curriculum Development	-	6,000,000	6,000,000
Special Projects	Projects managed by GC Administration	-	4,830,953	4,830,953
Stewardship	Stewardship Ministries Initiative	-	11,209,574	11,209,574
White Estate	Internet Development Project	650,000	1,566,000	2,216,000
White Estate	Visitor center & certification project	-	1,237,000	1,237,000
Youth	One Year in Mission and public campus evangelism	-	2,900,000	2,900,000
Total GC Institutions and Administered Programs		35,310,245	41,453,527	76,763,772
Total Amount Allocated		97,788,038	51,578,527	149,366,565
Total Remaining Amount Available for Allocation				10,874,571

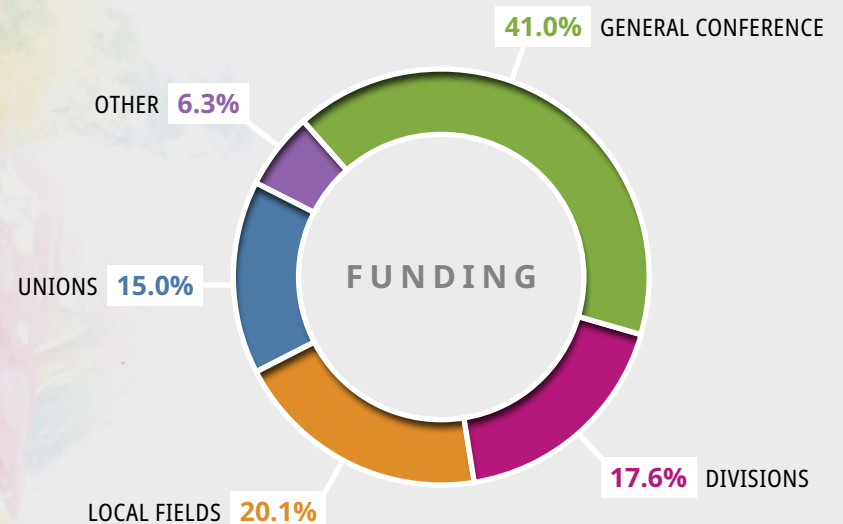
Funding our Divisions and Institutions

Each year the General Conference provides regular and special appropriations to support the work of its divisions and attached fields in their respective territories, its institutions, and for activities taking place in the 10/40 Window. The amount provided in appropriations has remained relatively stable throughout the quinquennium. The distributions of appropriations made in 2021 are consistent with those made throughout each year of the quinquennium. Of the \$67.6 million provided in appropriations for 2021, 55.0% went to divisions and attached fields; 40.9% was for General Conference institutions; and 4.1% supported activities taking place in the 10/40 Window.



Funding our Global Mission Program

The Global Mission Program administered by the Office of Adventist Mission is our official initiative to engage all Church entities in starting new groups of believers in unentered geographical areas and among unreached people groups. Mission offerings and restricted donations are the key sources of funding for this program. For the quinquennium, 5,467 projects were funded with a total of \$50.7 million, utilizing an average of 1,600 pioneers each year who accepted the challenge to enter new territories and reach new groups of people. The funding was a participation between the General Conference (41.0%), Divisions (17.6%), Unions (15.0%), Local Fields (20.1%) and other sources (6.3%).



Funding our IPRS Program

General Conference International Personnel Resources and Services (IPRS) is the human resources department for missionaries around the world from the time they are appointed until the time they return to their home country. It acts as the liaison between the world Church headquarters and the divisions in employing international service employees (ISEs).

IPRS takes part in recruitment, finances, missionary care, and relocation of ISEs. IPRS fills missionary position requests by linking those willing and seeking to serve with divisions needing support, especially positions that meet criteria listed below.

The Institute of World Mission (IWM) is the training arm of the Church and organizes intercultural instruction and preparation programs for ISEs.

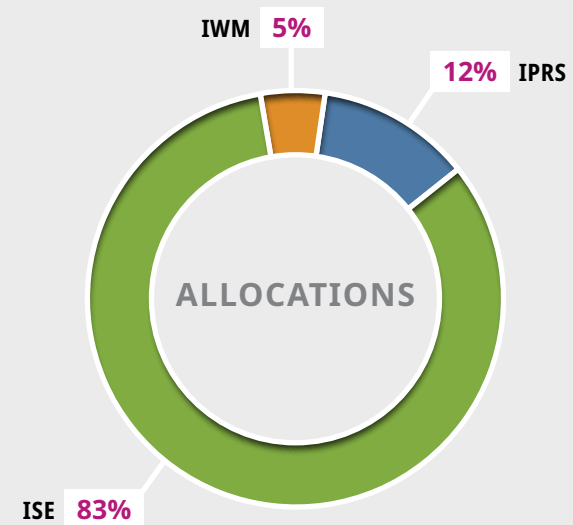
As of December 31, 2021, 367 ISE families coming from 66 countries were serving in 82 countries. The three divisions sending the greatest number of ISEs are the North American Division, the South American Division, and the Southern Asia-Pacific Division.

The largest allocation of the General Conference budget—at 16.5%—is given to support the mission program administered by IPRS. For the quinquennium, the average allocation amounted to \$27.2 million, with 83% for attending to ISEs, 5% for the IWM program, and 12% for the coordinating activities of IPRS.

As faithful stewards of the Lord's resources, we need to ask and answer questions that help us maximize the resources used for mission. To use ISE budgets according to mission priorities, the General Conference Mission Board recently voted a proposal to refocus Mission Resources called "Mission Reset." This

initiative will use six criteria to allocate ISE budgets funded by GC IPRS so that in five years, thirty-five percent (35%) of budgets would meet these criteria with a goal for this to be seventy percent (70%) in ten years. The following are the six criteria that will guide future funding of ISE budgets:

1. Direct-contact mission with the goal of creating new worshiping groups
2. 10/40 Window countries and people groups of non-Christian religions
3. Urban areas with populations in excess of 1 million people
4. Postmodern/post-Christian countries/regions
5. Low Adventist-to-population ratio in countries/regions/people groups
6. High impact equipping for direct-contact mission



WHERE FAMILIES ARE SERVING

North American	
77	Serving in (including GC)
103	Serving from
6	Canada
97	United States

Trans-European	
7	Serving in
10	Serving from
1	Denmark
1	Hungary
1	Netherlands
1	Norway
1	Serbia
5	United Kingdom

Trans-European	
9	Serving in
5	Serving from
2	Russia
3	Ukraine

Inter-European	
25	Serving from
2	Belgium
1	Czech Republic
1	France
9	Germany
3	Italy
1	Portugal
5	Romania
1	Spain
2	Switzerland

Southern Asia	
9	Serving in
13	Serving from
13	India

Chinese Union Mission	
6	Serving in
2	Serving from
2	China

Northern Asia-Pacific	
12	Serving in
15	Serving from
15	South Korea

Middle East & North Africa Union Mission	
50	Serving in

Inter-American	
17	Serving in
19	Serving from
1	Bahamas
1	Belize
1	Colombia
4	Dominican Rep
1	El Salvador
1	Guyana
1	Jamaica
1	Martinique
4	Mexico
1	Trinidad
2	Venezuela

Inter-American	
3	Serving in
70	Serving from
16	Argentina
5	Bolivia
33	Brazil
4	Chile
1	Paraguay
10	Peru
1	Uruguay

West-Central Africa	
18	Serving in
12	Serving from
5	Ghana
1	Liberia
6	Nigeria

East-Central Africa	
54	Serving in
12	Serving from
1	DR Congo
4	Kenya
2	Rwanda
2	Tanzania
3	Uganda

Southern Africa-Indian Ocean	
34	Serving in
21	Serving from
2	Botswana
2	Madagascar
1	Malawi
3	Mauritius
1	Reunion
7	South Africa
2	Zambia
3	Zimbabwe

Southern Asia-Pacific	
55	Serving in
47	Serving from
1	Bangladesh
4	Indonesia
1	Malaysia
1	Myanmar
2	Pakistan
37	Philippines
1	Singapore

South Pacific	
14	Serving in
13	Serving from
9	Australia
4	New Zealand

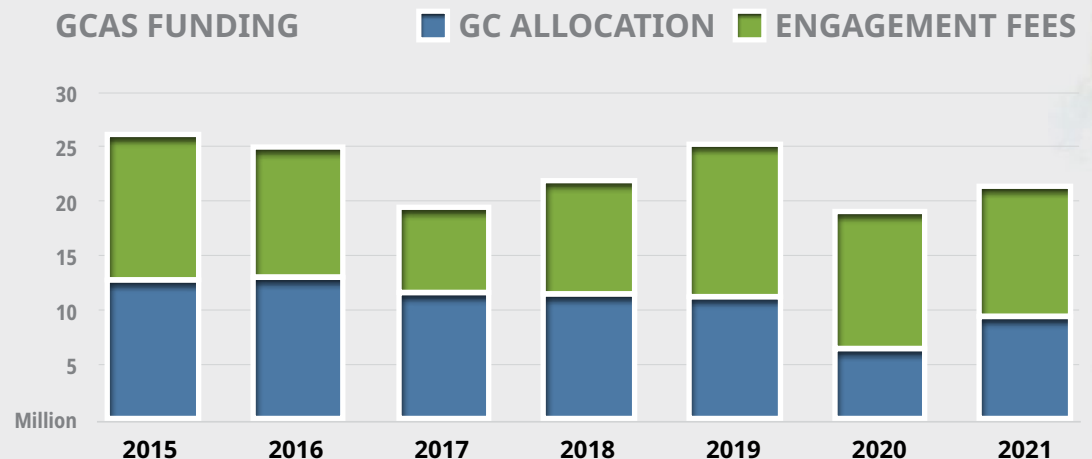
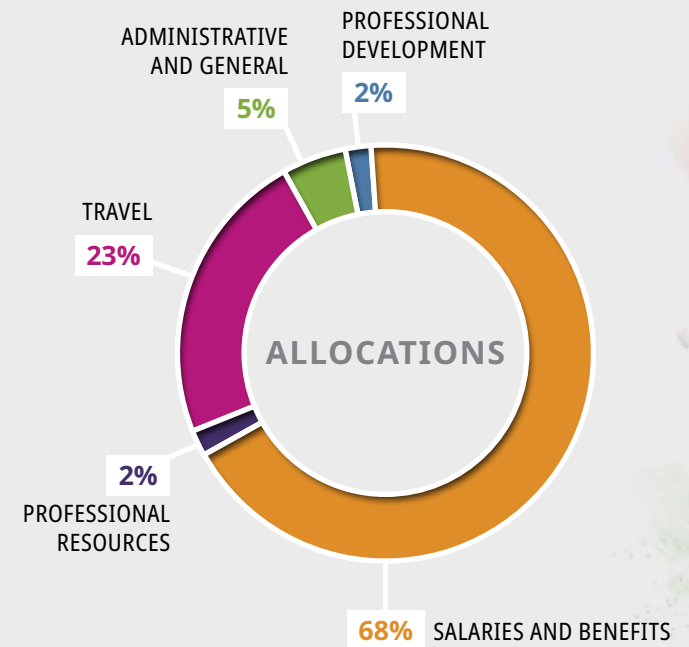
Funding our GCAS Program

General Conference Auditing Service (GCAS) serves as the Seventh-day Adventist Church's preferred provider of assurance and related services. The client base includes all denominational organizations, such as General Conference institutions, world divisions and their institutions, unions/union of churches and their institutions, local conferences/missions/regions/field stations and their educational institutions at the secondary level or higher, and Adventist Development and Relief Agency country offices and projects not audited by external auditors.⁵

The second largest allocation of the General Conference budget—at 6.7%—is given to support the global audit program administered by GCAS. Complemented with engagement fees that are charged for audits performed as part of a cost sharing arrangement between the General Conference and Divisions, the total funding for GCAS is approximately \$22.6 million per year and is used to cover expenses of salaries and benefits (68%), travel (23%), administrative and general (5%), professional resources (2%), and professional development (2%).

GCAS functions independently under the administrative oversight of an 18-member board, 13 of whom are lay persons representing each of the world divisions and who have an auditing background or hold senior business executive positions. The board is chaired by one of these laypersons.

As of December 31, 2021, approximately 300 professionals located in 45 country offices engage in providing the audit services that form an integral part of the financial oversight system for the Church.





RISK AHEAD

The Road Ahead

Tithe Parity

At the 2019 Annual Council, the Executive Committee took an action that has subsequently become known as “tithe parity.” Although it did not directly impact the General Conference financially during the quinquennium it will be discussed here briefly due to the significant impact that will be experienced beginning in 2021. The adjustment to the tithe-sharing percentages must be seen in the context of:

1. The phased bifurcation of the North American Division from the General Conference, and
2. The growing financial maturity of the world field.

From the inception of the Church’s mission programs that extend beyond the United States, the members within the territory of North America have heavily supported mission activities through the sending of missionaries as well as through tithes and offerings. This mission spirit will, of course, continue into the future, but a growing awareness of missional needs within North America required a fresh look with a possible need to rebalance the burden of mission activity.

The NAD began operations as a division for the first time after the 1990 General Conference Session. During the decade of the 1990’s, various segments of the General Conference (including financial records) pertaining to the territory of North

America have been differentiated and then divided out from inclusion within the General Conference operations and records. This included the transition of various programs and ministries to the NAD along with corresponding adjustments to the tithe-sharing formula. The result was that by 1997, 10.72% of tithe from North America was shared with the General Conference.

Subsequently, two more reductions to the tithe-sharing percentages for NAD were phased in. A reduction to a new level of 8% was implemented between 2000 and 2005. After a period of settling in, a second reduction to 5.85% was introduced from 2012 to 2020. At the end of this 30-year transition, the North American Division was still contributing at a rate nearly three times higher than the 2% tithe-sharing rate that was required from the rest of the world field.

The General Conference Executive Committee action at the 2019 Annual Council was focused on taking the final step in bringing the tithe-sharing percentage to the same rate for each of the thirteen divisions. The decision that was made was to set a new, tithe-sharing rate of 3% for all divisions. The implementation plan first recognized that a separate 0.85% from NAD would be remitted to the General Conference due to the presence

of two large GC-owned institutions within its territory. Second, the resulting 5% (5.85% - 0.85%) of tithe-sharing would be reduced to 3% over four years (0.5%/year) from 2021 – 2024. The final piece of the integrated plan was to increase the rates from the other twelve divisions from their previous 2% rate up to the newly established global rate of 3% (0.1%/year) over a period of ten years.

These changes in tithe-sharing were codified in GC Working Policy V 09 05 Support of Worldwide Work. Additionally, numerous other sections of GC Working Policy were updated to reflect equitable treatment of all divisions – including the North American Division. Ultimately, to afford the financial shift outlined above, the transition plan required reductions in the GC budget of more than \$2.1 million per year in personnel and travel in addition to \$1 million per year in appropriations to GC institutions and \$500,000 per year in general expenses. Finally, to absorb the timing differences involved, the plan projected that General Conference cash reserves would likely be reduced by slightly more than half by 2035. We praise the Lord that in the first year of this plan (2021) it did not result in anticipated bottom line loss nor the projected decrease in reserves.

Preparing for the Next Crisis

The COVID-19 pandemic is just a signal of what is yet to come. Opportunities to explore new ways of thinking and employ new ways of doing business are available to those who take the time to prayerfully look for them. The next crisis is already in the making and without a prepared response there may not be sufficient resilience to survive.

Church organizations need to build the resilience necessary to face adverse economic conditions that can threaten resources needed for mission. This resilience is based on a faithful trust in God and benefits from forward thinking with God. When trust is matched with strategic thinking, Church organizations should be inspired to make appropriate plans in the *fat* years to avoid or minimize any mission disruption in the *lean* years. However, many Church organizations seem more likely to excel at trusting and less likely to engage in thinking. The result of this imbalanced method of management is an increased risk that Church organizations will not have the resilience needed to carry out its mission in times of crisis.

Part of preparing for a crisis involves determining how church organizations should prepare for economic downturns and emergencies to ensure resources

are in place to prevent or minimize disruptions to mission. To aid in this determination, the General Conference Executive Committee voted a new policy for calculating the financial measures of Working Capital and Liquid Assets that became effective on January 1, 2022. These financial measures used to indicate preparedness for an emergency, are required to be presented in components of time and type. The new policy recommends a minimum of six months for working capital and a minimum of three months that should be in liquid assets. For the General Conference, we believe our minimums should be set at 12 months and nine months, respectively, because of its unique

role in providing a steady source of appropriations to the world field and to maintain adequate liquidity for the Church's financial system.

As of December 31, 2021, the General Conference reported 15.2 months of Available Working Capital and 12 months of Available Liquid Assets for responding to an emergency.

Challenges to be Faced

The Church is not immune to the prevailing economic realities and the turbulence created by these realities as we engage in the Great Commission. From a financial perspective, there are five challenges that we are facing and will continue to face as a Church:

- Balancing growth and stability
- Ensuring sufficient working capital and liquidity
- Moving towards higher levels of self-support
- Dealing with uncertainties due to geo-political conflicts, currency volatility, and changes in regulatory environments
- Understanding paradigm shifts brought about by crisis events, new technologies, and changes in generational thinking

Regardless of the challenges enumerated and others that will emerge, we are assured that God is with us. Turbulent economic times should not disturb our minds for we are partnering with the Divine, whose “purposes know no haste and no delay.”⁶ In this our holy endeavor, there is no such thing as failure! Listen to Ellen White in *Gospel Workers* p. 19: “Workers for Christ are never to think, much less to speak, of failure in their work. The Lord Jesus is our efficiency in all things; His Spirit is to be our inspiration; and as we place ourselves in His hands, to be channels of light, our means of doing good will never be exhausted. We may draw upon His fullness and receive of that grace which has no limit.”



Conclusion

The mission before us is clear: We are to preach the gospel of the kingdom in all the world as a witness to all the nations so the end can come (Matthew 24:14). All of who we are and all of what we do must be aligned with this high and holy calling. As we partner with God, we have our mission, and we have His money. Our faithful duty therefore is to be both stewards of the mission and stewards of the money. As we partner with God, we have nothing to fear – not even failure itself. Jesus is Coming, let us get involved and finish this work – not by our might, nor by our power, “but by the Spirit, saith the Lord” (Zechariah 4:6).

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- 1 Ellen G White *Evangelism*, 95
 - 2 Ellen G White *Life Sketches*, 214
 - 3 Ellen G White *Christ Object Lessons*, 333
 - 4 Ellen G White *Gospel Workers* p. 465
 - 5 General Conference Working Policy SA 05 25
 - 6 Ellen G White *Desire of Ages*, 31



The background of the slide is a collage of overlapping US dollar and Euro banknotes. A prominent US one hundred dollar bill is visible in the center, featuring the portrait of Benjamin Franklin. To its right and slightly behind it is a purple Euro one hundred banknote. Other banknotes, including a blue Euro one hundred and a green Euro one hundred, are also visible, creating a layered effect. The text is overlaid on this background.

Independent Auditor's Report

2015–2019

To the Delegates of the Sixty- first General Conference Session

GENERAL CONFERENCE OF
SEVENTH-DAY ADVENTISTS



Report on the Financial Statements

We have audited the accompanying combined financial statements of the General Conference of Seventh-day Adventists which comprise the combined statements of financial position as of December 31, 2019, 2018, 2017, 2016, and 2015, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined 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 audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

Basis for Qualified Opinion

As discussed in Note 2 to the combined financial statements, the General Conference has not determined which of its numerous affiliated entities meet the requirements for consolidation in the accompanying combined financial statements. Generally accepted accounting principles, require consolidation of majority owned subsidiaries and all financially interrelated not-for-profit organizations in which the General

Conference has control and an economic interest, as defined. Accordingly, we were unable to satisfy ourselves regarding the inclusion of other related entities in the combined financial statements.

Also as discussed in Note 22 to the combined financial statements, the General Conference has not consolidated Gencon Insurance Company of Vermont (Gencon), a wholly-owned subsidiary. Generally accepted accounting principles require that all majority-owned subsidiaries be consolidated.

Qualified Opinion

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion paragraph, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the General Conference of Seventh-day Adventists as of December 31, 2019, 2018, 2017, 2016, and 2015, and the changes in their net assets and their cash flows for the years then ended in

accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The General Conference of Seventh-day Adventists is a component of the worldwide Seventh-day Adventist Church. These combined financial statements include the assets, liabilities, net assets, changes in net assets and cash flows of the entities and funds identified in Notes 1 and 2 to the combined financial statements. Accordingly, these financial statements are not intended to present the financial position, changes in net assets or cash flows of the worldwide Seventh-day Adventist Church. Our opinion is not modified with respect to this matter.

Maney Costeiran PC

April 13, 2020

Combined Statement of Financial Position

DECEMBER 31

	2019	2018	2017	2016	2015
ASSETS					
Current Assets					
Cash & Equivalents (Note 6)	115,999,322	83,604,512	90,498,460	70,110,437	78,806,671
Investments (Note 7)	227,919,384	243,773,127	242,479,267	234,585,292	240,020,199
Accounts Receivable (Note 8)	42,455,311	44,011,964	46,881,186	40,465,296	37,197,078
Notes & Loans Receivable, Current (Note 10)	109,253	152,158	365,121	4,333,705	833,911
Inventories and Prepaid Expense	8,708,090	3,079,913	3,416,999	3,530,766	2,464,324
Total Current Assets	<u>395,191,360</u>	<u>374,621,674</u>	<u>83,641,033</u>	<u>353,025,496</u>	<u>359,322,183</u>
Plant Assets (Note 9)	<u>36,489,051</u>	<u>38,331,325</u>	<u>36,209,074</u>	<u>35,619,437</u>	<u>37,624,874</u>
Other Assets					
Notes & Loans Receivable, Long-Term (Note 10)	7,201,104	6,833,292	7,128,780	6,177,866	7,925,737
Other Operating (Note 7)	30,700	41,113	33,500	2,759,812	2,283,884
Other Than Operating (Note 11)	73,844,543	76,486,146	73,004,383	81,017,621	78,450,709
Total Other Assets	<u>81,076,347</u>	<u>83,360,551</u>	<u>80,166,663</u>	<u>89,955,299</u>	<u>88,660,330</u>
Total Assets	<u>512,756,758</u>	<u>496,313,550</u>	<u>500,016,770</u>	<u>478,600,232</u>	<u>485,607,387</u>
LIABILITIES					
Current Liabilities					
Accounts Payable (Note 12)	31,242,302	34,730,918	33,948,519	28,245,489	27,520,783
Deferred Income	383,269	45,501	45,483	351,792	284,902
Agency Funds	3,180,717	3,346,262	3,603,924	3,867,469	5,208,881
Appropriations Payable to Divisions	2,409,797	2,962,641	4,698,246	5,219,607	7,454,508
Total Current Liabilities	<u>37,216,085</u>	<u>41,085,322</u>	<u>42,296,172</u>	<u>37,684,357</u>	<u>40,469,074</u>
Other Liabilities					
Other Than Operating (Note 13)	<u>13,378,746</u>	<u>12,291,833</u>	<u>13,045,951</u>	<u>14,213,424</u>	<u>13,979,895</u>
Total Liabilities	<u>50,594,831</u>	<u>53,377,155</u>	<u>55,342,123</u>	<u>51,897,781</u>	<u>54,448,969</u>

Combined Statement of Financial Position

DECEMBER 31

CONTINUED

	2019	2018	2017	2016	2015
NET ASSETS					
Without Donor Restrictions:					
Unallocated Operating Functions	89,387,923	88,492,585	101,251,858	85,588,030	94,024,415
Allocated Operating Functions	238,564,688	225,476,888	218,745,246	213,645,545	215,572,434
Allocated Unexpended Plant Functions	30,614,951	22,519,101	22,565,777	24,479,830	21,402,652
Allocated Non-Expendable Net Investment Plant	36,489,052	38,331,255	36,209,074	35,619,437	37,624,874
Allocated Annuities	152,371	115,420	139,488	127,349	155,940
Allocated Quasi-Endowment (Note 21)	<u>28,788,685</u>	<u>26,716,575</u>	<u>27,590,531</u>	<u>26,053,752</u>	<u>25,645,685</u>
Total Net Assets Without Donor Restrictions	<u>423,997,670</u>	<u>401,651,824</u>	<u>406,501,974</u>	<u>385,513,943</u>	<u>394,426,000</u>
With Donor Restrictions:					
Purpose Restrictions:					
Restricted Operating	33,673,402	37,242,685	33,823,037	36,897,524	32,482,433
Restricted Life Income & Irrevocable Trusts	1,312,628	1,117,455	1,229,427	1,395,542	1,500,771
Restricted Annuities	191,594	142,660	170,166	136,254	174,619
Restricted Term Endowments (Note 21)	<u>797,872</u>	<u>593,010</u>	<u>761,281</u>	<u>570,427</u>	<u>385,833</u>
Total Purpose Restrictions (Note 18)	<u>35,975,496</u>	<u>39,095,810</u>	<u>35,983,911</u>	<u>38,999,747</u>	<u>34,543,656</u>
Perpetual in Nature:					
Restricted Endowment (Note 18 and Note 21)	<u>2,188,761</u>	<u>2,188,761</u>	<u>2,188,761</u>	<u>2,188,761</u>	<u>2,188,761</u>
Total Net Assets With Donor Restrictions	<u>38,164,257</u>	<u>41,284,571</u>	<u>38,172,672</u>	<u>41,188,508</u>	<u>36,732,417</u>
Total Net Assets	<u>462,161,927</u>	<u>442,936,395</u>	<u>444,674,646</u>	<u>426,702,451</u>	<u>431,158,417</u>
Total Liabilities & Net Assets	<u>512,756,758</u>	<u>496,313,550</u>	<u>500,016,770</u>	<u>478,600,232</u>	<u>485,607,387</u>

See accompanying notes to combined financial statements.

Combined Statement of Activities

YEARS ENDED
DECEMBER 31

2019

2018

2017

2016

2015

Changes in Net Assets Without Donor Restrictions

Revenue and Gains: Unallocated

Tithe Income	144,607,522	139,994,129	157,667,704	136,448,166	138,269,025
Offerings	19,939,332	40,457,373	38,914,469	31,215,949	24,199,591
Donations	101,739	120,354	101,862	10,203	28,299
Investment Return, net	23,192,992	(963,402)	14,300,378	14,987,821	5,325,527
Gifts, Bequests and Other	<u>19,477,082</u>	<u>9,046,454</u>	<u>11,712,444</u>	<u>7,117,878</u>	<u>15,352,575</u>
Total Unallocated	207,318,667	188,654,908	222,696,857	189,780,017	183,175,017

Revenue and Gains: Allocated

Appropriations	35,760	36,050	141,010	7,641	9,343
Special Appropriations	96,511	149,971	46,059	47,802	45,552
International Service Employees Funding	129,661	125,377	109,083	63,576	54,724
General Conference Auditing Service	14,031,978	10,385,935	7,845,145	11,965,751	13,320,930
GC Administered Funds	5,435,372	6,806,323	3,355,606	2,648,225	4,388,600
Office Operating	<u>5,066,145</u>	<u>5,241,241</u>	<u>6,671,790</u>	<u>6,236,357</u>	<u>6,223,709</u>
Total Allocated	24,795,427	22,744,897	18,168,693	20,969,352	24,042,858

Total Revenues and Gains	232,114,094	211,399,805	240,865,550	210,749,369	207,217,875
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Net Assets Released from Restrictions (Note 18)	<u>23,583,896</u>	<u>20,064,155</u>	<u>23,985,608</u>	<u>18,179,279</u>	<u>24,269,173</u>
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Total Revenues and Gains	<u>255,697,990</u>	<u>231,463,960</u>	<u>264,851,158</u>	<u>228,928,648</u>	<u>231,487,048</u>
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Expenses: Program Functions

Appropriations	62,665,631	66,357,706	64,454,607	67,095,593	67,676,988
Special Appropriations	10,866,537	7,421,219	7,475,407	13,132,902	19,629,206
International Service Employees Funding	23,622,185	24,480,918	24,109,220	24,099,675	22,850,688
General Conference Auditing Service	22,676,597	23,044,188	22,685,722	20,650,820	21,591,137
GC Administered Funds (Note 19)	60,342,691	58,391,135	67,127,771	54,794,937	55,769,320
Other Programs	<u>25,448,950</u>	<u>26,460,681</u>	<u>28,338,938</u>	<u>24,453,441</u>	<u>22,560,121</u>
Total Program Functions	205,622,591	206,155,847	214,191,665	204,227,368	210,077,460

Combined Statement of Activities

YEARS ENDED
DECEMBER 31

CONTINUED

	2019	2018	2017	2016	2015
Expenses: Support Functions					
GC Administered (Note 19)	2,605,469	4,476,214	4,121,170	4,160,017	14,154,751
Office Operating	25,124,084	25,682,049	25,550,292	29,453,320	26,445,614
Total Support Functions	27,729,553	30,158,263	29,671,462	33,613,337	40,600,365
Total Expenses	233,352,144	236,314,110	243,863,127	237,840,705	250,677,825
Increase (Decrease) Net Assets Without Restrictions	22,345,846	(4,850,150)	20,988,031	(8,912,057)	(19,190,777)
Net Assets Without Restrictions - January 1	401,651,824	406,501,974	385,513,943	394,426,000	413,616,777
Net Assets Without Restrictions - December 31	423,997,670	401,651,824	406,501,974	385,513,943	394,426,000
Changes in Net Assets with Donor Restrictions					
Revenue and Gains:					
Offerings	13,777,151	14,220,711	14,172,002	12,856,698	17,792,743
Donations	4,646,845	8,049,227	3,510,535	5,349,032	4,855,765
Investment Return, net	937,615	(126,596)	736,380	639,690	24,033
Matured Trusts & Wills	847,854	479,360	1,606,797	1,174,010	227,894
Gifts, Bequests and Other	254,117	553,352	944,058	2,615,940	1,096,974
Total Revenues and Gains	20,463,582	23,176,054	20,969,772	22,635,370	23,997,409
Net Assets Released from Restriction (Note 18)	(23,583,896)	(20,064,155)	(23,985,608)	(18,179,279)	(24,269,173)
Increase (Decrease) Net Assets With Donor Restrictions	(3,120,314)	3,111,899	(3,015,836)	4,456,091	(271,764)
Net Assets With Donor Restrictions - January 1	41,284,571	38,172,672	41,188,508	36,732,417	37,004,181
Net Assets With Donor Restrictions - Dec 31	38,164,257	41,284,571	38,172,672	41,188,508	36,732,417
Net Assets					
Net Increase (Decrease) in Net Assets	19,225,532	(1,738,251)	17,972,195	(4,455,966)	(19,462,541)
Total Net Assets - January 1	442,936,395	444,674,646	426,702,451	431,158,417	450,620,958
Total Net Assets - December 31	462,161,927	442,936,395	444,674,646	426,702,451	431,158,417

See accompanying notes to combined financial statements.

Combined Statement of Functional Expenses

YEAR ENDED
DECEMBER 31, 2019

PROGRAM SERVICES

SUPPORT SERVICES

	Appropriations	Special Appropriations	ISE	GCAS	GC Administered	Other Programs	Total Programs	GC Administered	Office Operating	Total Support	Total
Salaries and Wages	2,233,373	497,360	12,616,980	12,503,756	4,347,444	11,869,654	44,068,567	26,664	9,570,834	9,597,498	53,666,065
Other Employee Benefits	0	0	9,682,545	2,889,694	1,592,873	5,640,829	19,805,941	11,876	3,884,558	3,896,434	23,702,375
Travel	294,631	25,084	821,484	5,263,926	730,576	2,358,013	9,493,714	1,013,749	1,531,962	2,545,711	12,039,425
Appropriation to Divisions and Institutions	58,911,133	10,063,026	0	0	29,155,494	173,275	98,302,928	807,317	0	807,317	99,110,245
Extraordinary Tithe Distributions	930,000	0	0	0	0	0	930,000	0	0	0	930,000
Donor Advised Distributions	0	0	0	0	10,885,718	0	10,885,718	0	0	0	10,885,718
Endowment, Annuity and Other Distributions	0	0	0	0	0	823,345	823,345	0	0	0	823,345
Depreciation	0	0	0	0	0	0	0	0	3,836,144	3,836,144	3,836,144
Office Expense	296,494	281,067	501,176	2,019,221	13,630,586	4,583,834	21,312,378	745,863	6,300,586	7,046,449	28,358,827
Total Expenses	62,665,631	10,866,537	23,622,185	22,676,597	60,342,691	25,448,950	205,622,591	2,605,469	25,124,084	27,729,553	233,352,144

YEAR ENDED
DECEMBER 31, 2018

PROGRAM SERVICES

SUPPORT SERVICES

	Appropriations	Special Appropriations	ISE	GCAS	GC Administered	Other Programs	Total Programs	GC Administered	Office Operating	Total Support	Total
Salaries and Wages	2,269,262	518,223	12,505,334	11,974,552	4,361,523	11,681,602	43,310,496	32,026	10,597,825	10,629,851	53,940,347
Other Employee Benefits	0	0	9,449,185	2,791,746	1,749,809	5,568,539	19,559,279	18,771	3,377,551	3,396,322	22,955,601
Travel	297,509	32,005	1,199,783	5,621,456	674,374	2,383,123	10,208,250	1,328,386	1,663,255	2,991,641	13,199,891
Appropriation to Divisions and Institutions	60,505,646	6,551,614	0	0	20,600,999	140,356	87,798,615	1,185,430	125,500	1,310,930	89,109,545
Extraordinary Tithe Distributions	3,030,000	0	0	0	0	0	3,030,000	0	0	0	3,030,000
Donor Advised Distributions	0	0	0	0	14,620,686	0	14,620,686	0	0	0	14,620,686
Endowment, Annuity and Other Distributions	0	0	0	0	0	740,797	740,797	0	0	0	740,797
Depreciation	0	0	0	0	0	0	0	0	3,993,473	3,993,473	3,993,473
Office Expense	255,289	319,377	1,326,616	2,656,434	16,383,744	5,946,264	26,887,724	1,911,601	5,924,445	7,836,046	34,723,770
Total Expenses	66,357,706	7,421,219	24,480,918	23,044,188	58,391,135	26,460,681	206,155,847	4,476,214	25,682,049	30,158,263	236,314,110

YEAR ENDED
DECEMBER 31, 2017

PROGRAM SERVICES

SUPPORT SERVICES

	Appropriations	Special Appropriations	ISE	GCAS	GC Administered	Other Programs	Total Programs	GC Administered	Office Operating	Total Support	Total
Salaries and Wages	2,280,576	385,012	12,661,341	11,986,768	3,518,214	11,777,701	42,609,612	63,153	10,709,379	10,772,532	53,382,144
Other Employee Benefits	0	0	9,259,237	2,821,979	1,264,410	5,703,824	19,049,450	32,597	4,533,425	4,566,022	23,615,472
Travel	316,835	43,085	1,473,542	4,761,842	676,987	2,542,887	9,815,178	933,068	1,763,869	2,696,937	12,512,115
Appropriation to Divisions and Institutions	60,255,525	6,717,686	0	0	21,035,469	183,800	88,192,480	2,496,613	3,150	2,499,763	90,692,243
Extraordinary Tithe Distributions	1,100,000	0	0	0	0	0	1,100,000	0	0	0	1,100,000
Donor Advised Distributions	0	0	0	0	22,399,500	1,510,149	23,909,649	0	0	0	23,909,649
Endowment, Annuity and Other Distributions	0	0	0	0	0	1,043,505	1,043,505	0	0	0	1,043,505
Depreciation	0	0	0	0	0	0	0	0	3,519,852	3,519,852	3,519,852
Office Expense	501,671	329,624	715,100	3,115,133	18,233,191	5,577,072	28,471,791	595,739	5,020,617	5,616,356	34,088,147
Total Expenses	64,454,607	7,475,407	24,109,220	22,685,722	67,127,771	28,338,938	214,191,665	4,121,170	25,550,292	29,671,462	243,863,127

YEAR ENDED
DECEMBER 31, 2016

PROGRAM SERVICES

SUPPORT SERVICES

	Appropriations	Special Appropriations	ISE	GCAS	GC Administered	Other Programs	Total Programs	GC Administered	Office Operating	Total Support	Total
Salaries and Wages	2,270,466	444,695	12,989,868	11,453,735	3,585,377	10,297,262	41,041,403	119,966	11,268,480	11,388,446	52,429,849
Other Employee Benefits	0	0	9,160,847	2,748,684	1,454,535	4,838,826	18,202,892	46,655	4,587,317	4,633,972	22,836,864
Travel	179,524	38,995	1,561,418	4,571,679	676,875	2,637,951	9,666,442	971,449	1,450,487	2,421,936	12,088,378
Appropriation to Divisions and Institutions	62,044,635	12,327,645	0	0	21,753,416	158,282	96,283,978	2,077,550	247,000	2,324,550	98,608,528
Extraordinary Tithe Distributions	2,482,020	0	0	0	0	0	2,482,020	0	0	0	2,482,020
Donor Advised Distributions	0	0	0	0	14,385,807	0	14,385,807	0	0	0	14,385,807
Endowment, Annuity and Other Distributions	0	0	0	0	0	863,856	863,856	0	0	0	863,856
Depreciation	0	0	0	0	0	0	0	0	3,571,706	3,571,706	3,571,706
Office Expense	118,948	321,567	387,542	1,876,722	12,938,927	5,657,264	21,300,970	944,397	8,328,330	9,272,727	30,573,697
Total Expenses	67,095,593	13,132,902	24,099,675	20,650,820	54,794,937	24,453,441	204,227,368	4,160,017	29,453,320	33,613,337	237,840,705

Combined Statement of Functional Expenses

CONTINUED

YEAR ENDED
DECEMBER 31, 2015

PROGRAM SERVICES

SUPPORT SERVICES

	Appropriations	Special Appropriations	ISE	GCAS	GC Administered	Other Programs	Total Programs	GC Administered	Office Operating	Total Support	Total
Salaries and Wages	2,468,494	324,728	12,249,758	11,386,199	3,335,969	10,032,672	39,797,820	40,324	11,099,873	11,140,197	50,938,017
Other Employee Benefits	0	0	8,529,203	2,765,089	1,014,430	4,658,425	16,967,147	0	3,835,810	3,835,810	20,802,957
Travel	147,097	52,445	1,676,527	4,197,321	643,510	2,443,734	9,160,634	757,711	1,637,717	2,395,428	11,556,062
Appropriation to Divisions and Institutions	60,599,551	18,804,966	0	0	25,805,382	145,345	105,355,244	1,442,154	294,900	1,737,054	107,092,298
Extraordinary Tithe Distributions	4,300,000	0	0	0	0	0	4,300,000	0	0	0	4,300,000
Donor Advised Distributions	0	0	0	0	10,272,846	1,934,947	12,207,793	0	0	0	12,207,793
Endowment, Annuity and Other Distributions	0	0	0	0	0	631,082	631,082	0	0	0	631,082
Depreciation	0	0	0	0	0	0	0	0	3,181,975	3,181,975	3,181,975
Office Expense	161,846	447,067	395,200	3,242,528	14,697,183	2,713,916	21,657,740	11,914,562	6,395,339	18,309,901	39,967,641
Total Expenses	67,676,988	19,629,206	22,850,688	21,591,137	55,769,320	22,560,121	210,077,460	14,154,751	26,445,614	40,600,365	250,677,825




Combined Statement of Cash Flows

YEARS ENDED
DECEMBER 31

	2019	2018	2017	2016	2015
Cash Flows from Operating Activities:					
Net Increase (decrease) in Net Assets	<u>19,225,532</u>	<u>(1,738,251)</u>	<u>17,972,195</u>	<u>(4,455,966)</u>	<u>(19,462,541)</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:					
Depreciation	3,836,144	3,993,473	3,519,852	3,571,706	3,181,975
Loss (gain) on disposition of Plant Assets	47,686	55,532	29,059	(197,059)	246
Realized and unrealized (gain) loss on investments	(10,989,030)	7,994,450	(11,172,802)	(10,942,727)	451,577
(Increase) decrease in Accounts Receivable	1,556,653	2,869,222	(6,415,890)	(3,268,218)	2,014,225
(Increase) decrease in Inventories and Prepaid Expense	(5,628,177)	337,086	113,767	(1,066,442)	(10,126)
Increase (decrease) in Accounts Payable	(3,488,616)	782,399	5,703,030	724,706	1,998,559
Increase (decrease) in Agency Funds	(165,545)	(257,662)	(263,545)	(1,341,422)	(721,584)
Increase (decrease) in Appropriations Payable	(552,844)	(1,735,605)	(521,361)	(2,234,901)	(45,392)
Increase (decrease) in Deferred Income	<u>337,768</u>	<u>18</u>	<u>(306,309)</u>	<u>66,890</u>	<u>(101,489)</u>
Total adjustments	<u>(15,045,961)</u>	<u>14,038,913</u>	<u>(9,314,199)</u>	<u>(14,687,467)</u>	<u>6,767,991</u>
Net Cash Provided (Used) by Operating Activities	<u>4,179,571</u>	<u>12,300,662</u>	<u>8,657,996</u>	<u>(19,143,433)</u>	<u>(12,694,550)</u>
Cash Flows from Investing Activities:					
Securities sold	47,485,117	43,112,690	50,500,446	23,444,181	96,911,800
Securities purchased/donated	(20,642,344)	(52,401,068)	(47,221,619)	(7,066,538)	(51,875,991)
(Increase) decrease in Notes and Loans Receivable	(324,907)	508,451	3,017,670	(1,751,923)	322,992
Purchase of Plant Assets	(2,049,978)	(6,172,710)	(4,138,547)	(1,971,271)	(2,382,074)
Proceeds from sale of Plant Assets	8,422	1,521	0	602,061	0
(Increase) decrease in Other Operating Assets	1,600	1,200	2,726,312	(475,928)	(169,136)
(Increase) decrease in Other Than Operating Assets	2,650,416	(3,490,576)	8,013,238	(2,566,912)	2,416,662
Increase (decrease) in Other Than Operating Liabilities	<u>1,086,913</u>	<u>(754,118)</u>	<u>(1,167,473)</u>	<u>233,529</u>	<u>(9,621)</u>
Net Cash Provided (Used) by Investing Activities	<u>28,215,239</u>	<u>(19,194,610)</u>	<u>11,730,027</u>	<u>10,447,199</u>	<u>45,214,632</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	<u>32,394,810</u>	<u>(6,893,948)</u>	<u>20,388,023</u>	<u>(8,696,234)</u>	<u>32,520,082</u>
CASH AND EQUIVALENTS, January 1	<u>83,604,512</u>	<u>90,498,460</u>	<u>70,110,437</u>	<u>78,806,671</u>	<u>46,286,589</u>
CASH AND EQUIVALENTS, December 31	<u>115,999,322</u>	<u>83,604,512</u>	<u>90,498,460</u>	<u>70,110,437</u>	<u>78,806,671</u>

See accompanying notes to combined financial statements.



Notes to Combined Financial Statements

Note 1 - Summary of Accounting Policies:

Basis of Accounting - The financial statements of the General Conference are prepared on the accrual basis of accounting.

Combined Financial Statements - The combined financial statements include the accounts of the funds of the General Conference of Seventh-day Adventists (a not-for-profit religious association) and the General Conference Corporation of Seventh-day Adventists (a District of Columbia not-for-profit religious corporation) which are under the direct accounting control of the General Conference Treasury Department and are identified under Fund Accounting. Material inter-fund balances and transactions are eliminated.

Fund Accounting - To facilitate observance of limitations and restrictions placed on the use of available resources, the accounts are maintained in accordance with the principles of fund accounting. Funds are established according to the nature and purpose of resources available to the General Conference. The assets, liabilities, net assets and financial activity of the General Conference are recorded in the following self-balancing fund groups:

Operating Funds – includes net assets without donor restrictions and purpose restricted net assets with donor restrictions for current operations.

Plant Fund - includes property and equipment owned and used directly in the operation of the General Conference. On behalf of certain affiliated organizations, the General Conference Corporation has granted limited power of attorney in connection with real estate transactions where the affiliate does not have access to a local corporate entity for title-holding purposes. The property and related debt, if any, are recorded on the books of the affiliate and are not recorded by the General Conference Corporation.

Other Funds:

Annuities Fund - used to account for gift annuities wherein the General Conference is beneficiary. Under the agreements with the donors, which are irrevocable, assets are transferred to the General Conference in exchange for periodic annuity payments to be made by the General Conference for the lifetime of the annuitant(s). In accordance with denominational policy, the gift factor of

the gift annuity is not expendable until the annuity matures. Segregating these assets in a separate Fund assures that they will be used solely to make annuity payments.

Denominational policy of retaining the net assets (\$343,965, \$258,080, \$309,654, \$263,603 and \$330,558 at December 31, 2019, 2018, 2017, 2016 and 2015 respectively) in excess of the liability for annuity payments (\$8,628,905, \$7,960,752, \$8,339,590, \$7,925,138 and \$7,627,194 at December 31, 2019, 2018, 2017, 2016 and 2015 respectively) provides adequate reserves for the protection of annuitant(s).

Life Income and Irrevocable Trust Fund - used to account for life income donor agreements and irrevocable and charitable remainder trusts. These funds are classified as net assets with donor restrictions during the lifetime of the donor. Revocable trusts for which the General Conference is trustee but is not a beneficiary are excluded from the financial statements.

Endowment Funds:

True Endowment - established pursuant to donor gifts where the principal is to be maintained in perpetuity and

invested for the purpose of producing income for general operations or for a specific function.

Quasi-Endowment - established to accomplish purposes similar to true endowments except that the Fund is established by the General Conference rather than by donors. As such, the General Conference may terminate a quasi-endowment at its discretion. These funds are classified as without restrictions.

Term Endowments - established pursuant to donor gifts where the principal is to be invested to produce income for the purposes of the endowments. The principal may be expended according to the terms of the endowment agreements.

Functional Allocation of Expenses - The costs of the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses that are allocated to program or supporting functions of the General Conference. Accordingly, certain departmental expenses have been allocated between the programs and supporting services benefited. Fund raising has not been segregated on the basis

of immateriality (approximately 1% of total expenses). For purposes of reporting functional activities, departmental expenses relating to supporting constituent organizations have been allocated to program and supporting services.

Contract Revenue - Contract revenue recognized by the General Conference is comprised of contracts with related entities for professional services performed by General Conference Auditing Services. Contract revenue received is not recognized as revenue until the revenue is earned, which is when the activities or services are provided, and the General Conference does not believe it is required to provide additional activities or services. These revenues are recognized over time as the performance obligations are satisfied through the effort expended to perform the necessary professional services. As a result, deferred revenue and accounts receivable are recorded for any amount for which the General Conference has a right to invoice but for which services have not been provided.

Contribution Revenue - Contributions of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor

stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Unconditional contributions expected to be collected within one year are reported at their net realizable value. Unconditional contributions expected to be collected in future years are initially

reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional contributions depend on the occurrence of a specified future and uncertain event to bind the donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

Current Assets and Current Liabilities - Only operating funds assets and liabilities are classified as current, when appropriate. This excludes from the current assets classification such resources as cash and claims to cash which are restricted as to withdrawal or use for other than current operations, are committee allocated for expenditure in the acquisition or construction of plant assets or for the liquidation of plant fund debt (even if payable within the next fiscal year).

Cash Equivalents - Investments in Money Market Funds are stated at cost of \$1 per unit which approximates fair value.

Investments - Investments are recorded at fair value (reported net asset value of

General Conference Unitized Funds). The change in the difference between fair value and cost is reflected in the Statement of Activities. Net investment return or loss is included in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses. Income from investments is recorded in the fund owning the assets, except for Endowment Funds which is recorded directly in the Operating Fund or Other Fund(s) designated by the endowment instrument.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances of which the General Conference has an unconditional right to receive. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Currently no allowance for doubtful accounts is considered necessary. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Inventories - Inventories of office and maintenance supplies and items for resale are recorded at the lower of cost (generally weighted average) or net realizable value. An allowance of \$398,852, \$405,361, \$430,688, \$479,964 and \$435,633 have been recorded as of December 31, 2019, 2018, 2017, 2016 and 2015 respectively, to reduce the carrying value to estimated net realizable value.

Plant Assets and Depreciation - Property and equipment owned and used directly by the General Conference is recorded at cost in the Plant Fund. Depreciation is computed over the estimated useful lives on the straight-line method. As discussed above, the General Conference Corporation is the legal entity for purposes of holding title to property on behalf of certain of its affiliated organizations. The Corporation may also have signed mortgages or other evidences of indebtedness on behalf of its affiliates in connection with these properties. The property and related obligations, if any, which are recorded directly on the books of the affiliates, are not recorded by the General Conference Corporation. The Corporation capitalizes plant assets with a cost exceeding \$1,000.00 and a useful life in excess of three years.

Real Estate Investments - Investments in real estate are recorded at estimated fair value.

Investments in Affiliated Organizations - Investments in affiliated organizations are carried at original cost.

Agency Funds - Assets held on a temporary basis in an agency or custodial relationship for others are classified as Agency Funds Liabilities.

Accounting for Gift Annuities - Gift annuities are recorded by the actuarial method. Under this method, assets are recorded at fair value at date of gift. The corresponding credit is to annuities payable for the present value of the future annuity payments based upon acceptable life expectancy tables. Investment income and gains are credited, and the contractual periodic payments to the annuitant and investment losses are charged to the annuities payable liability. Upon maturity of an annuity the remaining net assets are distributed generally to current operating funds.

Net assets - Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor

imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions

- Net assets available for use in specific purposes by action of management or the governing board are classified as Allocated Net Assets.

Net assets with donor restrictions

- Net assets subject to donor imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished (See Note 18 and 21).

Use of estimates - The process of preparing financial statements in conformity with generally accepted accounting

principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate

to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Reclassification - Certain prior year numbers have been reclassified to be in conformity with the current year presentation.

Note 2 - Reporting Entity:

In the fulfillment of its responsibility for all aspects of the Gospel message in the world field, the Seventh-day Adventist Church operates through the General Conference and 13 divisions. In accordance with denominational policy, separate financial statements are issued for each division and each of their affiliated entities as well as the General Conference and each of its affiliated entities. Management of the General Conference has not determined which of its numerous affiliated entities meet the criteria for consolidation pursuant to financial accounting standards.

The financial statements include only the funds identified in Note 1. GENCON Insurance Company of Vermont (a wholly-owned subsidiary of the General Conference Corporation) is excluded from these combined financial statements, because, in the opinion of management, inclusion of its assets, liabilities, net

assets, activity and cash flows would not result in meaningful financial information to the General Conference constituency. Separate financial statements are issued for GENCON Insurance Company of Vermont.

The General Conference Treasury Department is responsible for investment management and accounting for the General Conference Money Fund Trust, Large Cap Fund Trust, Income Fund Trust, Global Opportunities Fund Trust, International Fund Trust, Emerging Markets Fund Trust, Small Cap Fund Trust, Opportunistic Liability Driven Investment Fund Trust, Bond Fund Trust, Total Return Bond Fund Trust, NAD Corporate Bond Fund Trust, Capital Preservation Fund Trust, General Conference Tactical Fund Trust General Conference Large Cap Index Fund Trust, General Conference Small Cap Index Fund Trust, General Conference International

Index Fund Trust, General Conference Emerging Markets Index Fund Trust, and General Conference Private Equity Fund Trust (collectively, Unitized Funds). The Funds were created for the purpose of pooling funds of the General Conference and denominational entities exclusively for investment purposes. The General Conference holds these Funds in trust as mutual funds for the exclusive benefit of unit holders. Since the General Conference does not have an economic interest in these assets they are excluded from the combined financial statements. See Notes 5, 6, 7 and 11 for the General Conference's direct investment in the Unitized Funds.

Separate financial statements are issued for each of the Unitized Funds. Separate financial statements are also issued for the North American Division, including Retirement and other Post Retirement Benefits Funds.

Note 3 - Nature of Operations, Risks and Uncertainties:

Nature of Operations - The General Conference is a component of the worldwide Seventh-day Adventist Church.

In accordance with denominational policy, the General Conference receives a specified percentage of the tithes and offerings collected by local churches throughout the world. Contributions from churches in North America represent approximately 48% in 2019, 50% in 2018, 51% in 2017, 52% in 2016 and 55% in 2015 of that total. Further, 11% in (2019, 2018, 2017, 2016 and 2015 of that total is from members in the Southern Union Conference and 8% in 2019 and 9% in 2018, 2017, 2016 and 2015 is from members in the Pacific Union Conference. Such contributions are remitted in accordance with church policy through local Conferences and Unions to the North American Division of Seventh-day Adventists. All other concentrations of tithes and offerings individually represent less than 10% of the total.

The major program, which represents approximately 32% in 2019, 31% in 2018, 32% in 2017, 37% in 2016 and 39% in 2015 respectively of total expenses, consists of appropriations to the 13 operating divisions plus 2 attached union

and 1 attached field around the world, to several GC Institutions, and Board Units.

Program Definitions:

Appropriations - Appropriations are payments made to General Conference divisions, attached unions and institutions for operations and are funded from both tithe and non-tithe income.

Special Appropriations - Special Appropriations are payments made to General Conference divisions, attached unions and institutions for operations and are funded from both tithe and non-tithe income.

ISE Funding - This includes the administrative costs and support for inter-division employees (missionaries). Funding is provided from tithe income.

General Conference Auditing Service - This includes the administrative costs and support for general conference auditing service personnel. Funding is provided from tithe income.

GC Administered Funds - The source of the majority of these funds is

temporarily restricted donations, but also some tithe and non-tithe income. These are administered as directed by the donors, and for various cost center special projects. (See Note 19).

Office Operating - Departmental Services that support the World Field.

Other Programs - These are primarily expenses incurred in the operation of other funds, including Endowment, Annuities, and Life Income and Irrevocable Trusts.

Financial instruments and concentrations of credit risk - Financial instruments which potentially subject the General Conference to concentrations of credit risk consist principally of cash, investments and receivables. See Note 5 regarding disclosure about fair value of financial instruments.

Cash, which exceeded the federally insured limits throughout the year, is deposited with various financial institutions and is considered subject to minimal risk.

Cash equivalents and investments are disclosed in Notes 5, 6, 7 and 11 and

consist primarily of units in the General Conference Money Fund, Unitized Funds, and other debt and equity securities.

General Conference Capital Preservation Fund – This fund has an objective to earn, in any rolling four calendar quarter period, at least 200 basis points more than would have been earned in a money market fund, with minimal probabilities that there would be an actual loss of value. The managers of the fund use different strategies to achieve that goal and may use fixed income securities, stocks, index funds, and options in carrying out their strategies.

General Conference Bond Fund – The fund invests primarily in bonds, however, shall not be restricted to the foregoing if conditions indicate the use of additional types of investments. At the present time, the managers' mandate is based on a portfolio of bonds invested in United States issuers.

General Conference Total Return Bond Fund – The fund utilizes a broad range of fixed income instruments and is not constrained to follow the allocation of any Bond Index.

General Conference Income Fund – The goal of the income fund is to

earn a relatively high level of current investment income while preserving capital. A flexible investment diversification policy is followed. Investments are primarily made in government and corporate notes and bonds, preferred stocks and higher yielding common stocks. First and second mortgages/trust deeds and limited amounts of intra-denominational loans are also used. The fund is not restricted to the foregoing if conditions indicate the use of additional types of investments.

General Conference Large Cap Fund – Investments are primarily made in the common stocks of US companies which are considered to have a large market capitalization, however the Fund is not restricted to the foregoing if conditions indicate the use of additional investments. The performance of the Fund's current managers is benchmarked against either the Russell 1000 Growth Index or Russell 1000 Value Index or the S&P 500 index depending on their style assignment.

General Conference Small Cap Fund – Investments are primarily made in the common stocks of US companies which are considered to have a small market capitalization, however the Fund is not restricted to the foregoing if conditions

indicate the use of additional investments. The performance of the Fund's current managers is benchmarked against either the Russell 2000 Growth Index or Russell 2500 Value Index or the S&P 1000 index depending on their style assignment.

General Conference International Fund – Investments are primarily made in foreign preferred and common stocks of companies classified as part of EAFE, however the Fund is not restricted to the foregoing if conditions indicate the use of additional types of investments. A flexible investment diversification policy shall be followed as determined by the governing committees appointed by the corporation. At the present time the manager's mandate is based on the Morgan Stanley Capital International (MSCI) – Europe Australia Far East index.

General Conference Emerging Markets Fund – Investments are primarily made in foreign preferred and common stocks of companies classified as Emerging Markets, however the Fund is not restricted to the foregoing if conditions indicate the use of additional types of investments. A flexible investment diversification policy shall be followed as determined by the

governing committees appointed by the corporation. At the present time the manager's mandate is based on the Morgan Stanley Capital International (MSCI) – Emerging Markets Free index.

General Conference Global Opportunities Fund – The fund is a multi-asset class fund in which managers tactically change allocations across a broad spectrum of asset classes using mutual funds and direct ownership of stocks, bonds, and other securities. The resulting portfolio is intended to be more aggressive than a fixed income fund but less aggressive than equity funds while over a 3-5 year period outperforming the S&P500, 1-10 year inflation protected bonds and, by at least 5%, changes in the Consumer Price Index.

Mellon/SDA Fixed Income Partnership Fund – The Mellon/SDA Fixed Income Partnership Fund invests in fixed income securities and is benchmarked against Barclays US Aggregate Bond Index, except for those index members whose business is deemed by a committee of Seventh-day Adventists to have more than minimal involvement in activities inconsistent with Church teachings.

Mellon/SDA Equity Partnership Fund – The Mellon/SDA Equity Partnership

Fund invests in marketable equity securities with the objective to consistently add value to its assigned blended benchmark which is primarily the Russell 3000 index, except for those index members whose business is deemed by a committee of Seventh-day Adventists to have more than minimal involvement in activities inconsistent with Church teachings.

General Conference Tactical Fund - The fund is intended to be used on a portfolio to provide tactical asset allocation adjustments to the overall risk/return characteristics of the portfolio to enhance performance. The fund utilizes investments in the SDA Index Funds which can include any fixed income or equity index fund. The allocations to the underlying SDA Index funds within the GC Tactical Fund is adjusted monthly according to the Tactical Asset Allocation Guidance program developed by Parala Capital for the GC Investment Office. The use of the GC Tactical Fund in portfolio is dependent on the objective and the risk appetite for the portfolio and the allocation can range from 5% to 30%. The fund does not have a specific benchmark, however, the performance of the entire portfolio should be evaluated against a blended

benchmark of the MSCI All Country World Index for equities and the Barclays Bloomberg Aggregate Bond Index.

General Conference Private Equity Fund – The fund will invest in private equity funds to provide exposure for portfolio to alternative asset classes which provide diversification from the public equity markets. Private equity funds do have a long term commitment due to the nature of the underlying investments that private equity funds make. Correspondingly, the GC Private Equity Fund should be utilized in long term portfolios which have the ability to withstand some initial price volatility. The assets of the fund will be reinvested into new issues of private equity funded as capital and income are returned over time. The fund will allocate capital to private equity managers deemed to have a strong and well established track record and organizational competencies in adding value to companies in which it invests and generating strong returns to limited partners investors.

General Conference Large Cap Index Fund - The General Conference Large Cap Index Fund is a single asset class investment in which the fund will seek to track a market-cap-weighted index of US large-cap stocks represented by the

S&P500, but will exclude investments which are deemed to be incongruent with Seventh-day Adventist values. The fund will accomplish this by investing in another fund which follows the S&P500 index, but excludes stocks of companies that are restricted by the GC Corporation, such as the SDA Large Cap Equity Index Fund. The resulting portfolio is intended to perform in line with the S&P500, however slight variance due to investment restrictions and operating costs may occur.

General Conference International Index Fund Trust - The General Conference International Index Fund is a single asset class investment in which the fund will seek to track a market-cap-weighted index of international developed market large cap stocks represented by the MSCI EAFE Index, but will exclude investments which are deemed to be incongruent with Seventh-day Adventist values. The fund will accomplish this by investing in another fund which follows the MSCI EAFE index, but excludes stocks of companies that are restricted by the GC Corporation, such as the SDA International Equity Index Fund. The resulting portfolio is intended to perform in line with the MSCI EAFE, however slight

variance due to investment restrictions and operating costs may occur.

General Conference Small Cap Index Fund Trust - The General Conference Small Cap Index Fund is a single asset class investment in which the fund will seek to track a market-cap-weighted index of US mid and small cap stocks represented by the S&P1000, but will exclude investments which are deemed to be incongruent with Seventh-day Adventist values. The fund will accomplish this by investing in another fund which follows the S&P1000 index, but excludes stocks of companies that are restricted by the GC Corporation, such as the SDA Mid/Small Cap Equity Index Fund. The resulting portfolio is intended to perform in line with the S&P1000, however slight variance due to investment restrictions and operating costs may occur.

General Conference Emerging Markets Index Fund Trust - The General Conference Emerging Markets Index Fund Trust is a single asset class investment in which the fund will seek to track a market-cap-weighted index of emerging market stocks represented by the MSCI Emerging Markets Index, but may exclude investments which are deemed to be incongruent with

Seventh-day Adventist values. The fund will accomplish this by investing in another fund which follows the MSCI EAFE index, but may exclude stocks of companies that are restricted by the GC Corporation. The resulting portfolio is intended to perform in line with the MSCI EAFE, however slight variance due to investment restrictions and operating costs may occur.

The Unitized Funds have a substantial portfolio of intra-denominational loans. The General Conference's proportionate interest in the intra-denominational loan portfolio of the General Conference Unitized Funds (see Note 7) is approximately \$8.9 million, \$8.1 million, \$7.1 million, \$4.6 million and \$4.5 million at December 31, 2019, 2018, 2017, 2016 and 2015 respectively. This investment, together with the intra-denominational notes and loans receivable disclosed in Note 10, represent approximately 4.4%, 4.3%, 3.6%, 4.1% and 3.6% of net assets without restrictions at December 31, 2019, 2018, 2017, 2016 and 2015 respectively.

The related parties to whom these loans are made rely in substantial part on operating appropriations from the General Conference. In the event such appropriations were significantly

reduced, the borrowers' ability to repay the loans could be adversely affected. The General Conference's exposure to credit risk with respect to receivables as disclosed in Notes 8, 10 and 11 consists primarily of amounts due from the various Divisions of the worldwide Seventh-day Adventist Church.

The General Conference has an investment interest in a single retail entity (received primarily through donations). The investment represents approximately 10.8%, 8.2%, 9.1%, 11.9% and 14% of total net assets at December 31, 2019, 2018, 2017, 2016 and 2015 respectively.

The General Conference may enter into foreign currency exchange contracts primarily to facilitate the payment of appropriations to overseas Divisions and hedge against foreign currency exchange rate risks. When entering into forward currency contracts, the General Conference agrees to receive

or deliver a fixed quantity of foreign currency for an agreed-upon price at a future date. These contracts are valued daily, and the General Conference's unrealized gain or loss on the contracts measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date is included in the statement of activities. Realized gains or losses attributable to the sale or maturity of contracts are also included in the statement of activities. These instruments involve market risk, credit risk, or both kinds of risk in excess of the amount recognized in the financial statements. Risk arises from the possible inability of counterparties to meet the terms of their contracts and from movement of currency and security values and interest rates. There were no outstanding foreign exchange contracts at December 31, 2019, 2018, 2017, 2016 and 2015 respectively.

The General Conference evaluates events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through April 13, 2020 which is the date the statements were available for issuance.

The General Conference takes tax positions based on interpretation of federal, state and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state and local tax returns generally remain open for examination by the various taxing authorities for a period of four to five years.

See Note 10 regarding collateral.

Note 4 – Liquidity and Availability:

The following reflects the General Conference's financial assets as of December 31, 2019, 2018, 2017, 2016 and

2015, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within

one year of the date of the statement of financial position. Amounts not available include amounts allocated

by the Executive committee and in the quasi-endowment that could be drawn upon if the governing body approves that action. Amounts appropriated from either the donor-restricted endowment

or quasi-endowment for general expenditures within one year of the date of the statement of financial position are considered available.

Financial assets available for general

expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following at December 31:

	2019	2018	2017	2016	2015
Total current assets	395,191,360	374,621,674	383,641,033	353,025,496	359,322,183
Less excludable Items:					
Inventory and Prepaid expenses	(8,708,090)	(3,079,913)	(3,416,999)	(3,530,766)	(2,464,324)
Total financial assets at year-end	386,483,270	371,541,761	380,224,034	349,494,730	356,857,859
Less: Contractual or donor-imposed restrictions:					
Subject to expenditure for specified purpose	(35,975,496)	(39,095,810)	(35,983,911)	(38,999,747)	(34,543,656)
Less: Endowment fund:					
Perpetual funds	(2,188,761)	(2,188,761)	(2,188,761)	(2,188,761)	(2,188,761)
Quasi-endowment funds	(28,788,685)	(26,716,575)	(27,590,531)	(26,053,752)	(25,645,685)
Financial assets available to meet cash needs for general expenditures within one year before board designations	319,530,328	303,540,615	314,460,831	282,252,470	294,479,757
Less: Net assets designated by the Executive Committee:	(305,821,062)	(286,442,664)	(277,659,585)	(273,872,161)	(274,755,900)
Financial assets available to meet cash needs for general expenditures within one year	13,709,266	17,097,950	36,801,246	8,380,309	19,723,857

The General Conference is supported mainly by tithe and offerings. Tithe and offerings are substantially appropriated to Divisions and Institutions related to the General Conference. Because donor restricted contributions require resources to be used for specific purposes or in a future period, the General Conference must maintain sufficient liquidity to meet those restrictions. Therefore, certain financial assets may not be available for

general expenditure within 12 months. The General Conference structures its financial assets to be available when its general expenditures, liabilities, and other obligations come due; and in accordance with its working policy S 85 it invests cash in excess of daily requirements in short-term investments, government agency obligations, commercial paper, corporate bonds, and certificates of deposit.

The General Conference does not

maintain any available lines of credit, but in the event of an unforeseen liquidity need, the General Conference could access its allocated net assets at the discretion of the appropriate committee. In addition to financial assets available to meet general expenditures over the next 12 months, the General Conference anticipates receiving sufficient revenue to cover general expenditures not encumbered by donor restrictions.

Note 5 - Fair Value Measurement:

Accounting standards establish a hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements) when market prices are not readily available or reliable. The three levels of the hierarchy and valuation methodologies are described below:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others including net asset value of unitized or other mutual funds.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment

at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the General Conference's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available including information obtained from outside valuations and appraisals.

From time to time, changes in valuation techniques may result in reclassification of an investment's assigned level within the hierarchy.

The following is a market value summary by the level of the inputs used, as of December 31, 2019, 2018, 2017,

2016 and 2015 in evaluating the General Conference's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities.

2019

	Level 1	Level 2	Level 3	Total
Investment Measured at Fair Value:				
Equity Securities	16,829,651	0	55,180,398	72,010,049
Fixed Income Securities	0	12,546,198	0	12,546,198
Other	0	0	230,252	230,252
Total Investments Measured at Fair Value	16,829,651	12,546,198	55,410,650	84,786,499
Investment Measured at Net Asset Value (NAV) of the units held at Year End:				
General Conference Unitized Funds				208,410,124
Other assets measured at Fair Value:				
Notes and loans receivable	0	9,721,611	0	9,721,611
				302,918,234

2018

	Level 1	Level 2	Level 3	Total
Investment Measured at Fair Value:				
Equity Securities	15,528,083	0	36,499,307	52,027,390
Fixed Income Securities	0	10,960,163	0	10,960,163
Other	0	0	231,852	231,852
Total Investments Measured at Fair Value	15,528,083	10,960,163	36,731,159	63,219,405
Investment Measured at Net Asset Value (NAV) of the units held at Year End:				
General Conference Unitized Funds				241,381,182
Other assets measured at Fair Value:				
Notes and loans receivable	0	9,396,541	0	9,396,541
Real Estate	0	0	4,753,000	4,753,000
				318,750,128

2017

	Level 1	Level 2	Level 3	Total
Investment Measured at Fair Value:				
Equity Securities	17,146,028	0	40,682,742	57,828,770
Fixed Income Securities	0	11,026,055	0	11,026,055
Other	0	0	233,052	233,052
Total Investments Measured at Fair Value	<u>17,146,028</u>	<u>11,026,055</u>	<u>40,915,794</u>	<u>69,087,877</u>
Investment Measured at Net Asset Value (NAV) of the units held at Year End:				
General Conference Unitized Funds				<u>239,544,614</u>
Other assets measured at Fair Value:				
Notes and loans receivable	0	6,273,058	0	6,273,058
Real Estate	0	0	4,753,000	<u>4,753,000</u>
				<u>319,658,549</u>

2016

	Level 1	Level 2	Level 3	Total
Investment Measured at Fair Value:				
Equity Securities	14,376,735	0	50,740,936	65,117,671
Fixed Income Securities	0	12,072,285	0	12,072,285
Other	0	0	233,852	233,852
Total Investments Measured at Fair Value	<u>14,376,735</u>	<u>12,072,285</u>	<u>50,974,788</u>	<u>77,423,808</u>
Investment Measured at Net Asset Value (NAV) of the units held at Year End:				
General Conference Unitized Funds				<u>221,761,740</u>
Other assets measured at Fair Value:				
Notes and loans receivable	0	11,325,859	0	11,325,859
Real Estate	0	0	11,400,000	<u>11,400,000</u>
				<u>321,911,407</u>

2016

	Level 1	Level 2	Level 3	Total
Investment Measured at Fair Value:				
Equity Securities	13,520,407	0	60,175,030	73,695,437
Fixed Income Securities	0	10,112,982	0	10,112,982
Other	0	0	235,052	235,052
Total Investments Measured at Fair Value	13,520,407	10,112,982	60,410,082	84,043,471
Investment Measured at Net Asset Value (NAV) of the units held at Year End:				
General Conference Unitized Funds				217,043,086
Other assets measured at Fair Value:				
Notes and loans receivable	0	9,585,614	0	9,585,614
Real Estate	0	0	11,400,000	11,400,000
				322,072,171

The following is a reconciliation of the beginning and ending balances of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2019, 2018, 2017, 2016 and 2015.

	Equity Securities	Donated Property	Real Estate	Total
Balance at January 1, 2015	45,369,774	2,589,852	11,400,000	59,359,626
Total gains or losses (realized or unrealized) included in changes in net assets	6,096,140	(645,268)	0	5,450,872
Donations	13,399,316	0	0	13,399,316
Proceeds from sales	(4,690,200)	(1,709,532)	0	(6,399,732)
Balance at December 31, 2015	60,175,030	235,052	11,400,000	71,810,082
Total gains or losses (realized or unrealized) included in changes in net assets	(3,293,737)	0	0	(3,293,737)
Donations	4,048,209	0	0	4,048,209
Proceeds from sales	(10,188,566)	(1,200)	0	(10,189,766)
Balance at December 31, 2016	50,740,936	233,852	11,400,000	62,374,788

	Equity Securities	Donated Property	Real Estate	Total
Total gains or losses (realized or unrealized) included in changes in net assets	15,591	0	(6,647,000)	(6,631,409)
Donations	14,030,228	0	0	14,030,228
Proceeds from sales	(24,104,013)	(800)	0	(24,104,813)
Balance at December 31, 2017	40,682,742	233,052	4,753,000	45,668,794
Total gains or losses (realized or unrealized) included in changes in net assets	(3,670,633)	0	0	(3,670,633)
Donations	5,630,082	0	0	5,630,082
Proceeds from sales	(6,142,884)	(1,200)	0	(6,144,084)
Balance at December 31, 2018	36,499,307	231,852	4,753,000	41,484,159
Total gains or losses (realized or unrealized) included in changes in net assets	1,182,883	0	0	1,182,883
Donations	17,498,208	0	0	17,498,208
Proceeds from sales	0	(1,600)	0	(1,600)
Other	0	0	(4,753,000)	(4,753,000)
Balance at December 31, 2019	55,180,398	230,252	0	55,410,650

Note 6 - Cash and Equivalents:

Cash and Equivalents consist of:

	2019	2018	2017	2016	2015
Cash on Hand	779,290	1,562,157	133,495	1,693,138	1,678,854
Cash in Banks	30,682,761	6,975,853	13,076,495	2,315,570	678,606
Money funds - GC	84,537,271	75,066,502	77,288,470	66,101,729	76,449,211
	115,999,322	83,604,512	90,498,460	70,110,437	78,806,671
Agency funds included in cash & equivalents	3,180,717	3,346,262	3,603,924	3,867,469	5,208,881

Note 7 - Investments:

Investments consist of the following:

	2019	2018	2017	2016	2015
General Conference Unitized Funds	208,410,124	241,381,182	239,544,614	221,761,740	217,043,086
Equity Securities	72,010,049	52,027,390	57,828,770	65,117,671	73,695,437
Debt Securities	12,546,198	10,960,163	11,026,055	12,072,285	10,112,982
Other	230,252	231,852	233,052	233,852	235,052
Fair Value	<u>293,196,623</u>	<u>304,600,587</u>	<u>308,632,491</u>	<u>299,185,548</u>	<u>301,086,557</u>
Classified as:					
Current Investments	227,919,384	243,773,127	242,479,267	234,585,292	240,020,199
Other Operating Assets	30,700	32,300	33,500	2,759,812	2,283,884
Other than Operating Assets (Note 11)					
GC Unitized	50,608,554	46,889,023	51,267,757	47,313,591	46,109,193
Other	<u>14,637,985</u>	<u>13,906,137</u>	<u>14,851,967</u>	<u>14,526,853</u>	<u>12,673,281</u>
	<u>293,196,623</u>	<u>304,600,587</u>	<u>308,632,491</u>	<u>299,185,548</u>	<u>301,086,557</u>
GC's interest of the Unitized Funds in which it has ownership is:	<u>19%</u>	<u>20%</u>	<u>17%</u>	<u>17%</u>	<u>17%</u>

Note 8 - Accounts Receivable:

Accounts Receivable consist of:

	2019	2018	2017	2016	2015
North American Division	13,584,988	15,430,596	14,553,130	13,986,718	13,614,611
Overseas Divisions	19,510,557	21,503,354	24,993,880	16,730,075	15,125,187
General Conference Organizations	2,248,220	4,847,844	3,253,282	2,195,922	1,605,302
Other (Individually less than 5% of total accounts receivable)	7,111,546	2,230,170	4,080,894	7,552,581	6,851,978
	<u>42,455,311</u>	<u>44,011,964</u>	<u>46,881,186</u>	<u>40,465,296</u>	<u>37,197,078</u>

Deferred Income:

The General Conference records deferred revenue when cash payments are received or due in advance of the Organization's performance, including amounts which are refundable. Beginning and ending balances for deferred income is reported as follows for the year ended December 31:

	2019	2018	2017	2016	2015
Deferred income, beginning of year	<u>45,501</u>	<u>45,483</u>	<u>351,792</u>	<u>284,902</u>	<u>386,391</u>
Deferred income, end of year	<u>383,269</u>	<u>45,501</u>	<u>45,483</u>	<u>351,792</u>	<u>284,902</u>

Note 9 - Plant Assets:

Plant Assets consist of:

	2019	2018	2017	2016	2015
Land and Improvements	5,370,941	5,364,891	5,364,891	5,364,891	5,378,466
Buildings and Improvements	54,770,019	53,697,066	49,234,555	47,026,871	47,393,855
Equipment	23,989,496	25,131,471	23,709,649	26,721,404	25,144,374
	84,130,456	84,193,359	78,309,095	79,113,166	77,916,695
Less Accumulated Depreciation	47,641,405	45,862,103	42,100,021	43,493,729	40,291,821
Net Plant Assets	36,489,051	38,331,325	36,209,074	35,619,437	37,624,874
Depreciation and amortization	3,836,144	3,993,474	3,548,909	3,977,926	3,182,219

Depreciable Lives (Years): Land Improvements 10; Buildings 50-75; Equipment 3-10

Note 10 - Notes and Loans Receivable:

Notes and Loans Receivable consist of:

	2019	2018	2017	2016	2015
ECD South Sudan: Interest is fixed at 4%; unsecured	0	0	0	0	709,263
General Conference Employee Housing Loans: Secured by first and second mortgages / trust deeds	2,054,965	2,316,634	2,749,239	2,957,773	1,405,968
Hope Channel, Inc: Interest is fixed at 4%; unsecured	0	0	0	0	796,741
Property Recovery Agent (Turkey) Interest free, guaranteed by all issued shares of Seventh Day Construction Industry Limited Company, which were transferred to General Conference Corporation in lieu of payment on the note on January 27, 2020	2,385,128	2,385,128	0	0	0
Review and Herald Publishing Association: Interest free, due upon sale of property, unsecured	5,050,000	4,450,000	4,300,000	3,000,000	1,000,000
SAU Retirement Fund: Interest is fixed at 7%; unsecured	0	0	194,701	328,194	457,318
Southern California Conference - EISA Variable Interest is at 1/2% above the average of the rate on the first day of each month, secured by SCC property deed.	0	0	0	3,062,317	3,942,920
General Conference organizations, medical and dental students and graduates; employees and others Less allowance of \$281,312; \$281,312; \$267,246; \$267,246; and \$126,590, respectively, for uncollectible amounts.	<u>231,518</u>	<u>244,779</u>	<u>275,891</u>	<u>1,977,575</u>	<u>1,273,404</u>
Total Notes and Loans Receivable	<u>9,721,611</u>	<u>9,396,541</u>	<u>7,519,831</u>	<u>11,325,859</u>	<u>9,585,614</u>
Classified as:					
Current Portion	109,253	152,158	365,121	4,333,705	833,911
Long – Term Portion	7,201,104	6,833,292	7,128,780	6,177,866	7,925,737
Other Than Operating Assets	<u>2,411,254</u>	<u>2,411,091</u>	<u>25,930</u>	<u>814,288</u>	<u>825,966</u>
	<u>9,721,611</u>	<u>9,396,541</u>	<u>7,519,831</u>	<u>11,325,859</u>	<u>9,585,614</u>

Estimated maturities of notes receivable at December 31 are as follows:

2019	2018	2017	2016	2015	Thereafter	Total
109,253	5,262,748	1,834,408	1,232,126	908,815	374,261	9,721,611

Notes receivable are carried at unpaid principal balances, less allowances for doubtful collection or contractual adjustments. Management periodically evaluates the adequacy of allowances based on past experience and potential adverse situations that may affect the borrower's ability to repay. It is management's policy to write off a loan only when they are deemed to be permanently uncollectible. Amounts past due were not material to the financial statements

	2019	2018	2017	2016	2015
Interest Income on Notes and Loans Receivable	1,010	10,046	93,732	282,324	305,554

Note 11 - Other Than Operating Assets:

Other Than Operating Assets consist of:

	2019	2018	2017	2016	2015
Cash & Equivalents	4,821,416	5,729,537	1,421,443	6,173,231	3,208,366
Cash Equivalents Held for Others	32,995,764	35,911,626	36,727,899	33,561,948	31,557,861
Less Liability for Cash Equivalents Held for Others	(32,995,764)	(35,911,626)	(36,727,899)	(33,561,948)	(31,557,861)
Investments (Note 7):					
GC Unitized Funds	50,608,554	46,889,023	51,267,757	47,313,591	46,109,193
Other	14,637,985	13,906,137	14,851,967	14,526,853	12,673,281
Notes Receivable (Note 10)	2,411,254	2,411,091	25,930	814,288	825,966
Real Estate	0	4,753,000	4,753,000	11,400,000	11,400,000
Receivables	338,450	2,424,117	177,015	194,908	185,825
Other	931,884	287,054	412,271	499,750	3,953,078
Investments in Wholly Owned Subsidiaries:					
GENCON Agency, Inc.	95,000	95,000	95,000	95,000	95,000
	73,844,543	76,494,959	73,004,383	81,017,621	78,450,709

Note 12 - Accounts Payable:

Accounts Payable consist of:

	2019	2018	2017	2016	2015
Overseas Divisions	12,271,680	13,162,688	14,308,813	8,930,330	8,463,418
General Conference Organizations	4,206,017	5,392,878	1,781,535	3,727,684	4,617,437
Accrued Expenses and Other	14,764,605	16,175,352	17,858,171	15,587,475	14,439,929
	<u>31,242,302</u>	<u>34,730,918</u>	<u>33,948,519</u>	<u>28,245,489</u>	<u>27,520,784</u>

Note 13 - Other Than Operating Liabilities:

Other Than Operating Liabilities are composed of:

	2019	2018	2017	2016	2015
Accounts Payable	0	0	0	1,494,381	1,455
Annuities Payable	8,628,905	7,960,752	8,339,590	7,925,138	7,627,194
Trusts and Life Income Payables	4,749,841	4,331,081	4,706,361	4,793,905	6,351,246
	<u>13,378,746</u>	<u>12,291,833</u>	<u>13,045,951</u>	<u>14,213,424</u>	<u>13,979,895</u>

Note 14 - Retirement Plan and Other Post-retirement Benefits:

The General Conference participates in the Seventh-day Adventists Retirement Plan of the North American Division. The Plan is a multi-employer, non-contributory defined benefit plan which covers substantially all employees of the General Conference, General Conference institutions and all Conference organizations in the North American Division. The Plan, which is exempt from provisions of the Employee Retirement Income Security Act of 1974 (ERISA), provides retirement, disability and survivor benefits. Participating organizations have agreed to contribute such amounts as necessary to provide assets sufficient to meet the benefits to be paid to plan members. Contributions to the Plan are based on a percentage of basic remuneration and on a percentage of extraordinary tithe revenue, subject to change from time to time as determined by the North American Division Committee.

Regular contributions by the General Conference amounted to approximately \$6,852,000 in 2019, \$6,816,000 in 2018, \$6,656,000 in 2017, \$6,481,000 in 2016 and \$6,683,000 in 2015. Since it is a multi-employer plan, it is not possible, nor is it required, to determine the

actuarial present value of accumulated benefits or plan net assets for the General Conference or other individual participating employers. However, based on the latest actuarial evaluation of the Plan, as of December 31, 2018 the actuarially computed value of accumulated benefits exceeded the net assets of the Plan by approximately \$1.4 billion.

For the plan year ended December 31, 2019, the contributions received from all plan participants were \$116,315,349 and the net assets available for benefits were \$284,675,114.

The General Conference is also participating in a multi-employer defined contribution retirement plan. The basic employer contribution rate for 2015 - 2019 is 5% of the NAD remuneration factors. In addition employers contribute up to 3% of remuneration on a matching basis for 2015 - 2019. Contributions to the defined contribution plan were approximately \$2,433,000 in 2019, \$2,409,000 in 2018, \$2,389,000 in 2017, \$2,290,000 in 2016 and \$2,400,000 in 2015.

Upon implementation of the new defined contribution plan, accrual of service credit in the defined benefit plan was frozen (except for employees

choosing the career completion option). The General Conference, together with other participating employers, expect to continue contributions to the defined benefit plan.

The General Conference also contributed approximately \$1,434,000 in 2019, \$1,396,000 in 2018, \$1,393,000 in 2017, \$1,356,000 in 2016 and \$1,398,000 in 2015 to the NAD Retiree Auxiliary benefit funds to provide health care and funeral assistance to eligible retirees.

Based on the latest actuarial evaluation of the Plan, as of December 31, 2018, the actuarially computed value of accumulated benefits exceeded the net assets of the Plan by approximately \$468 million.

For the plan year ended December 31, 2019, the contributions received from all plan participants were \$42,839,113 and the net assets available for benefits were \$96,344,146.

The risks of participating in multiemployer plans are different from single-employer plans, in the following aspects:

- Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers

- If a participating employer stops contributing to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers
- If the General Conference chooses to stop participating in a multiemployer plan, the General Conference may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Note 15 - Related Party Transactions:

Essentially all transactions, other than certain investments and the purchase of goods and services, are with related funds and organizations. Certain administrative and building occupancy expenses are reimbursed by related funds and/or organizations.

Note 16 - Income Tax Status:

The General Conference and its affiliated organizations are exempt from federal, state, and local income taxes under provisions of Section 501(C)(3) of the Internal Revenue Code.

Note 17 - Commitments and Contingencies:

Direct Obligations - The General Conference Corporation has signed mortgages and/or other evidences of indebtedness on behalf of certain of its affiliates. Those obligations, which are the primary responsibility of the affiliates and are recorded directly on their books, are excluded from these combined financial statements. The dollar amount of the General Conference's contingent exposure on these loans is not known. In any event it is management's opinion that the collateral value of the underlying properties would mitigate the GC's exposure in the event of any default by an affiliate. (See Note 1)

In 2014, the General Conference has extended a \$5 million line of credit to the Review & Herald Publishing Association. Amounts outstanding were \$5 million at December 31, 2019, \$4.4 million at December 31, 2018, \$4.3 million at December 31, 2017, \$3 million at December 31, 2016 and \$1 million at December 31, 2015, respectively.

Guarantees - The General Conference Corporation has guaranteed the payment of workers' compensation liabilities incurred by certain affiliates as permissibly self-insured under applicable state laws. The various affiliates have signed

agreements to indemnify the General Conference in the event it becomes obligated under its guarantees.

The General Conference has guaranteed certain employee loans of the General Conference Income Fund Trust and other General Conference organizations.

Retirement Obligations - As disclosed in Note 14, the General Conference is a contributing employer, together with other affiliated employers in the North American Division, to the Retirement Plans and Auxiliary Funds of the North American Division of Seventh-day Adventists.

In accordance with denominational policy the Defined Benefit Plans have not been funded on an actuarial basis. Participating organizations have agreed to contribute such amounts as necessary to provide assets sufficient to meet the benefits to be paid to plan members.

Litigation - The General Conference is involved in various lawsuits the outcome of which, in the opinion of management, will not have a material adverse effect on the financial position or activity of the General Conference.

Blocked Currency - Approximately \$10.6 million of General Conference funds at December 31, 2019 (\$8.5 million in 2018, \$12.8 million in 2017, \$9.4 million in 2016 and \$9.1 million in 2015) are on deposit in foreign accounts which are subject to governmental currency restrictions. Such amounts are excluded from the financial statements. During 2019, approximately \$3.1 million (\$8.3 million in 2018, \$2.2 million in 2017, \$2.8 million in 2016 and \$1.7 million in 2015) was released from such restrictions and recognized as income in the Statement of Activities.



Note 18 - Net Assets With Donor Restrictions:

Net Assets With Donor Restrictions are available for the following purpose:

2019	31-Dec-18	Inflows	Outflows	31-Dec-19
Subject to expenditure for specified purpose:				
~Global Mission (GM) Restricted — Projects to spread advent message	13,421,217	3,968,843	(3,853,007)	13,537,053
Adventist education projects	5,137,168	426,582	(1,158,530)	4,405,220
~Global Mission (GM) Annual Sacrifice — Adventist Mission offering	2,686,948	4,755,622	(7,442,570)	-
~Foreign Missions — Overseas projects	3,990,456	16,590	-	4,007,046
~Investment Offering Appropriation — Restricted offering	2,515,169	1,571,316	(1,650,000)	2,436,485
~MENA Restricted Donations — Projects in Middle East and North Africa	325,000	-	(325,000)	-
~Children's Ministry (CHM) Armor of God — Projects for children's spiritual growth	-	1,100,620	-	1,100,620
~Unusual Opportunities Offering — Projects in 10/40 window	862,282	614,544	(700,000)	776,826
~Hope for Kolkata (H4K) — Church planting project in India	1,709,208	-	(622,615)	1,086,593
Other (individually less than 1,000,000.00)	8,448,362	8,009,465	(7,832,174)	8,625,653
	<u>39,095,810</u>	<u>20,463,582</u>	<u>(23,583,896)</u>	<u>35,975,496</u>
Endowment fund:				
Original gifts in perpetuity:				
Scholarships	36,637	-	-	36,637
Adventist World Radio (AWR)	1,684,911	-	-	1,684,911
General Activity	467,213	-	-	467,213
Total endowments	<u>2,188,761</u>	<u>-</u>	<u>-</u>	<u>2,188,761</u>
Total net assets with donor restrictions	<u>41,284,571</u>	<u>20,463,582</u>	<u>(23,583,896)</u>	<u>38,164,257</u>

2018

	31-Dec-17	Inflows	Outflows	31-Dec-18
Subject to expenditure for specified purpose:				
~Global Mission (GM) Restricted — Projects to spread advent message	9,934,359	5,116,947	(1,630,089)	13,421,217
Adventist education projects	5,654,785	484,525	(1,002,142)	5,137,168
~Global Mission (GM) Annual Sacrifice — Adventist Mission offering	4,623,779	4,907,054	(6,843,885)	2,686,948
~Foreign Missions — Overseas projects	3,908,894	81,562	-	3,990,456
~Investment Offering Appropriation — Restricted offering	2,433,857	1,731,312	(1,650,000)	2,515,169
~MENA Restricted Donations — Projects in Middle East and North Africa	1,125,000	-	(800,000)	325,000
~Unusual Opportunities Offering — Projects in 10/40 window	1,039,970	822,312	(1,000,000)	862,282
~Hope for Kolkata (H4K) — Church planting project in India	-	1,977,473	(268,265)	1,709,208
Other (individually less than 1,000,000.00)	7,263,267	8,054,869	(6,869,774)	8,448,362
	<u>35,983,911</u>	<u>23,176,054</u>	<u>(20,064,155)</u>	<u>39,095,810</u>
Endowment fund:				
Original gifts in perpetuity:				
Scholarships	36,637	-	-	36,637
Adventist World Radio (AWR)	1,684,911	-	-	1,684,911
General Activity	467,213	-	-	467,213
Total endowments	<u>2,188,761</u>	<u>-</u>	<u>-</u>	<u>2,188,761</u>
Total net assets with donor restrictions	<u>38,172,672</u>	<u>23,176,054</u>	<u>(20,064,155)</u>	<u>41,284,571</u>

2017	31-Dec-16	Inflows	Outflows	31-Dec-17
Subject to expenditure for specified purpose:				
~Global Mission (GM) Restricted — Projects to spread advent message	9,629,467	2,497,655	(2,192,763)	9,934,359
Adventist education projects	6,273,399	291,535	(910,149)	5,654,785
~Global Mission (GM) Annual Sacrifice — Adventist Mission offering	5,943,796	4,743,880	(6,063,897)	4,623,779
~Foreign Missions — Overseas projects	3,894,580	14,314	-	3,908,894
~Investment Offering Appropriation — Restricted offering	2,385,688	1,698,169	(1,650,000)	2,433,857
~MENA Restricted Donations — Projects in Middle East and North Africa	2,000,000	-	(875,000)	1,125,000
~Unusual Opportunities Offering — Projects in 10/40 window	1,089,421	759,946	(809,397)	1,039,970
~Faith & Science Council — Projects involving Science	1,199,933	-	(1,199,933)	-
Other (individually less than 1,000,000.00)	6,583,463	10,964,273	(10,284,469)	7,263,267
	<u>38,999,747</u>	<u>20,969,772</u>	<u>(23,985,608)</u>	<u>35,983,911</u>
Endowment fund:				
Original gifts in perpetuity:				
Scholarships	36,637	-	-	36,637
Adventist World Radio (AWR)	1,684,911	-	-	1,684,911
General Activity	467,213	-	-	467,213
Total endowments	<u>2,188,761</u>	<u>-</u>	<u>-</u>	<u>2,188,761</u>
Total net assets with donor restrictions	<u>41,188,508</u>	<u>20,969,772</u>	<u>(23,985,608)</u>	<u>38,172,672</u>

2016	31-Dec-15	Inflows	Outflows	31-Dec-16
Subject to expenditure for specified purpose:				
~Global Mission (GM) Restricted — Projects to spread advent message	8,503,242	3,753,305	(2,627,080)	9,629,467
Adventist education projects	4,772,585	2,651,632	(1,150,818)	6,273,399
~Global Mission (GM) Annual Sacrifice — Adventist Mission offering	4,458,305	4,416,846	(2,931,355)	5,943,796
~Foreign Missions — Overseas projects	3,838,799	55,781	-	3,894,580
~Investment Offering Appropriation — Restricted offering	2,429,722	1,605,966	(1,650,000)	2,385,688
~MENA Restricted Donations — Projects in Middle East and North Africa	2,000,000	-	-	2,000,000
~Unusual Opportunities Offering — Projects in 10/40 window	1,189,163	760,258	(860,000)	1,089,421
~Faith & Science Council — Projects involving Science	946,933	350,000	(97,000)	1,199,933
Other (individually less than 1,000,000.00)	6,404,907	9,041,582	(8,863,026)	6,583,463
	<u>34,543,656</u>	<u>22,635,370</u>	<u>(18,179,279)</u>	<u>38,999,747</u>
Endowment fund:				
Original gifts in perpetuity:				
Scholarships	36,637	-	-	36,637
Adventist World Radio (AWR)	1,684,911	-	-	1,684,911
General Activity	467,213	-	-	467,213
Total endowments	<u>2,188,761</u>	<u>-</u>	<u>-</u>	<u>2,188,761</u>
Total net assets with donor restrictions	<u>36,732,417</u>	<u>22,635,370</u>	<u>(18,179,279)</u>	<u>41,188,508</u>

2015	31-Dec-14	Inflows	Outflows	31-Dec-15
Subject to expenditure for specified purpose:				
~Global Mission (GM) Restricted — Projects to spread advent message	8,811,843	1,103,113	(1,411,714)	8,503,242
Adventist education projects	5,653,089	881,919	(1,762,423)	4,772,585
~Global Mission (GM) Annual Sacrifice — Adventist Mission offering	4,801,789	4,696,143	(5,039,627)	4,458,305
~Foreign Missions — Overseas projects	3,766,822	127,793	(55,816)	3,838,799
~Investment Offering Appropriation — Restricted offering	2,413,252	1,616,470	(1,600,000)	2,429,722
~MENA Restricted Donations — Projects in Middle East and North Africa	-	2,000,000	-	2,000,000
~Unusual Opportunities Offering — Projects in 10/40 window	864,689	774,474	(450,000)	1,189,163
~Faith & Science Council — Projects involving Science	936,071	350,000	(339,138)	946,933
Other (individually less than 1,000,000.00)	7,567,865	12,447,497	(13,610,455)	6,404,907
	<u>34,815,420</u>	<u>23,997,409</u>	<u>(24,269,173)</u>	<u>34,543,656</u>
Endowment fund:				
Original gifts in perpetuity:				
Scholarships	36,637	-	-	36,637
Adventist World Radio (AWR)	1,684,911	-	-	1,684,911
General Activity	467,213	-	-	467,213
Total endowments	<u>2,188,761</u>	<u>-</u>	<u>-</u>	<u>2,188,761</u>
Total net assets with donor restrictions	<u>37,004,181</u>	<u>23,997,409</u>	<u>(24,269,173)</u>	<u>36,732,417</u>

Note 19 - GC Administered Funds Expenses:

GC Administered Funds Expenses consist of:

	2019	2018	2017	2016	2015
Operating Funds:					
Donor Advised Fund Distributions	10,885,718	14,620,686	22,399,500	14,385,807	10,272,846
Adventist Mission	10,080,396	6,124,355	7,495,705	9,420,238	8,226,485
AR Adventist World	6,460,783	6,572,710	6,498,661	6,344,950	5,698,246
13th Sabbath	3,765,849	3,947,082	3,728,956	3,481,062	3,689,399
Excess Liability Insurance Appropriation	2,638,981	2,917,131	3,469,814	1,466,610	1,226,764
Disaster & Famine Relief	2,478,675	2,511,578	2,673,231	2,433,449	2,740,777
Investment Offering Appropriations	1,650,000	1,650,000	1,650,000	1,650,000	1,600,000
Annual Council	847,518	1,414,187	764,931	835,127	0
Youth Congress	1,065,429	1,110,789	9,546	3,496	56,346
Unusual Opportunities Offering	700,000	1,000,000	0	0	30,000
Contingencies (WB)	369,025	630,235	1,074,256	1,466,610	1,420,927
Israel Field Restricted Donations	0	0	0	0	1,155,816
GC Session Offering	0	0	0	0	4,410,000
GC Session - 2015	0	0	0	44,610	8,235,588
Other (Individually less than \$1,000,000.00)	22,005,786	20,368,596	21,484,341	17,422,995	21,190,877
	<u>62,948,160</u>	<u>62,867,349</u>	<u>71,248,941</u>	<u>58,954,954</u>	<u>69,924,071</u>

Note 20 - Split-Interest Agreements:

The General Conference is beneficiary of certain gift annuities and life income and irrevocable trusts as discussed in Note 1. The assets, liabilities, net assets and activity of these agreements are included in “Other Funds.”

Summarized Financial information pertaining to these agreements is as follows:

	2019	2018	2017	2016	2015
Cash and Investments at fair value	12,497,165	11,346,525	12,171,256	13,224,131	12,489,502
Other Assets	2,538,173	2,320,842	2,413,777	2,648,439	3,321,723
Annuity and Life Income Payables	13,378,746	12,291,833	13,045,951	12,719,043	13,978,440
Other Liabilities	0	0	0	1,494,381	1,455
Net Assets					
With Donor Restrictions	1,504,222	1,260,115	1,399,593	1,531,796	1,675,390
Without Donor Restrictions	152,371	115,420	139,488	127,349	155,940
Present Value Adjustment	22,319	27,897	14,735	2,903	(2,023)
Increase (Decrease) in Net Assets with Donor Restrictions	(244,107)	(139,479)	(132,203)	(143,594)	(168,353)
Increase (Decrease) in Net Assets without Donor Restrictions	(36,951)	(24,068)	12,139	(28,591)	(270,424)

The present value of payables is calculated using the federal mid-term rate applicable at inception of the agreements and IRS life expectancy tables.

Note 21 - Endowments:

Endowments consist of funds established for a variety of purposes and include both donor-restricted funds and funds internally designated to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The General Conference is subject to and has interpreted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) to permit the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the restricted endowment, (b) the original value of subsequent gifts to the restricted endowment, and (c) accumulations to the restricted endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until

those amounts are appropriated for expenditure by the General Conference. The General Conference considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

1. The duration and preservation of the fund.
2. The purposes of the General Conference and the donor-restricted endowment fund.
3. General economic conditions.
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 Conference.
7. The investment policies of the General Conference.

The General Conference has adopted endowment investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets.

The General Conference has adopted an endowment spending policy that directs it to budget the anticipated amount of endowment income and distribute based on budgeted amounts to the beneficiaries or programs specified by the endowment agreements.

In the event that the fair value of donor-restricted endowment funds falls below the level required to be maintained in perpetuity, the resulting deficiency is recognized within the same net asset classification as the endowed funds.

Changes in Endowment Net Assets are as follows:

	Without Donor Restrictions	With Donor Restrictions		
	Quasi - Endowment	Accumulated investment gains	Perpetual gifts	Total
Endowment Net Assets January 1, 2015	26,199,852	506,956	2,188,761	28,895,569
Investment Return:				
Investment Income	515,782	7,959	0	523,741
Realized and Unrealized	468	(550)	0	(82)
Total Investment Return	516,250	7,409	0	523,659
Contributions	0	0	0	0
Appropriation of Endowment Assets for Expenditure	(1,070,417)	(128,532)	0	(1,198,949)
Endowment Net Assets December 31, 2015	25,645,685	385,833	2,188,761	28,220,279
Investment Return:				
Investment Income	497,319	42,531	0	539,850
Realized and Unrealized	389,678	53,970	0	443,648
Total Investment Return	886,997	96,501	0	983,498
Contributions	0	124,262	0	124,263
Appropriation of Endowment Assets for Expenditure	(478,930)	(36,169)	0	(515,099)
Endowment Net Assets December 31, 2016	26,053,752	570,427	2,188,761	28,812,941

	Without Donor Restrictions	With Donor Restrictions		
	Quasi - Endowment	Accumulated investment gains	Perpetual gifts	Total
Investment Return:				
Investment Income	400,008	39,636	0	439,644
Realized and Unrealized	1,489,482	190,168	0	1,679,650
Total Investment Return	1,889,490	229,804	0	2,119,294
Contributions	0	0	0	0
Appropriation of Endowment Assets for Expenditure	(352,711)	(38,950)	0	(391,661)
Endowment Net Assets December 31, 2017	27,590,531	761,281	2,188,761	30,540,574
Investment Return:				
Investment Income	580,274	55,604	0	635,878
Realized and Unrealized	(988,863)	(132,138)	0	(1,121,001)
Total Investment Return	(408,589)	(76,534)	0	(485,123)
Contributions	0	0	0	0
Appropriation of Endowment Assets for Expenditure	(465,367)	(91,737)	0	(557,104)
Endowment Net Assets December 31, 2018	26,716,575	593,010	2,188,761	29,498,347
Investment Return:				
Investment Income	700,175	66,630	0	766,805
Realized and Unrealized	1,919,004	232,753	0	2,151,757
Total Investment Return	2,619,179	299,383	0	2,918,562
Contributions	0	592	0	592
Appropriation of Endowment Assets for Expenditure	(547,069)	(95,113)	0	(642,182)
Endowment Net Assets December 31, 2019	28,788,685	797,872	2,188,761	31,775,318

Note 22 – Wholly owned Subsidiary:

As discussed in Note 2 Gencon Insurance Company of Vermont (GENCON), a wholly owned subsidiary of the General conference Corporation, is excluded from these Combined Financial Statements. If the Financial Statements of GENCON had been consolidated with those of the General Conference, the accompanying Combined Financial Statements would have been impacted as follows (in millions):

	2019	2018	2017	2016	2015
Increase in:					
Total Assets	162.9	144.2	197.2	178.0	115.9
Total Liabilities	87.9	79.1	133.9	122.2	70.4
Unrestricted Allocated Net Assets	75.0	65.1	63.3	55.8	45.5
Unrestricted Revenues	77.6	65.0	62.5	62.8	58.3
Unrestricted Expenses	63.2	60.4	58.6	52.6	54.9
Change in Net Assets Increase (Decrease)	14.4	4.6	3.9	10.2	3.4

These numbers were obtained from GENCON's unaudited 2019 financial statements, and audited 2018, 2017, 2016, and 2015 financial statements.

Note 23 – New Accounting Standard:

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230). The ASU amends the current reporting model for the statement of cash flows and disclosures related to restricted cash. The major changes include (a) requiring changes in restricted cash accounts be accounted for as changes in cash and cash equivalents and (b) disclosures including a detail of the accounts included in the total of cash in the cash flow statement. The General Conference adopted ASU No. 2016-18 for the year ended December 31, 2019. The December 31, 2018 comparative cash flow information has been reclassified to conform to the current year presentation.

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers,” which it and all subsequent amendments to the ASU No. 2014-09, replaced most existing revenue recognition guidance in U.S. GAAP. The General Conference adopted the provisions of this guidance on January 1, 2019 using the retrospective approach. The General Conference has performed an assessment of its revenue contracts as well as worked with industry participants on

matters of interpretation and application and has not identified any material changes to the timing or amount of its revenue recognition under ASU 2014-09. The General Conference’s accounting policies did not change materially as a result of applying the principles of revenue recognition from ASU 2014-09 and are largely consistent with existing guidance and current practices applied by the General Conference.

In June 2018, the FASB issued ASU No. 2018-08, “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.” The ASU provides guidance to distinguish recognition practices of contribution activity related to the adoption of ASU 2014-09. The General Conference adopted the provisions of this guidance in conjunction with ASU 2014-09. There was no impact to revenue recognized for the years ended December 31, 2019 and 2018 as a result of implementing ASU 2018-08.

In August 2018, the FASB issued ASU No. 2018-13, “Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement.” The ASU amended the disclosure requirements

for recurring and nonrecurring fair value measurements identified in Topic 820. The General Conference early adopted certain provisions of ASU 2018-13 relating to Level 3 investments for the year ended December 31, 2019.



Independent Auditor's Report

2020–2021

To the Members of the Executive Committee

GENERAL CONFERENCE OF
SEVENTH-DAY ADVENTISTS



Qualified Opinion

We have audited the accompanying combined financial statements of the General Conference of Seventh-day Adventists (a nonprofit organization), which comprise the combined statements of financial position as of December 31, 2021 and 2020, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion section of our report, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the General Conference of Seventh-day Adventists as of December 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As discussed in Note 2 to the combined financial statements, the General Conference of Seventh-day Adventists has not determined which of its numerous affiliated entities meet the requirements for consolidation in the accompanying combined financial statements. In our opinion, accounting principles generally accepted in the United States of America require consolidation of majority owned subsidiaries and all financially interrelated not-for-profit organizations in which the General Conference of Seventh-day Adventists has control and an economic interest, as defined. Accordingly, we were unable to satisfy ourselves regarding the inclusion of other related entities in the combined financial statements.

Also as discussed in Note 2 to the combined financial statements, the General Conference of Seventh-day Adventists has not consolidated Gencon Insurance Company of Vermont (Gencon), a wholly-owned subsidiary. In our opinion,

accounting principles generally accepted in the United States of America require that all majority-owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of Gencon had been consolidated with those of the General Conference of Seventh-day Adventists, total assets, liabilities and net assets would be increased by approximately \$160.5, \$81.9 and \$78.6 million, respectively, as of December 31, 2021 and \$211.7, \$124.7 and \$87.0 million, respectively, as of December 31, 2020. For the year ended December 31, 2021, revenues and expenses would be increased by approximately \$71.0 and \$79.0 million, respectively, and the change in net assets would be decreased by \$8.0 million. For the year ended December 31, 2020, revenues and expenses would be increased by approximately \$72.5 and \$66.7 million, respectively, and the change in net assets would be increased by \$5.8 million. These amounts were obtained from Gencon's unaudited 2021 financial statements and audited 2020 financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the General Conference of Seventh-day Adventists 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.

Correction of Error

As discussed in Note 23 to the combined financial statements, certain errors resulting in misstatement of amounts for receivables and revenue previously reported as of December 31, 2020 and 2019 were discovered by management of the General Conference

of Seventh-day Adventists during the current year. Accordingly, amounts reported for receivables and revenue have been restated in the 2021 combined financial statements now presented, and an adjustment has been made to net assets as of December 31, 2020 and 2019, to correct the error. Our opinion is not modified with respect to that matter.

Other Matter

The General Conference of Seventh-day Adventists is a component of the worldwide Seventh-day Adventist Church. These combined financial statements include the assets, liabilities, net assets, revenues and expenses of the entities and funds identified in Notes 1 and 2 to the combined financial statements. Accordingly, these financial statements are not intended to present the entire financial position, changes in net assets or cash flows of the worldwide Seventh-day Adventist Church. Our opinion is not modified with respect to this matter.

To the Members of the Executive Committee

CONTINUED

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about General Conference of Seventh-day Adventists' ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 an audit conducted in accordance with generally accepted auditing standards 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 combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of General Conference of Seventh-day Adventists'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about General Conference of Seventh-day Adventists '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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the General Conference of Seventh-day Adventists' December 31, 2020 statements, and we expressed a qualified opinion on those audited combined financial statements in our report dated April 12, 2021. In our opinion, the summarized comparative information presented in the combined statements of financial position and activities for the year ended December 31, 2020 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Manes Costeiran PC

April 11, 2022

Combined Statement of Financial Position

DECEMBER 31,
2021 AND 2020

Operating Funds

Plant Fund

Other Funds

2021 Total

2022 Total

(as restated)

ASSETS

Current Assets

Cash & Equivalents (Note 6)	161,794,900	0	0	161,794,900	151,379,565
Investments (Note 7)	252,026,090	0	0	252,026,090	193,916,018
Accounts Receivable (Note 8)	46,122,823	0	0	46,122,823	49,121,584
Notes & Loans Receivable, Current (Note 10)	105,253	0	0	105,253	99,326
Inventories and Prepaid Expense	4,307,123	0	0	4,307,123	4,590,500
Due From Non-Expendable Funds	27,360,069	0	0	0*	0
Total Current Assets	491,716,258	0	0	464,356,189	399,106,993

Plant Assets (Note 9)

Continued operations	0	40,907,424	0	40,907,424	41,762,337
Discontinued operations	0	0	0	0	9,969,736
Total Plant Assets	0	40,907,424	0	40,907,424	51,732,073

Other Assets

Notes & Loans Receivable, Long-Term (Note 10)	2,663,205	0	0	2,663,205	1,894,992
Other Operating (Note 7)	29,900	279,635	0	309,535	30,300
Other Than Operating (Note 11)	199,552	34,337,824	55,515,330	86,327,123*	72,586,000
Total Other Assets	2,892,657	34,617,459	55,515,330	89,299,863	74,511,292

Total Assets

494,608,915	75,524,883	55,515,330	594,563,476	525,350,358
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LIABILITIES

Current Liabilities

Accounts Payable (Note 12)	38,504,788	0	0	38,504,788	32,876,136
Deferred Income	31,671	0	0	31,671	31,671
Agency Funds	3,259,259	0	0	3,259,259	3,201,453
Appropriations Payable to Divisions	1,800,960	0	0	1,800,960	2,007,461
Due to Other Funds	30,962,404	0	0	0*	0
Total Current Liabilities	74,559,082	0	0	43,596,678	38,116,721

Other Liabilities

Other Than Operating (Note 13)	0	72,227	18,744,066	18,693,045*	19,058,097
Total Other Liabilities	0	72,227	18,744,066	18,693,045	19,058,097

Total Liabilities

74,559,082	72,227	18,744,066	62,289,723	57,174,818
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Combined Statement of Financial Position

DECEMBER 31,
2021 AND 2020

CONTINUED

	Operating Funds	Plant Fund	Other Funds	2021 Total	2022 Total
					(as restated)
NET ASSETS					
Without Donor Restrictions:					
Unallocated Operating Functions	126,051,903	0	0	126,051,903	100,226,075
Allocated Operating Functions	251,117,942	0	0	251,117,942	235,968,013
Allocated Unexpended Plant Functions	0	34,265,597	0	34,265,597	23,788,948
Allocated Non-Expendable Net Investment Plant	0	40,907,424	0	40,907,424	41,762,336
Allocated Annuities	0	0	192,470	192,470	172,732
Allocated Quasi-Endowment (Note 21)	0	0	29,434,781	29,434,781	28,825,308
Allocated Review and Herald Publishing Association, Inc	0	0	1,442,026	1,442,026	(346,702)
Total Net Assets Without Donor Restrictions Before Discontinued Operations	377,169,845	75,173,021	31,069,277	483,412,143	430,396,710
Discontinued Operations:					
Unrestricted net assets - unallocated	0	0	(142,782)	(142,782)	(15,410,625)
Unrestricted net assets - invested in plant	0	0	0	0	9,969,736
Total Discontinued Operations	0	0	(142,782)	(142,782)	(5,440,889)
Total Net Assets Without Donor Restrictions	377,169,845	75,173,021	30,926,495	483,269,361	424,955,821
With Donor Restrictions:					
Purpose Restrictions:					
Restricted Operating	42,879,988	0	0	42,879,988	38,609,527
Restricted Life Income & Irrevocable Trusts	0	0	1,132,312	1,132,312	1,519,242
Restricted Annuities	0	0	358,385	358,385	266,688
Restricted Term Endowments (Note 21)	0	0	2,165,311	2,165,311	635,501
Total Purpose Restrictions (Note 18)	42,879,988	0	3,656,008	46,535,996	41,030,958
Perpetual in Nature:					
Restricted Endowment (Note 18 and Note 21)	0	0	2,188,761	2,188,761	2,188,761
Total Net Assets With Donor Restrictions	42,879,988	0	5,844,769	48,724,757	43,219,719
Total Net Assets	420,049,833	75,173,021	36,771,264	531,994,118	468,175,540
Total Liabilities & Net Assets	494,608,915	75,245,248	55,515,330	594,283,841	525,350,358

*Inter-fund eliminations

See accompanying notes to combined financial statements.

Combined Statement of Activities

YEAR ENDED
DECEMBER 31, 2021
WITH COMPARATIVE
TOTALS FOR 2020

Operating Funds

Plant Fund

Other Funds

2021 Total

2022 Total

(as restated)

Changes in Net Assets Without Donor Restrictions

Continuing Operations:

Revenue and Gains: Unallocated

Tithe Income	90,702,670	0	0	90,702,670	85,811,429
Offerings	72,321,523	0	0	72,321,523*	63,356,625
Donations	181,820	0	0	181,820	123,999
Investment Return, net	3,256,013	586,793	1,084,144	8,679,950	3,348,300
Gifts, Bequests and Other	32,178,383	6,648,340	221,658	39,048,381	20,731,974
Total Unallocated	198,640,409	7,235,133	1,305,802	210,934,344	173,372,327

Revenue and Gains: Allocated

Appropriations	24,989	0	130,000	24,989*	24,002
Special Appropriations	130,248	0	0	130,248	131,078
International Service Employees Funding	29,004	0	0	29,004	62,877
General Conference Auditing Service	11,910,994	0	0	11,910,994	12,022,947
GC Administered Funds	18,072,260	0	0	18,072,260	5,626,643
Office Operating	4,656,594	0	0	4,656,594	4,917,997
Total Allocated	34,824,089	0	130,000	34,824,089	22,785,544
Total Revenues and Gains	233,464,498	7,235,133	1,435,802	245,758,433	196,157,871
Net Assets Released from Restrictions (Note 18)	23,509,616	0	942,139	24,451,755	21,221,213
Total Revenues and Gains	256,974,114	7,235,133	2,377,941	270,210,188	217,379,084

Expenses: Program Functions

Appropriations	62,261,540	0	0	62,131,540*	61,443,057
Special Appropriations	7,823,134	0	0	7,823,134	9,992,852
International Service Employees Funding	22,547,961	0	0	22,547,961	22,840,492
General Conference Auditing Service	19,502,685	0	0	19,502,685	19,489,810
GC Administered Funds (Note 19)	51,979,735	0	0	51,979,735	51,339,481
Other Programs	20,891,111	0	2,219,266	23,110,377	21,879,923
Total Program Functions	185,006,166	0	2,219,266	187,095,432	186,985,615

Expenses: Support Functions

GC Administered (Note 19)	6,226,551	0	0	6,226,551	5,371,147
Office Operating	18,066,435	4,336,463	0	22,402,898	23,380,916
Total Support Functions	24,292,986	4,336,463	0	28,629,449	28,752,063

Total Expenses

209,299,152	4,336,463	2,219,266	215,724,881	215,737,678
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Combined Statement of Activities

YEAR ENDED
DECEMBER 31, 2021
WITH COMPARATIVE
TOTALS FOR 2020

CONTINUED

	Operating Funds	Plant Fund	Other Funds	2021 Total	2022 Total
					(as restated)
Non Operating Activity:					
Tithe Rebalancing Received from Divisions	41,542,600	0	0	41,542,600	35,257,892
Non-Tithe Provided to Divisions	(41,542,600)	0	0	(41,542,600)	(35,257,892)
Total Non Operating Activity	0	0	0	0	0
Transfers Between Funds In (Out):					
Operating	(95,739)	119,600	(23,861)	0	0
Depreciation Funding	(6,230,330)	6,230,330	0	0	0
Plant Acquisition Funding	(373,136)	373,136	0	0	0
Net Transfers Between Funds In (Out)	(6,699,205)	6,723,066	(23,861)	0	0
Increase (Decrease) from continuing operations	40,975,757	9,621,736	134,814	54,485,307	1,641,406
Discontinued Operations:					
Increase (Decrease) from discontinued operations (Note 22)	0	0	7,581,232	3,828,232*	(428,932)
Increase (Decrease) Net Assets Without Donor Restrictions	40,975,757	9,621,736	7,716,046	58,313,539	1,212,474
Net Assets Without Donor Restrictions - January 1 as restated	336,194,088	65,551,285	23,210,449	424,955,822	423,743,348
Net Assets Without Donor Restrictions - December 31	377,169,845	75,173,021	30,926,495	483,269,361	424,955,822
Changes in Net Assets with Donor Restrictions					
Revenue and Gains:					
Offerings	13,427,459	0	0	13,427,459	11,878,451
Donations	13,735,889	0	0	13,735,889	13,716,010
Investment Return, net	124,505	0	383,931	508,436	339,765
Gifts, Bequests and Other	492,224	0	1,792,785	2,285,009	342,450
Total Revenues and Gains	27,780,077	0	2,176,716	29,956,793	26,276,676
Net Assets Released from Restriction (Note 18)	(23,509,616)	0	(942,139)	(24,451,755)	(21,221,213)
Increase (Decrease) Net Assets With Donor Restrictions	4,270,461	0	1,234,577	5,505,038	5,055,463
Net Assets With Donor Restrictions - January 1	38,609,527	0	4,610,192	43,219,719	38,164,256
Net Assets With Donor Restrictions - December 31	42,879,988	0	5,844,769	48,724,757	43,219,719
Net Assets					
Total Net Increase (Decrease) in Net Assets	45,246,218	9,621,736	8,950,623	63,818,577	6,267,937
Total Net Assets - January 1 as restated	374,803,615	65,551,285	27,820,641	468,175,541	461,907,604
Total Net Assets - December 31	420,049,833	75,173,021	36,771,264	531,994,118	468,175,541

*Inter-fund eliminations

See accompanying notes to combined financial statements.

Combined Statement of Functional Expenses

YEAR ENDED
DECEMBER 31, 2021

PROGRAM SERVICES

SUPPORT SERVICES

	Appropriations	Special Appropriations	ISE	GCAS	GC Administered	Other Programs	Total Programs	GC Administered	Office Operating	Total Support	Total
Salaries and Wages	2,269,520	372,314	12,026,764	12,646,946	3,452,284	10,699,688	41,467,516	628,777	7,832,021	8,460,798	49,928,314
Other Employee Benefits	0	0	9,688,812	3,421,526	1,704,864	5,502,235	20,317,437	274,196	3,390,661	3,664,857	23,982,294
Travel	39,596	0	378,623	1,088,188	136,837	288,155	1,931,399	66,565	224,188	290,753	2,222,152
Appropriation to Divisions and Institutions	57,651,675	7,190,687	0	0	16,281,878	79,050	81,203,290	3,133,251	0	3,133,251	84,336,541
Extraordinary Tithe Distributions	1,930,000	0	0	0	0	0	1,930,000	0	0	0	1,930,000
Donor Advised Distributions	0	0	0	0	13,372,083	0	13,372,083	0	0	0	13,372,083
Endowment, Annuity and Other Distributions	0	0	0	0	0	2,219,265	2,219,265	0	0	0	2,219,265
Depreciation	0	0	0	0	0	0	0	0	3,669,482	3,669,482	3,669,482
Office Expense	240,749	260,133	453,762	2,346,025	17,031,789	4,321,984	24,654,442	2,123,762	7,286,546	9,410,308	34,064,750
Total Expenses	62,131,540	7,823,134	22,547,961	19,502,685	51,979,735	23,110,377	187,095,432	6,226,551	22,402,898	28,629,449	215,724,881

YEAR ENDED
DECEMBER 31, 2020

PROGRAM SERVICES

SUPPORT SERVICES

	Appropriations	Special Appropriations	ISE	GCAS	GC Administered	Other Programs	Total Programs	GC Administered	Office Operating	Total Support	Total
Salaries and Wages	2,321,365	307,683	12,436,944	12,242,281	3,836,278	11,415,260	42,559,811	24,901	9,277,423	9,302,324	51,862,135
Other Employee Benefits	0	0	9,553,941	3,207,008	1,763,735	5,728,106	20,252,790	13,186	3,570,855	3,584,041	23,836,831
Travel	40,083	18,117	354,689	1,793,465	147,944	507,228	2,861,526	38,303	420,729	459,032	3,320,558
Appropriation to Divisions and Institutions	57,293,108	9,381,512	0	0	17,360,487	170,650	84,205,757	1,338,197	0	1,338,197	85,543,954
Extraordinary Tithe Distributions	1,530,000	0	0	0	0	0	1,530,000	0	0	0	1,530,000
Donor Advised Distributions	0	0	0	0	10,128,083	0	10,128,083	0	0	0	10,128,083
Endowment, Annuity and Other Distributions	0	0	0	0	0	544,894	544,894	0	0	0	544,894
Depreciation	0	0	0	0	0	0	0	0	3,830,930	3,830,930	3,830,930
Office Expense	258,501	285,540	494,918	2,247,056	18,102,954	3,513,785	24,902,754	3,956,560	6,280,979	10,237,539	35,140,293
Total Expenses	61,443,057	9,992,852	22,840,492	19,489,810	51,339,481	21,879,923	186,985,615	5,371,147	23,380,916	28,752,063	215,737,678

Combined Statement of Cash Flows

YEARS ENDED
DECEMBER 31

2021

2020 as Restated


Cash Flows from Operating Activities:

Net Increase (decrease) in Net Assets	63,818,577	6,267,937
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	3,669,482	3,830,930
Loss (gain) on disposition of Plant Assets	(10,213,443)	2,307
Realized and unrealized (gain) loss on investments	(4,296,918)	(1,351,972)
(Increase) decrease in Accounts Receivable	2,998,761	(3,754,707)
(Increase) decrease in Inventories and Prepaid Expense	283,377	(635,410)
Increase (decrease) in Accounts Payable	5,628,652	1,633,834
Increase (decrease) in Agency Funds	57,806	20,736
Increase (decrease) in Appropriations Payable	(206,501)	(402,336)
Increase (decrease) in Deferred Income	0	(351,598)
Total adjustments	(2,078,784)	(1,008,216)
Net Cash Provided (Used) by Operating Activities	61,739,793	5,259,721

Cash Flows from Investing Activities:

Securities sold	2,381,935	66,813,693
Securities purchased/donated	(56,195,088)	(31,458,357)
(Increase) decrease in Notes and Loans Receivable	(774,140)	266,039
Purchase of Plant Assets	(3,003,194)	(9,106,523)
Proceeds from sale of Plant Assets	20,371,804	0
(Increase) decrease in Other Operating Assets	400	400
(Increase) decrease in Other Than Operating Assets	(13,741,123)	1,867,670
Increase (decrease) in Other Than Operating Liabilities	(365,052)	1,737,600
Net Cash Provided (Used) by Investing Activities	(51,324,458)	30,120,522
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	10,415,335	35,380,243
CASH AND EQUIVALENTS, January 1	151,379,565	115,999,322
CASH AND EQUIVALENTS, December 31	161,794,900	151,379,565

See accompanying notes to combined financial statements.

The background of the left sidebar features a close-up, slightly blurred image of US dollar bills, showing the '100' and '1000' denominations and the 'UNITED STATES OF AMERICA' text.

Notes to Combined Financial Statements

Note 1 - Summary of Accounting Policies:

Basis of Accounting - The financial statements of the General Conference are prepared on the accrual basis of accounting.

Combined Financial Statements - The combined financial statements include the accounts of the funds of the General Conference of Seventh-day Adventists (a not-for-profit religious association), and the General Conference Corporation of Seventh-day Adventists (a District of Columbia not-for-profit religious corporation) and the accounts of Review and Herald Publishing Association, Inc., which are under the direct accounting control of the General Conference Treasury Department and are identified under Fund Accounting. Material inter-fund balances and transactions are eliminated.

Fund Accounting - To facilitate observance of limitations and restrictions placed on the use of available resources, the accounts are maintained in accordance with the principles of fund accounting. Funds are established according to the nature and purpose of resources available to the General Conference. The assets, liabilities, net assets

and financial activity of the General Conference are recorded in the following self-balancing fund groups:

Operating Funds – includes net assets without donor restrictions and purpose restricted net assets with donor restrictions for current operations.

Plant Fund - includes property and equipment owned and used directly in the operation of the General Conference. On behalf of certain affiliated organizations, the General Conference Corporation has granted limited power of attorney in connection with real estate transactions where the affiliate does not have access to a local corporate entity for title-holding purposes. The property and related debt, if any, are recorded on the books of the affiliate and are not recorded by the General Conference Corporation.

Other Funds:

Annuities Fund - used to account for gift annuities wherein the General Conference is beneficiary. Under the agreements with the donors, which are irrevocable, assets are transferred to the

General Conference in exchange for periodic annuity payments to be made by the General Conference for the lifetime of the annuitant(s). In accordance with denominational policy, the gift factor of the gift annuity is not expendable until the annuity matures. Segregating these assets in a separate Fund assures that they will be used solely to make annuity payments.

Denominational policy of retaining the net assets (\$550,855 and \$439,420 at December 31, 2021 and 2020 respectively) in excess of the liability for annuity payments (\$12,215,929 and \$10,679,168 at December 31, 2021 and 2020 respectively) provides adequate reserves for the protection of annuitant(s).

Life Income and Irrevocable Trust Fund - used to account for life income donor agreements and irrevocable and charitable remainder trusts. These funds are classified as net assets with donor restrictions during the lifetime of the donor. Revocable trusts for which the General Conference is trustee but is not a beneficiary are excluded from the financial statements.

Endowment Funds:

True Endowment - established pursuant to donor gifts where the principal is to

be maintained in perpetuity and invested for the purpose of producing income for general operations or for a specific function.

Quasi-Endowment - established to accomplish purposes similar to true endowments except that the Fund is established by the General Conference rather than by donors. As such, the General Conference may terminate a quasi-endowment at its discretion. These funds are classified as without restrictions.

Term Endowments - established pursuant to donor gifts where the principal is to be invested to produce income for the purposes of the endowments. The principal may be expended according to the terms of the endowment agreements.

Review and Herald Publishing Association, Inc. – A publisher with printing and distribution functions for North America and overseas through denominational publishing houses located around the world.

Functional Allocation of Expenses - The costs of the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional

expenses presents the natural classification of expenses that are allocated to program or supporting functions of the General Conference. Accordingly, certain departmental expenses have been allocated between the programs and supporting services benefited. Fund raising has not been segregated on the basis of immateriality (approximately 1% of total expenses). For purposes of reporting functional activities, departmental expenses relating to supporting constituent organizations have been allocated to program and supporting services.

Contract Revenue - Contract revenue recognized by the General Conference is comprised of contracts with related entities for professional services performed by General Conference Auditing Services. Contract revenue received is not recognized as revenue until the revenue is earned, which is when the activities or services are provided, and the General Conference does not believe it is required to provide additional activities or services. These revenues are recognized over time as the performance obligations are satisfied through the effort expended to perform the necessary professional services. As a result, deferred revenue and accounts receivable are recorded for any amount for which the General

Conference has a right to invoice but for which services have not been provided.

Contribution Revenue - Contributions of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets

without donor restrictions are reported when the long-lived assets are placed in service.

Unconditional contributions expected to be collected within one year are reported at their net realizable value. Unconditional contributions expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional contributions depend on the occurrence of a specified future and uncertain event to bind the donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

Current Assets and Current Liabilities - Only operating funds assets and liabilities are classified as current, when appropriate. This excludes from the current assets classification such resources as cash and claims to cash which are restricted as to withdrawal or use for other than current operations, are committee allocated for expenditure in the acquisition or construction of plant assets or for the liquidation of plant fund debt (even

if payable within the next fiscal year).

Cash Equivalents - Investments in Money Market Funds are stated at cost of \$1 per unit which approximates fair value.

Investments - Investments are recorded at fair value (reported net asset value of General Conference Unitized Funds). The change in the difference between fair value and cost is reflected in the Statement of Activities. Net investment return or loss is included in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less investment expenses. Income from investments is recorded in the fund owning the assets, except for Endowment Funds which is recorded directly in the Operating Fund or Other Fund(s) designated by the endowment instrument.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances of which the General Conference has an unconditional right to receive. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance

based on its assessment of the current status of individual accounts. Currently no allowance for doubtful accounts is considered necessary. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Inventories - Inventories of office and maintenance supplies and items for resale are recorded at the lower of cost (generally weighted average) or net realizable value. An allowance of \$435,515 and \$399,774 has been recorded as of December 31, 2021 and 2020, respectively, to reduce the carrying value to estimated net realizable value.

Plant Assets and Depreciation - Property and equipment owned and used directly by the General Conference is recorded at cost in the Plant Fund. Depreciation is computed over the estimated useful lives on the straight-line method. As discussed above, the General Conference Corporation is the legal entity for purposes of holding title to property on behalf of certain of its affiliated organizations. The Corporation may also have signed mortgages or other evidences of

indebtedness on behalf of its affiliates in connection with these properties. The property and related obligations, if any, which are recorded directly on the books of the affiliates, are not recorded by the General Conference Corporation. The Corporation capitalizes plant assets with a cost exceeding \$1,000 and a useful life in excess of three years.

Real Estate Investments - Investments in real estate are recorded at estimated fair value.

Investments in Affiliated Organizations - Investments in affiliated organizations are carried at original cost.

Agency Funds - Assets held on a temporary basis in an agency or custodial relationship for others are classified as Agency Funds Liabilities.

Accounting for Gift Annuities - Gift annuities are recorded by the actuarial method. Under this method, assets are recorded at fair value at date of gift. The corresponding credit is to annuities payable for the present value of the future annuity payments based upon acceptable life expectancy tables. Investment income and gains are credited, and

the contractual periodic payments to the annuitant and investment losses are charged to the annuities payable liability. Upon maturity of an annuity the remaining net assets are distributed generally to current operating funds.

Net assets - Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in specific purposes by action of management or the governing board are classified as Allocated Net Assets.

Net assets with donor restrictions - Net assets subject to donor imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as

revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished (See Note 18 and 21).

Use of estimates - The process of preparing financial statements in

conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon

settlement, actual results may differ from estimated amounts.

Reclassification - Certain prior year numbers have been reclassified to be in conformity with the current year presentation.

Note 2 - Reporting Entity:

In the fulfillment of its responsibility for all aspects of the Gospel message in the world field, the Seventh-day Adventist Church operates through the General Conference and 13 divisions. In accordance with denominational policy, separate financial statements are issued for each division and each of their affiliated entities as well as the General Conference and each of its affiliated entities. Management of the General Conference has not determined which of its numerous affiliated entities meet the criteria for consolidation pursuant to financial accounting standards.

The financial statements include only the funds identified in Note 1. GENCON Insurance Company of Vermont (a wholly-owned subsidiary of the General

Conference Corporation) is excluded from these combined financial statements, because, in the opinion of management, inclusion of its assets, liabilities, net assets, activity and cash flows would not result in meaningful financial information to the General Conference constituency. Separate financial statements are issued for GENCON Insurance Company of Vermont.

The General Conference Treasury Department is responsible for investment management and accounting for the General Conference Money Fund Trust, Large Cap Fund Trust, Income Fund Trust, Global Opportunities Fund Trust, International Fund Trust, Emerging Markets Fund Trust, Small Cap Fund Trust, Opportunistic Liability Driven

Investment Fund Trust, Bond Fund Trust, Total Return Bond Fund Trust, NAD Corporate Bond Fund Trust, Capital Preservation Fund Trust, General Conference Tactical Fund Trust General conference Large Cap Index Fund Trust, General Conference Small Cap Index Fund Trust, General Conference International Index Fund Trust, General Conference Emerging Markets Index Fund Trust, and General Conference Private Equity Fund Trust (collectively, Unitized Funds). The Funds were created for the purpose of pooling funds of the General Conference and denominational entities exclusively for investment purposes. The General Conference holds these Funds in trust as mutual funds for the exclusive benefit of unit holders. Since

the General Conference does not have an economic interest in these assets they are excluded from the combined financial statements. See Notes 5, 6,

7 and 11 for the General Conference's direct investment in the Unitized Funds. Separate financial statements are issued for each of the Unitized Funds. Separate

financial statements are also issued for the North American Division, including Retirement and other Post Retirement Benefits Funds.

Note 3 - Nature of Operations, Risks and Uncertainties:

Nature of Operations - The General Conference is a component of the worldwide Seventh-day Adventist Church.

In accordance with denominational policy, the General Conference receives a specified percentage of the tithes and offerings collected by local churches throughout the world. Contributions from churches in North America represent approximately 48% in 2021 and 52% in 2020 of that total. Further, 11% in 2021 and 12% in 2020 of that total is from members in the Southern Union Conference and 8% in 2021 and 9% in 2020 is from members in the Pacific Union Conference. Such contributions are remitted in accordance with church policy through local Conferences and Unions to the North American Division of Seventh-day Adventists. All other concentrations of tithes and offerings individually represent less than 10% of the total.

The major program, which represents approximately 32% in 2021 and 33% in 2020 respectively of total expenses, consists of appropriations to the 13 operating divisions plus 2 attached unions and 1 attached field around the world, to several GC Institutions, and Board Units.

Program Definitions:

Appropriations - Appropriations are payments made to General Conference divisions, attached unions and institutions for operations and are funded from both tithe and non-tithe income.

Special Appropriations - Special Appropriations are payments made to General Conference divisions, attached unions and institutions for operations and are funded from both tithe and non-tithe income.

ISE Funding - This includes the administrative costs and support for inter-division employees (missionaries). Funding is provided from tithe income.

General Conference Auditing Service - This includes the administrative costs and support for general conference auditing service personnel. Funding is provided from tithe income.

GC Administered Funds - The source of the majority of these funds is temporarily restricted donations, but also some tithe and non-tithe income. These are administered as directed by the donors, and for various cost center special projects. (See Note 19).

Office Operating - Departmental Services that support the World Field.

Other Programs - These are primarily

expenses incurred in the operation of other funds, including Endowment, Annuities, and Life Income and Irrevocable Trusts.

Financial instruments and concentrations of credit risk - Financial instruments which potentially subject the General Conference to concentrations of credit risk consist principally of cash, investments and receivables. See Note 5 regarding disclosure about fair value of financial instruments.

Cash, which exceeded the federally insured limits throughout the year, is deposited with various financial institutions and is considered subject to minimal risk.

Cash equivalents and investments are disclosed in Notes 5, 6, 7 and 11 and consist primarily of units in the General Conference Money Fund, Unitized Funds, and other debt and equity securities.

General Conference Capital Preservation Fund – This fund has an objective to earn, in any rolling four calendar quarter period, at least 200 basis points more than would have been earned in a money market fund, with minimal probabilities that there would be an actual loss of value. The managers of the fund

use different strategies to achieve that goal and may use fixed income securities, stocks, index funds, and options in carrying out their strategies.

General Conference Bond Fund – The fund invests primarily in bonds, however, shall not be restricted to the foregoing if conditions indicate the use of additional types of investments. At the present time, the managers' mandate is based on a portfolio of bonds invested in United States issuers.

General Conference Total Return Bond Fund – The fund utilizes a broad range of fixed income instruments and is not constrained to follow the allocation of any Bond Index.

General Conference Income Fund – The goal of the income fund is to earn a relatively high level of current investment income while preserving capital. A flexible investment diversification policy is followed. Investments are primarily made in government and corporate notes and bonds, preferred stocks and higher yielding common stocks. First and second mortgages/trust deeds and limited amounts of intra-denominational loans are also used. The fund is not restricted to the foregoing if conditions indicate the use of additional types of investments.

General Conference Large Cap Fund – Investments are primarily made in the common stocks of US companies which are considered to have a large market capitalization, however the Fund is not restricted to the foregoing if conditions indicate the use of additional investments. The performance of the Fund's current managers is benchmarked against either the Russell 1000 Growth Index or Russell 1000 Value Index or the S&P 500 index depending on their style assignment.

General Conference Small Cap Fund – Investments are primarily made in the common stocks of US companies which are considered to have a small market capitalization, however the Fund is not restricted to the foregoing if conditions indicate the use of additional investments. The performance of the Fund's current managers is benchmarked against either the Russell 2000 Growth Index or Russell 2500 Value Index or the S&P 1000 index depending on their style assignment.

General Conference International Fund – Investments are primarily made in foreign preferred and common stocks of companies classified as part of EAFE, however the Fund is not restricted to the foregoing if conditions indicate the

use of additional types of investments. A flexible investment diversification policy shall be followed as determined by the governing committees appointed by the corporation. At the present time the manager's mandate is based on the Morgan Stanley Capital International (MSCI) – Europe Australia Far East index.

General Conference Emerging Markets Fund – Investments are primarily made in foreign preferred and common stocks of companies classified as Emerging Markets, however the Fund is not restricted to the foregoing if conditions indicate the use of additional types of investments. A flexible investment diversification policy shall be followed as determined by the governing committees appointed by the corporation. At the present time the manager's mandate is based on the Morgan Stanley Capital International (MSCI) – Emerging Markets Free index.

General Conference Global Opportunities Fund – The fund is a multi-asset class fund in which managers tactically change allocations across a broad spectrum of asset classes using mutual funds and direct ownership of stocks, bonds, and other securities. The resulting portfolio is intended to be more aggressive than a fixed income fund but

less aggressive than equity funds while over a 3-5 year period outperforming the S&P500, 1-10 year inflation protected bonds and, by at least 5%, changes in the Consumer Price Index.

Mellon/SDA Fixed Income Partnership Fund – The Mellon/SDA Fixed Income Partnership Fund invests in fixed income securities and is benchmarked against Barclays US Aggregate Bond Index, except for those index members whose business is deemed by a committee of Seventh-day Adventists to have more than minimal involvement in activities inconsistent with Church teachings.

Mellon/SDA Equity Partnership Fund – The Mellon/SDA Equity Partnership Fund invests in marketable equity securities with the objective to consistently add value to its assigned blended benchmark which is primarily the Russell 3000 index, except for those index members whose business is deemed by a committee of Seventh-day Adventists to have more than minimal involvement in activities inconsistent with Church teachings.

General Conference Tactical Fund - The fund is intended to be used on a portfolio to provide tactical asset allocation adjustments to the overall risk/return characteristics of the portfolio to

enhance performance. The fund utilizes investments in the SDA Index Funds which can include any fixed income or equity index fund. The allocations to the underlying SDA Index funds within the GC Tactical Fund is adjusted monthly according to the Tactical Asset Allocation Guidance program developed by Parala Capital for the GC Investment Office. The use of the GC Tactical Fund in portfolio is dependent on the objective and the risk appetite for the portfolio and the allocation can range from 5% to 30%. The fund does not have a specific benchmark, however, the performance of the entire portfolio should be evaluated against a blended benchmark of the MSCI All Country World Index for equities and the Barclays Bloomberg Aggregate Bond Index.

General Conference Private Equity Fund – The fund will invest in private equity funds to provide exposure for portfolio to alternative asset classes which provide diversification from the public equity markets. Private equity funds do have a long term commitment due to the nature of the underlying investments that private equity funds make. Correspondingly, the GC Private Equity Fund should be utilized in long term portfolios which have the ability

to withstand some initial price volatility. The assets of the fund will be reinvested into new issues of private equity funded as capital and income are returned over time. The fund will allocate capital to private equity managers deemed to have a strong and well established track record and organizational competencies in adding value to companies in which it invests and generating strong returns to limited partners investors.

General Conference Large Cap Index Fund - The General Conference Large Cap Index Fund is a single asset class investment in which the fund will seek to track a market-cap-weighted index of US large-cap stocks represented by the S&P500, but will exclude investments which are deemed to be incongruent with Seventh-day Adventist values. The fund will accomplish this by investing in another fund which follows the S&P500 index, but excludes stocks of companies that are restricted by the GC Corporation, such as the SDA Large Cap Equity Index Fund. The resulting portfolio is intended to perform in line with the S&P500, however slight variance due to investment restrictions and operating costs may occur.

General Conference International Index Fund Trust - The General

Conference International Index Fund is a single asset class investment in which the fund will seek to track a market-cap-weighted index of international developed market large cap stocks represented by the MSCI EAFE Index, but will exclude investments which are deemed to be incongruent with Seventh-day Adventist values. The fund will accomplish this by investing in another fund which follows the MSCI EAFE index, but excludes stocks of companies that are restricted by the GC Corporation, such as the SDA International Equity Index Fund. The resulting portfolio is intended to perform in line with the MSCI EAFE, however slight variance due to investment restrictions and operating costs may occur.

General Conference Small Cap Index Fund Trust - The General Conference Small Cap Index Fund is a single asset class investment in which the fund will seek to track a market-cap-weighted index of US mid and small cap stocks represented by the S&P1000, but will exclude investments which are deemed to be incongruent with Seventh-day Adventist values. The fund will accomplish this by investing in another fund which follows the S&P1000 index, but excludes stocks of companies that are

restricted by the GC Corporation, such as the SDA Mid/Small Cap Equity Index Fund. The resulting portfolio is intended to perform in line with the S&P1000, however slight variance due to investment restrictions and operating costs may occur.

General Conference Emerging Markets Index Fund Trust - The General Conference Emerging Markets Index Fund Trust is a single asset class investment in which the fund will seek to track a market-cap-weighted index of emerging market stocks represented by the MSCI Emerging Markets Index, but may exclude investments which are deemed to be incongruent with Seventh-day Adventist values. The fund will accomplish this by investing in another fund which follows the MSCI EAFE index, but may exclude stocks of companies that are restricted by the GC Corporation. The resulting portfolio is intended to perform in line with the MSCI EAFE, however slight variance due to investment restrictions and operating costs may occur.

The Unitized Funds have a substantial portfolio of intra-denominational loans. The General Conference's proportionate interest in the intra-denominational loan portfolio of the General Conference Unitized Funds (see Note 7) is

approximately \$9.8 million and \$7.8 million at December 31, 2021 and 2020 respectively. This investment, together with the intra-denominational notes and loans receivable disclosed in Note 10, represent approximately 2.0% and 3.6% in 2021 and 2020 respectively of net assets without restrictions.

The related parties to whom these loans are made rely in substantial part on operating appropriations from the General Conference. In the event such appropriations were significantly reduced, the borrowers' ability to repay the loans could be adversely affected.

The General Conference's exposure to credit risk with respect to receivables as disclosed in Notes 8, 10 and 11 consists primarily of amounts due from the various Divisions of the worldwide Seventh-day Adventist Church.

The General Conference has an investment interest in a single retail entity (received primarily through donations). The investment represents approximately 9.7% and 7.1% of total net assets at December 31, 2021 and 2020 respectively.

The South American Division and the Inter-American Division account for 28% and 24%, respectively, of total Foreign Currency exposure for 2021. Further, the South American Division

and the Inter-American Division account for 31% and 21%, respectively, of total Foreign Currency exposure for 2020. The General Conference may enter into foreign currency exchange contracts primarily to facilitate the payment of appropriations to overseas Divisions and hedge against foreign currency exchange rate risks. When entering into forward currency contracts, the General Conference agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price at a future date. These contracts are valued daily, and the General Conference's unrealized gain or loss on the contracts measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date is included in the statement of activities. Realized gains or losses attributable to the sale or maturity of contracts are also included in the statement of activities. These instruments involve market risk, credit risk, or both kinds of risk in excess of the amount recognized in the financial statements. Risk arises from the possible inability of counterparties to meet the terms of their contracts and from movement of currency and security values and interest rates. There were no outstanding foreign exchange contracts at

December 31, 2021 and 2020, respectively.

The General Conference evaluates events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through April 11, 2022 which is the date the statements were available for issuance.

The General Conference takes tax positions based on interpretation of federal, state and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state and local tax returns generally remain open for examination by the various taxing authorities for a period of four to five years. See Note 10 regarding collateral.

Note 4 – Liquidity and Availability:

The following reflects the General Conference's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the statement of financial position. Amounts not available include

amounts allocated by the Executive committee and in the quasi-endowment that could be drawn upon if the governing body approves that action. Amounts appropriated from either the donor-restricted endowment or quasi-endowment for general expenditures within one year of the date of the statement

of financial position are considered available.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following at December 31:

	2021	2020 as Restated
Total current assets	464,356,190	399,106,994
Less excludable Items:		
Inventory and Prepaid expenses	(4,307,123)	(4,590,500)
Total financial assets at year-end	460,049,067	394,516,494
Less: Contractual or donor-imposed restrictions:		
Subject to expenditure for specified purpose	(46,535,996)	(41,030,958)
Less: Endowment fund:		
Perpetual funds	(2,188,761)	(2,188,761)
Quasi-endowment funds	(29,434,781)	(28,825,308)
Financial assets available to meet cash needs for general expenditures within one year before board designations	381,889,529	322,471,467
Less: Net assets designated by the Executive Committee:	(327,925,459)	(301,345,327)
Financial assets available to meet cash needs for general expenditures within one year	53,964,070	21,126,140

The General Conference is supported mainly by tithe and offerings. Tithe and offerings are substantially appropriated to Divisions and Institutions related to the General Conference. Because donor restricted contributions require resources to be used for specific purposes or in a future period, the General Conference must maintain sufficient liquidity to meet those restrictions. Therefore, certain financial assets may not be available for general

expenditure within 12 months. The General Conference structures its financial assets to be available when its general expenditures, liabilities, and other obligations come due; and in accordance with its working policy S 85 it invests cash in excess of daily requirements in short-term investments, government agency obligations, commercial paper, corporate bonds, and certificates of deposit).

The General Conference does not

maintain any available lines of credit, but in the event of an unforeseen liquidity need, the General Conference could access its allocated net assets at the discretion of the appropriate committee. In addition to financial assets available to meet general expenditures over the next 12 months, the General Conference anticipates receiving sufficient revenue to cover general expenditures not encumbered by donor restrictions.

Note 5 - Fair Value Measurement:

Accounting standards establish a hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements) when market prices are not readily available or reliable. The three levels of the hierarchy and valuation methodologies are described below:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others including net asset value of unitized or other mutual funds.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is

little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the General Conference's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available including information obtained from outside valuations and appraisals.

From time to time, changes in valuation techniques may result in reclassification of an investment's assigned level within the hierarchy.

The following is a market value summary by the level of the inputs used, as of December 31, 2021 in evaluating the General Conference's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities.

2021	Level 1	Level 2	Level 3	Total
Investments Measured at Fair Value:				
Equity Securities				
Gryphon	0	829,203	0	829,203
Interactive Brokers	0	10,750,627	0	10,750,627
Retail	0	0	51,497,880	51,497,880
Hudson Bay International	0	4,947,574	0	4,947,574
Mellon/SDA Equity Partnership Fund	21,114,592	0	0	21,114,592
Other	279	0	0	279
Fixed Income Securities				
Mellon/SDA Fixed Income Partnership Fund	0	16,283,108	0	16,283,108
Donated Property	0	0	229,452	229,452
US Treasury Bonds	5,063,672	0	0	5,063,672
Total Investments Measured at Fair Value	26,178,543	32,810,515	51,727,332	110,716,387
Investments Measured at Net Asset Value (NAV) of the units held at Year End:				
General Conference Capital Preservation Fund				54,290,726
General Conference Bond Fund				30,532,724
General Conference Income Fund				69,583,508
General Conference Global Opportunities Fund				10,696,044
General Conference Total Return Bond Fund				25,245,459
General Conference Tactical Fund				19,123,139
General Conference Private Equity Fund				1,669,237
Total Investment Measured at Net Asset Value (NAV) of the units held at Year End				211,140,837
Other assets measured at Fair Value:				
Notes and loans receivable	0	2,794,513	0	2,794,513
Total Other assets measured at Fair Value	0	2,794,513	0	2,794,513
				324,651,737

The following is a market value summary by the level of the inputs used, as of December 31, 2020 in evaluating the General Conference's assets and liabilities carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities

2021	Level 1	Level 2	Level 3	Total
Investments Measured at Fair Value:				
Equity Securities				
Gryphon	0	855,674	0	855,674
Interactive Brokers	0	2,584,936	0	2,584,936
Retail	0	0	36,834,057	36,834,057
Mellon/SDA Equity Partnership Fund	20,073,453	0	0	20,073,453
Other	2,684	0	0	2,684
Fixed Income Securities				
Mellon/SDA Fixed Income Partnership Fund	0	13,785,263	0	13,785,263
Donated Property	0	0	229,852	229,852
US Treasury Bonds	5,063,672	0	0	5,063,672
Total Investments Measured at Fair Value	25,139,809	17,225,873	37,063,909	79,429,591
Investments Measured at Net Asset Value (NAV) of the units held at Year End:				
General Conference Capital Preservation Fund				53,809,816
General Conference Bond Fund				31,159,958
General Conference Income Fund				57,123,117
General Conference Global Opportunities Fund				507,821
General Conference Total Return Bond Fund				22,694,992
General Conference Tactical Fund				15,017,873
General Conference Private Equity Fund				1,302,924
Total Investment Measured at Net Asset Value (NAV) of the units held at Year End				181,616,501
Other assets measured at Fair Value:				
Notes and loans receivable	0	2,020,491	0	2,020,491
Total Other assets measured at Fair Value	0	2,020,491	0	2,020,491
				263,066,583

The following is a reconciliation of the beginning and ending balances of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended December 31, 2021 and 2020.

	Equity Securities	Donated Property	Real Estate	Total
Balance at January 1, 2020	55,180,398	230,252	0	55,410,650
Total gains or losses (realized or unrealized) included in changes in net assets	(2,684,565)	0	0	(2,684,565)
Donations	13,934,154	0	0	13,934,154
Proceeds from sales	(29,595,930)	(400)	0	(29,596,330)
Balance at December 31, 2020	36,834,057	229,852	0	37,063,909
Total gains or losses (realized or unrealized) included in changes in net assets	(191,810)	0	0	(191,810)
Donations	14,855,633	0	0	14,855,633
Proceeds from sales	0	(400)	0	(400)
Balance at December 31, 2021	51,497,880	229,452	0	51,727,332

Note 6 - Cash and Equivalents:

Cash and Equivalents consist of:

	2021	2020
Cash on hand	1,588,125	2,011,732
Cash in banks	23,157,472	19,634,979
Money funds - GC	137,049,303	129,732,854
	161,794,900	151,379,565
Agency funds included in cash & equivalents	3,259,259	3,201,453

Note 7 – Investments:

Investments consist of the following:

	2021	2020
General Conference Unitized Funds	211,140,837	181,616,501
Equity Securities	89,140,155	60,350,804
Debt Securities	16,283,108	13,785,263
US Government Securities	5,063,672	5,063,672
Other	229,452	229,852
Fair Value	<u>321,857,224</u>	<u>261,046,092</u>
Classified as:		
Current Investments	252,026,090	193,916,018
Other Operating Assets	29,900	30,300
Other than Operating Assets (Note 11)		
- GC Unitized	51,488,994	50,209,947
- Other	<u>18,312,240</u>	<u>16,889,827</u>
	<u>321,857,224</u>	<u>261,046,092</u>
GC's interest of the Unitized Funds in which it has ownership is:	<u>20%</u>	<u>17%</u>

Note 8 - Accounts Receivable and Deferred Income:

Accounts Receivable consist of:

	2021	2020 as Restated
North American Division	15,238,996	12,625,579
Overseas Divisions	26,312,240	35,083,754
General Conference Organizations	482,037	311,951 *
Other (Individually less than 5% of total accounts receivable)	<u>4,089,550</u>	<u>1,100,301</u>
	<u>46,122,823</u>	<u>49,121,585</u>

* Inter-Fund eliminations: 2021 - \$ 0 and 2020 - \$2,352,750

Deferred Income: The General Conference records deferred revenue when cash payments are received or due in advance of the Organization's performance, including amounts which are refundable. Beginning and ending balances for deferred income is reported as follows for the year ended December 31:

	2021	2020
Deferred income, beginning of year	<u>31,671</u>	<u>383,269</u>
Deferred income, end of year	<u>31,671</u>	<u>31,671</u>

Note 9 - Plant Assets:

Plant Assets consist of:

Continued operations -	2021	2020
Land and Improvements	6,064,500	6,476,598
Buildings and Improvements	60,257,863	61,415,543
Equipment	25,084,998	25,920,836
	91,407,361	93,812,977
Less Accumulated Depreciation	50,499,937	52,050,640
Net Plant Assets	40,907,424	41,762,337
Depreciation and amortization	3,669,482	3,830,930

Depreciable Lives (Years): Land Improvements 10; Buildings 50-75; Equipment 3-10

Discontinued operations -	2021	2020
Land and Improvements	0	6,606,434
Buildings and Improvements	0	12,148,642
Equipment	0	1,151,588
	0	19,905,664
Less Accumulated Depreciation	0	9,936,928
Net Plant Assets	0	9,969,736
Depreciation and amortization	0	0

Depreciable Lives (Years): Due to the discontinuation of operations, the Hagerstown property was reclassified as held for sale and as such no additional depreciation is recorded. Equipment was written down to a book value of zero due to impairment from the discontinuation of operations.

Note 10 - Notes and Loans Receivable:

Notes and Loans Receivable consist of:

	2021	2020
General Conference Employee Housing Loans, secured by first and second mortgages / trust deed	2,561,296	1,801,528
General Conference organizations, medical and dental students and graduates, and others, less allowance of \$281,312 in 2021 and \$281,312 in 2020 for uncollectible amounts	233,217	218,963
Total Notes and Loans Receivable	2,794,513	2,020,491
Classified as:		
Notes and Loans Receivable Current	105,253	99,326
Notes and Loans Receivable Long-term	2,663,205	1,894,992
Other Than Operating Assets (Note 11)	26,055	26,173
Total Notes and Loans Receivable	2,794,513	2,020,491
Estimated maturities of notes receivable at December 31 are as follows:		
2022	105,253	
2023	154,190	
2024	95,324	
2025	92,647	
2026	91,136	
Thereafter	2,245,963	
	2,794,513	
Notes receivable are carried at unpaid principal balances, less allowances for doubtful collection or contractual adjustments. Management periodically evaluates the adequacy of allowances based on past experience and potential adverse situations that may affect the borrower's ability to repay. It is management's policy to write off a loan only when they are deemed to be permanently uncollectible. Amounts past due were not material to the financial statements at December 31, 2021 and 2020.		
Interest Income on Notes and Loans Receivable	24	716

Note 11 - Other Than Operating Assets:

Other Than Operating Assets consist of:

	Operating Funds	Plant Fund	Other Funds	2021 Total	2022 Total
Cash & Equivalents	0	9,734,855	3,381,171	13,116,026	3,161,739
Cash Equivalents Held for Others	40,664,507	0	0	40,664,507	36,720,616
Less Liability for Cash Equivalents Held for Others	(40,664,507)	0	0	(40,664,507)	(36,720,616)
Investments (see Note 7):					
GC Unitized Funds	0	20,647,816	30,841,178	51,488,994	50,209,947
Other	199,552	0	18,112,688	18,312,240	16,889,827
Notes Receivable (see Note 10)	0	0	26,055	26,055	26,173
Receivables	0	0	157,683	157,683	537,598
Other	0	3,955,153	2,901,555	3,131,125*	1,665,716
Investments in Wholly Owned Subsidiaries:					
GENCON Agency, Inc.(cost)	0	0	95,000	95,000	95,000
	<u>199,552</u>	<u>34,337,824</u>	<u>55,515,330</u>	<u>86,327,123*</u>	<u>72,586,000</u>

* Inter-Fund eliminations: 2021 - \$3,725,583 and 2020 – \$1,150,000

Note 12 - Accounts Payable:

Accounts Payable consist of:

	2021	2020
Overseas Divisions	20,040,087	11,838,331
General Conference Organizations	2,655,562	2,967,480
Accrued Expenses and Other	15,809,139	18,070,325
	<u>38,504,788</u>	<u>32,876,136</u>

Note 13 - Other Than Operating Liabilities:

Other Than Operating Liabilities are composed of:

	Operating Funds	Plant Fund	Other Funds	2021 Total	2022 Total
Accounts Payable	0	72,227	1,328,923	1,401,150	3,480,511
Due to Other Funds	0	0	123,248	0*	0
Annuities Payable	0	0	12,215,929	12,215,929	12,228,482
Trusts and Life Income Payables	0	0	5,075,966	5,075,966	3,349,104
	<u>0</u>	<u>72,227</u>	<u>18,744,066</u>	<u>18,693,045</u>	<u>19,058,097</u>

* Inter-Fund eliminations: 2021 - \$ 123,248 and 2020 - \$ 12,838,498

Note 14 - Retirement Plan and Other Post-retirement Benefits:

The General Conference and Review and Herald Publishing Association, Inc. participate in the Seventh-day Adventists Retirement Plan of the North American Division. The Plan is a multi-employer, non-contributory defined benefit plan which covers substantially all employees of the General Conference, General Conference institutions and all Conference organizations in the North American Division. The Plan, which is exempt from provisions of the Employee Retirement Income Security Act of 1974 (ERISA), provides retirement, disability and survivor benefits. Participating organizations have agreed to contribute such amounts as necessary to provide assets sufficient to meet the benefits to be paid to plan members. Contributions to the Plan are based on a percentage of basic remuneration and on a percentage of extraordinary tithe revenue, subject to change from time to time as determined by the North American Division Committee.

Regular contributions by the General Conference and Review and Herald amounted to approximately \$6,800,505 and \$27,912, respectively in 2021 and \$6,863,000 and \$26,056, respectively in

2020. Since it is a multi-employer plan, it is not possible, nor is it required, to determine the actuarial present value of accumulated benefits or plan net assets for the General Conference or other individual participating employers. However, based on the latest actuarial evaluation of the Plan, as of December 31, 2020 the actuarially computed value of accumulated benefits exceeded the net assets of the Plan by approximately \$1.10 billion.

For the plan year ended December 31, 2021, the contributions received from all plan participants were \$120,772,828 and the net assets available for benefits were \$360,211,817.

The General Conference and Review and Herald are also participating in a multi-employer defined contribution retirement plan. The basic employer contribution rate for 2021 and 2020 is 5% of the NAD remuneration factors. In addition employers contribute up to 3% of remuneration on a matching basis for 2021 and 2020. Contributions to the defined contribution plan were approximately \$2,433,000 and \$10,402, respectively in 2021 and \$2,563,000 and \$11,556, respectively in 2020 by the

General Conference and Review and Herald Association, Inc., respectively.

Upon implementation of the new defined contribution plan, accrual of service credit in the defined benefit plan was frozen (except for employees choosing the career completion option). The General Conference, together with other participating employers, expect to continue contributions to the defined benefit plan.

The General Conference also contributed approximately \$1,423,000 in 2021 and \$1,436,000 in 2020 to the NAD Retiree Auxiliary benefit funds to provide health care and funeral assistance to eligible retirees. Review and Herald Association made no such contributions.

Based on the latest actuarial evaluation of the Plan, as of December 31, 2020, the actuarially computed value of accumulated benefits exceeded the net assets of the Plan by approximately \$309 million.

For the plan year ended December 31, 2021, the contributions received from all plan participants were \$44,236,352 and the net assets available for benefits were \$132,382,939.

The risks of participating in multi-employer plans are different from single-employer plans, in the following aspects:

- Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers
- If a participating employer stops contributing to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers
- If the General Conference chooses to stop participating in a multiemployer plan,

the General Conference may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Note 15 - Related Party Transactions:

Essentially all transactions, other than certain investments and the purchase of goods and services, are with related funds and organizations. Certain

administrative and building occupancy expenses are reimbursed by related funds and/or organizations.

Note 16 - Income Tax Status:

The General Conference and its affiliated organizations are exempt from federal, state, and local income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code.

Note 17 - Commitments and Contingencies:

Direct Obligations - The General Conference Corporation has signed mortgages and/or other evidences of indebtedness on behalf of certain of its affiliates. Those obligations, which are the primary responsibility of the affiliates and are recorded directly on their books, are excluded from these combined financial statements. The dollar amount of the General Conference's contingent exposure on these loans is not known. In any event it is management's opinion that

the collateral value of the underlying properties would mitigate the GC's exposure in the event of any default by an affiliate. (See Note 1)

Guarantees - The General Conference Corporation has guaranteed the payment of workers' compensation liabilities incurred by certain affiliates as permissibly self-insured under applicable state laws. The various affiliates have signed agreements to indemnify the General

Conference in the event it becomes obligated under its guarantees.

The General Conference has guaranteed certain employee loans of the General Conference Income Fund Trust and other General Conference organizations.

Retirement Obligations - As disclosed in Note 14, the General Conference is a contributing employer, together with other affiliated employers in the North

American Division, to the Retirement Plans and Auxiliary Funds of the North American Division of Seventh-day Adventists.

In accordance with denominational policy the Defined Benefit Plans have not been funded on an actuarial basis. Participating organizations have agreed to contribute such amounts as necessary to provide assets sufficient to meet the benefits to be paid to plan members.

Litigation - The General Conference is involved in various lawsuits the outcome of which, in the opinion of management, will not have a material adverse effect on the financial position or activity of the Conference.

Blocked Currency - Approximately \$10.5 million of General Conference funds at December 31, 2021 (\$12.4 million in 2020) are on deposit in foreign accounts which are subject to governmental currency restrictions. Such amounts are excluded from the financial statements. During 2021, approximately \$4.4 million (\$5.7 million in 2020) was released from such restrictions and recognized as income in the combined Statement of Activities.



Note 18 - Net Assets With Donor Restrictions:

Net Assets With Donor Restrictions are available for the following purpose:

2021	31-Dec-20	Inflows	Outflows	31-Dec-21
Subject to expenditure for specified purpose:				
~Global Mission (GM) Restricted — Projects to spread advent message	12,150,611	3,608,581	(3,825,049)	11,934,143
Adventist education projects	3,213,566	112,923	(245,142)	3,081,347
~10/40 Window Restricted — Projects in 10/40 window	2,250,000	-	-	2,250,000
~Foreign Missions — Overseas projects	4,015,165	30,277	(4,000,000)	45,442
~Investment Offering Appropriation — Restricted offering	2,025,929	1,524,421	(1,850,000)	1,700,350
~GM Annual Sacrifice — Restricted offering	-	6,771,993	(5,310,461)	1,461,532
~Unusual Opportunities Offering — Projects in 10/40 window	3,385,919	609,986	(1,396,000)	2,599,905
~PRE 3AMC projects — Train professors and evangelists	-	6,200,000	(15,798)	6,184,202
~PUB - Project SCORE — Publishing of books for outreach	2,221,592	108,700	(149,980)	2,180,312
Other (individually less than 1,000,000)	11,768,176	10,989,912	(7,659,325)	15,098,763
	<u>41,030,958</u>	<u>29,956,793</u>	<u>(24,451,755)</u>	<u>46,535,996</u>
Endowment fund:				
Original gifts in perpetuity:				
Scholarships	36,637	-	-	36,637
Adventist World Radio (AWR)	1,684,911	-	-	1,684,911
General Activity	467,213	-	-	467,213
Total endowments	<u>2,188,761</u>	<u>-</u>	<u>-</u>	<u>2,188,761</u>
Total net assets with donor restrictions	<u>43,219,719</u>	<u>29,956,793</u>	<u>(24,451,755)</u>	<u>48,724,757</u>

2020

	31-Dec-19	Inflows	Outflows	31-Dec-20
Subject to expenditure for specified purpose:				
~Global Mission (GM) Restricted — Projects to spread advent message	13,537,053	4,728,380	(6,114,822)	12,150,611
Adventist education projects	4,405,220	211,663	(1,403,317)	3,213,566
~10/40 Window Restricted — Adventist Mission offering	-	2,250,000	-	2,250,000
~Foreign Missions — Overseas projects	4,007,046	8,119	-	4,015,165
~Investment Offering Appropriation — Restricted offering	2,436,486	1,339,443	(1,750,000)	2,025,929
~Children's Ministry (CHM) Armor of God — Projects for children's spiritual growth	1,100,620	-	(193,141)	907,479
~Unusual Opportunities Offering — Projects in 10/40 window	776,826	2,784,093	(175,000)	3,385,919
~Hope for Kolkata (H4K) — Church planting project in India	1,086,593	25,000	(397,929)	713,664
~PUB - Project SCORE — Publishing of books for outreach	-	2,235,376	(13,784)	2,221,592
Other (individually less than 1,000,000)	8,625,651	12,694,602	(11,173,220)	10,147,033
	<u>35,975,495</u>	<u>26,276,676</u>	<u>(21,221,213)</u>	<u>41,030,958</u>
Endowment fund:				
Original gifts in perpetuity:				
Scholarships	36,637	-	-	36,637
Adventist World Radio (AWR)	1,684,911	-	-	1,684,911
General Activity	467,213	-	-	467,213
Total endowments	<u>2,188,761</u>	<u>-</u>	<u>-</u>	<u>2,188,761</u>
Total net assets with donor restrictions	<u>38,164,256</u>	<u>26,276,676</u>	<u>(21,221,213)</u>	<u>43,219,719</u>

Note 19 - GC Administered Funds Expenses:

GC Administered Funds Expenses consist of:

OPERATING FUNDS:	2021	2020
Donor Advised Fund Distributions	13,372,083	10,128,083
Adventist Mission	7,452,701	10,695,253
AR Adventist World	5,881,391	5,646,836
13th Sabbath	3,604,214	3,117,920
Excess Liability Insurance Appropriation	2,752,236	2,835,316
Disaster & Famine Relief	2,687,838	2,177,180
Investment Offering Appropriations	1,850,000	1,750,000
Digital Evangelism Initiative	1,818,041	1,661,625
TRE Stewardship Initiative Xt	1,583,251	818,960
Contingencies (Wb)	1,550,000	460,000
General Conference Session	383,024	1,855,652
~WHT Internet Dev Proj (Rstd)	1,242,641	1,131,973
Biblical Research Institute	806,515	1,027,683
Other (Individually less than \$1,000,000.00)	13,222,351	13,404,148
	<u>58,206,286</u>	<u>56,710,629</u>

Note 20 - Split-Interest Agreements:

The General Conference is beneficiary of certain gift annuities and life income and irrevocable trusts as discussed in Note 1. The assets, liabilities, net assets and activity of these agreements are included in “Other Funds.”

Summarized Financial information pertaining to these agreements is as follows:

	2021	2020
Cash and Investments at fair value	16,363,797	14,865,870
Other Assets	2,612,765	2,668,878
Annuity and Life Income Payables	17,291,895	15,576,086
Other Liabilities	0	0
Net Assets		
With Donor Restrictions	1,490,697	1,785,930
Without Donor Restrictions	192,470	172,732
Present Value Adjustment	5,138	(91,095)
Increase (Decrease) in Net Assets with Donor Restrictions	(295,233)	281,708
Increase (Decrease) in Net Assets without Donor Restrictions	19,738	20,361

The present value of payables is calculated using the federal mid-term rate applicable at inception of the agreements and IRS life expectancy tables.

Note 21 - Endowments:

Endowments consist of funds established for a variety of purposes and include both donor-restricted funds and funds internally designated to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The General Conference is subject to and has interpreted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) to permit the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the restricted endowment, (b) the original value of subsequent gifts to the restricted endowment, and (c) accumulations to the restricted endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until

those amounts are appropriated for expenditure by the General Conference. The General Conference considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

1. The duration and preservation of the fund.
2. The purposes of the General Conference and the donor-restricted endowment fund.
3. General economic conditions.
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 Conference.
7. The investment policies of the General Conference.

The General Conference has adopted endowment investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets.

The General Conference has adopted an endowment spending policy that directs it to budget the anticipated amount of endowment income and distribute based on budgeted amounts to the beneficiaries or programs specified by the endowment agreements.

In the event that the fair value of donor-restricted endowment funds falls below the level required to be maintained in perpetuity, the resulting deficiency is recognized within the same net asset classification as the endowed funds.

Changes in Endowment Net Assets are as follows:

	Without Donor Restrictions	With Donor Restrictions		
	Quasi - Endowment	Accumulated investment gains	Perpetual gifts	Total
Endowment Net Assets January 1, 2020	28,788,685	797,872	2,188,761	31,775,318
Investment Return:				
Investment Income	321,544	30,038	0	351,582
Net Appreciation (Depreciation) Realized and Unrealized	15,641	(150,945)	0	(135,304)
Total Investment Return	337,185	(120,907)	0	216,278
Contributions	0	372	0	372
Appropriation of Endowment Assets for Expenditure	(300,562)	(41,836)	0	(342,398)
Endowment Net Assets December 31, 2020	28,825,308	635,501	2,188,761	31,649,570
Investment Return:				
Investment Income	439,145	24,569	0	463,714
Net Appreciation (Depreciation) Realized and Unrealized	603,150	43,159	0	646,309
Total Investment Return	1,042,295	67,728	0	1,110,023
Contributions	10,554	1,503,892	0	1,514,446
Appropriation of Endowment Assets for Expenditure	(443,376)	(41,810)	0	(485,186)
Endowment Net Assets December 31, 2021	29,434,781	2,165,311	2,188,761	33,788,853

Note 22 – Increase (decrease) from discontinued operations:

Discontinued operations relating to the Review and Herald Publishing, Inc. for the years ended December 31 are as follows:

	2021	2020
Discontinued operations income		
Non-operating income	\$3,757,023*	\$62,584
Total other operating income from discontinued operations	\$3,757,023	\$62,584
Discontinued operations expense		
Accrued close down expense - salary and benefits	\$(52,302)	\$263,578
Accrued close down expense - miscellaneous	(18,907)	227,938
Closedown loss on sale of asset	-	-
Total other expense from discontinued operations	\$(71,209)	\$491,516
Net increase (decrease) from discontinued operations	\$3,828,232	\$(428,932)

* Inter – Fund eliminations: 2021 - \$3,753,000

Note 23 – Prior Period Adjustment and Restatement

The financial statements for the years ended December 31, 2020 and 2019 were restated to properly state revenue and accounts receivable. Net assets without donor restrictions as of December 31, 2020 and 2019 increased by \$7,480,430 and \$5,248,443, respectively. Changes for the years ended 2020 and 2019 are as follows:

	December 31, 2020		December 31, 2019	
	Previously Stated	Restated	Previously Stated	Restated
Accounts Receivable	41,641,154	49,121,584	40,118,434	45,366,877
Offerings	61,124,638	63,356,625	76,039,332	78,688,698
Net Assets Without Donor Restrictions				
January 1	418,494,905	423,743,348	395,651,498	398,250,575
December 31	417,475,392	424,955,822	418,494,905	423,743,348

Appendix

SOURCES OF FINANCIAL INFORMATION

The General Conference does not prepare a consolidated statement of all denominational organizations around the world, but the GC Archives and Statistics does accumulate and summarize some financial information from the financial statements and reports they receive. In this report we have used information from the GC's accounting records as well as from the Archives and Statistics reports. Unless otherwise indicated all figures are expressed in US Dollars.

ACCOUNTING TERMS AND SYNONYMS

There are a number of terms that are used in not-for-profit accounting that may not be familiar to all. In this section, an attempt is made to find synonyms for some of the accounting terms that may help the non-accountant reader better understand the information. An explanation of some of the accounting terms can also be found in Note 1 to the Audited Financial Statements included in this report. Some of the synonyms used are as follows:

Allocated – Designated or assigned
Appropriations – Subsidies or grants
Assets – Things of value
Cap – Spending limit
Donor Advised – Donor designated
Equities – Stocks
Expenditures – Expenses
Fixed Income – Bonds

GC Administered – GC managed
IDEs – Missionaries
Liabilities – Debts
Liquidity – Ability to pay commitments
Net Assets – Net Worth
Net Return – Net income
Restricted – Limited to purpose for which it can be used
Revenue – Income
Supplemental Appropriations – Extra subsidies
Unrestricted – Not limited as to purpose for which it can be used
Working Capital – Money needed for normal operations

ACRONYMS

GC – General Conference of Seventh-day Adventists

Divisions/Attached Fields

ECD – East-Central Africa
ESD – Euro-Asia
EUD – Inter-European
IAD – Inter-American
NAD – North American
NSD – Northern Asia-Pacific
SAD – South American
SID – Southern Africa-Indian Ocean
SPD – South Pacific
SSD – Southern Asia-Pacific
SUD – Southern Asia
TED – Trans-European
WAD – West-Central Africa
CHUM – Chinese Union Mission
IF – Israel Field
MENAUM – Middle East and North Africa Union Mission

Other

ADRA – Adventist Development and Relief Agency
AIIAS – Adventist International Institute of Advanced Studies
AIDS Office – Africa HIV/AIDS Office
Andrews – Andrews University
AUA – Adventist University of Africa
AWR – Adventist World Radio
CPI-U – US Consumer Price Index
GCAS – GC Auditing Service
GRI – Geoscience Research Institute
IDE – Inter-division Employee (Missionary)
ISE – International Service Employee
LLU – Loma Linda University
Loma Linda – Loma Linda University
SDA – Seventh-day Adventist
S&P 500 – Standard & Poor's 500 Composite Index
T-Bills – US Treasury Bills
US – United States

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EMMANUEL S D MANU

GENERAL CONFERENCE SESSION 2022
TREASURER'S REPORT

