

**ADVENT CHRISTIAN GENERAL CONFERENCE
OF AMERICA, INCORPORATED**

Charlotte, North Carolina

Audited Financial Statements

December 31, 2010

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Advent Christian General Conference of America, Incorporated
Charlotte, North Carolina

We have audited the accompanying statement of financial position of Advent Christian General Conference of America, Incorporated as of December 31, 2010, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organizations' management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Advent Christian General Conference of America, Incorporated's 2009 financial statements and, in our report dated July 12, 2010; we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Advent Christian General Conference of America, Incorporated as of December 31, 2010, and the results of activities, changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The individual fund financial statements and schedules on pages 15-21 are presented for additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rowell, Craven & Short, P.A.

May 10, 2011
Charlotte, North Carolina

FINANCIAL STATEMENTS

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Statements of Financial Position

December 31, 2010

(With Comparative Totals as of December 31, 2009)

ASSETS	2010	2009
Current assets:		
Cash on hand and invested	\$ 1,151,276	\$ 1,082,357
Investments (Note 3)	19,305	186,258
Investments - temporary (Note 3)	1,251,932	145,330
Accounts receivable (Note 2)	14,164	13,262
Inventories (Note 1)	103,670	94,987
Prepaid expenses	7,250	12,391
Total current assets	<u>2,547,597</u>	<u>1,534,585</u>
Note receivable- long term (Note 1)	43,299	45,399
Investments- long term (Note 3)	199,470	101,370
Investments- pension (Note 3)	5,774,382	5,486,360
Property and equipment, net (Note 1)	333,397	304,183
Total assets	<u>\$ 8,898,145</u>	<u>\$ 7,471,897</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 69,399	\$ 41,738
Accrued interest payable	1,055	2,056
Departmental accommodations	14,900	19,404
Customer deposits	547	497
Subscriptions due	13,087	14,077
Current portion of notes payable (Note 6)	23,108	21,908
Total current liabilities	<u>122,096</u>	<u>99,680</u>
Ministers' accumulated vested benefits- A Fund (Note 8)	3,428,511	3,494,506
Ministers' accumulated vested benefits- B Fund (Note 8)	626,925	509,513
Pension annuity - participants vested amounts (Note 9)	1,314,584	1,155,024
Note payable, less current portion (Note 6)	-	23,108
Total long-term liabilities	<u>5,370,020</u>	<u>5,182,151</u>
Total liabilities	<u>5,492,116</u>	<u>5,281,831</u>
Net assets:		
Permanently restricted (Note 12)	497,447	501,272
Temporarily restricted (Note 13)	195,877	159,960
Unrestricted:		
Undesignated	1,262,231	1,220,304
Board designated	1,141,240	51,419
Plant fund	309,234	257,111
Total net assets	<u>3,406,029</u>	<u>2,190,066</u>
Total liabilities and net assets	<u>\$ 8,898,145</u>	<u>\$ 7,471,897</u>

The notes to the financial statements are an integral part of this statement.

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Statements of Activities

For the Year Ended December 31, 2010

(With Comparative Totals for the Year Ended December 31, 2009)

	<u>2010</u>		
	<u>Undesignated Funds</u>	<u>Board Designated Funds</u>	<u>Plant Fund</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Support:			
United ministries	\$ 1,269,317	\$ -	\$ -
Christmas in October	64,935	-	-
First responders	26,791	-	-
Individual and estate gifts	223,319	1,041,006	-
Field offerings and other gifts	21,913	-	-
Revenues and gains:			
Administrative service fees	25,000	-	-
Pension deposits	205,283	-	-
Subscriptions	33,329	-	-
Income on investments	191,181	1,258	-
Income on loans receivable	-	-	-
Other income	21,234	-	-
Gains (losses) on sale of marketable securities	8,262	1,759	-
Venture Bookstore gross profit	55,031	-	-
Unrealized gain on investments, net	379,157	87,364	-
Total revenues, gains and other support	<u>2,524,752</u>	<u>1,131,387</u>	<u>-</u>
Reclassifications:			
Satisfaction of purpose restriction	198,354	(41,566)	-
Transfers between funds	(32,897)	-	52,123
Total reclassifications	<u>165,457</u>	<u>(41,566)</u>	<u>52,123</u>
EXPENSES			
Program services:			
United ministries program	380,274	-	-
World outreach program	688,095	-	-
Communications program	247,969	-	-
Nurture program	184,472	-	-
Supporting services:			
Management and general	541,239	-	-
Distributions to participants	493,869	-	-
Fund-raising	14,704	-	-
Total expenses	<u>2,550,622</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ 139,587</u>	<u>\$ 1,089,821</u>	<u>\$ 52,123</u>

The notes to the financial statements are an integral part of this statement.

<u>Temporarily Restricted Funds</u>	<u>Permanently Restricted Funds</u>	<u>Total All Funds</u>	
		<u>2010</u>	<u>2009</u>
\$ -	\$ -	\$ 1,269,317	\$ 1,325,468
-	-	64,935	63,399
-	-	26,791	24,423
175,098	-	1,439,423	333,991
-	-	21,913	16,480
-	-	25,000	30,000
-	-	205,283	172,730
-	-	33,329	47,284
481	3,337	196,257	200,143
-	-	-	1,340
-	-	21,234	12,560
-	-	10,021	(128,639)
-	-	55,031	90,569
<u>16,674</u>	<u>16,297</u>	<u>499,492</u>	<u>692,077</u>
<u>192,253</u>	<u>19,634</u>	<u>3,868,026</u>	<u>2,881,825</u>
(156,336)	(452)	-	-
<u>-</u>	<u>(19,226)</u>	<u>-</u>	<u>-</u>
<u>(156,336)</u>	<u>(19,678)</u>	<u>-</u>	<u>-</u>
-	-	380,274	396,745
-	-	688,095	691,917
-	-	247,969	297,665
-	-	184,472	152,225
-	3,781	545,020	463,713
-	-	493,869	244,660
-	-	14,704	21,822
<u>-</u>	<u>3,781</u>	<u>2,554,403</u>	<u>2,268,747</u>
<u>\$ 35,917</u>	<u>\$ (3,825)</u>	<u>\$ 1,313,623</u>	<u>\$ 613,078</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

*Statements of Changes in Net Assets
For the year ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)*

	Unrestricted Funds		
	<u>Undesignated Funds</u>	<u>Board Designated Funds</u>	<u>Plant Fund</u>
Net assets, beginning of year	\$ 1,220,304	\$ 51,419	\$ 257,111
Change in net assets	139,587	1,089,821	52,123
Transfers between funds	<u>(97,660)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 1,262,231</u>	<u>\$ 1,141,240</u>	<u>\$ 309,234</u>

The notes to the financial statements are an integral part of this statement.

<u>Temporarily Restricted Funds</u>	<u>Permanently Restricted Funds</u>	<u>Total All Funds</u>	
		<u>2010</u>	<u>2009</u>
\$ 159,960	\$ 501,272	\$ 2,190,066	\$ 1,749,332
35,917	(3,825)	1,313,623	613,078
<u>-</u>	<u>-</u>	<u>(97,660)</u>	<u>(172,345)</u>
<u>\$ 195,877</u>	<u>\$ 497,447</u>	<u>\$ 3,406,029</u>	<u>\$ 2,190,066</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

*Statements of Cash Flows
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)*

	<u>2010</u>	<u>2009</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 1,313,623	\$ 613,078
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	23,655	26,998
Loss (gain) on sale of investments	(10,021)	128,639
Loss on disposal of assets	(773)	1,266
Unrealized (gain)loss on investments, net	(499,492)	(692,077)
Receipt of donated stock	(1,027,677)	-
(Increase) decrease in operating assets:		
Accounts receivable	(902)	(2,789)
Inventories	(8,683)	(14,991)
Prepaid expenses	5,141	(1,928)
Increase (decrease) in operating liabilities:		
Accounts payable	26,660	(9,533)
Customer deposits	50	325
Departmental accommodations	(4,504)	4,203
Subscriptions due	(990)	(11,459)
Net cash provided (used) by operating activities	<u>(183,913)</u>	<u>41,733</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(53,294)	(27,726)
Proceeds from sale of assets	1,200	-
Collections of loans receivable	2,100	1,160
Purchases of investments	(1,184,302)	(1,908,738)
Proceeds from redemption of investments	<u>1,443,525</u>	<u>2,258,117</u>
Net cash provided by investing activities	<u>209,229</u>	<u>322,813</u>
FINANCING ACTIVITIES		
Payments on long-term debt	(21,908)	(20,768)
Change in vested benefits	210,977	169,767
Transfers between funds, net	<u>(145,466)</u>	<u>(221,678)</u>
Net cash provided (used) by financing activities	<u>43,603</u>	<u>(72,679)</u>
Net increase in cash	68,919	291,867
Cash, at beginning of year	<u>1,082,357</u>	<u>790,490</u>
Cash, at end of year	<u>\$ 1,151,276</u>	<u>\$ 1,082,357</u>

The notes to the financial statements are an integral part of this statement.

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

*Notes to Financial Statements
December 31, 2010*

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Advent Christian General Conference of America, Inc. (General Conference) is organized to serve the denomination of Advent Christian people. The General Conference serves by promoting the mission and purpose of the Advent Christian Church, working interdependently with all denominational entities, encouraging each local Advent Christian Church and coordinating common endeavors to fulfill the Great Commission of our Lord Jesus Christ. The General Conference provides religious and missionary services through its various programs including United Ministries, Convention, World Outreach, Communications, and Nurture Program.

The General Conference is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Net Assets

Net assets are classified into three categories permanently restricted, temporarily restricted, and unrestricted.

Permanently restricted funds are endowment funds established by specific donor restrictions and/or action by the Executive Council. The performance expectation is an overall return of ten percent, and investment income earned by these funds may be released for use in accordance with the guidelines established for each fund.

Temporarily restricted funds are restricted for special purposes at the request of the donor(s). Funds are released for use in accordance with the wishes of the donor or by the guidelines previously established by the Executive Council when a particular fundraising appeal was created. Resources are used and accounted for in accordance with the donor-intended purpose.

Board designated funds are temporarily restricted by action of the Executive Council. Funds are released for use in accordance with restrictions established by Executive Council.

Unrestricted funds are the portions that are uncommitted at year end.

Supplemental Cash Flow Information

The General Conference considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Cash paid for interest as follows:

	2010	2009
Interest	<u>\$ 1,466</u>	<u>\$ 2,657</u>

In 2010, there were non-cash investing activities of \$1,027,677 representing donated stock.

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ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

***Notes to Financial Statements
December 31, 2010***

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- *Continued*

Investments

Cash, cash investments, securities, certificates of deposit and passbook accounts are reflected at fair market value plus interest earned and credited through December 31, 2010 and 2009. Investments in securities are reflected at fair market value or at estate value in case of bequests. Dividends earned and received are recognized as income at the time the funds are received. In accordance with FASB ASC 958-320-50 formerly SFAS No. 124, unrealized gains or losses are included in the statement of activities and changes in net assets.

Inventories

Inventories are stated at the lower of cost or market and consist primarily of literature, hymnal and supply inventories.

Notes Receivable

Notes historically have been made to churches associated with the General Conference. Currently, there is one note outstanding from a church. The church is currently experiencing financial difficulties and restructured the current terms of the note. During 2009, the terms of the note were renegotiated to 0% interest from the previous interest rate of 7%. The General Conference is confident in receiving the repayment of the note. There is no interest income earned on the note for the year ending December 31, 2010.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property

Property and equipment that is purchased are carried at cost, while property received through gifts are recorded at fair market value at the date of the gift. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. All capital acquisitions are charged to the property fund rather than to operations. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes, which amounted to \$23,655 and \$26,998 for years ended December 31, 2010 and 2009, respectively.

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

*Notes to Financial Statements
December 31, 2010*

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- *Continued*

Property- *Continued*

	2010	2009
Land and land improvements	\$ 231,954	\$ 231,954
Headquarters property	262,846	239,619
Headquarters furnishings and equipment	74,899	75,789
Residences (including furnishings)	97,735	77,827
Vehicles	16,943	20,143
	<u>684,377</u>	<u>645,332</u>
Less, accumulated depreciation	350,980	341,149
Total property and equipment, net	<u>\$ 333,397</u>	<u>\$ 304,183</u>

Shipping and Handling Costs

The Company classifies freight billed to customers as sales revenue and the related freight costs as cost of sales.

Support and Revenue

Contributions received by the General Conference are generally available for unrestricted use in the related year unless specifically restricted by the donor. Contributions of donated noncash assets are recorded at their fair values in the period received.

NOTE 2- ACCOUNTS RECEIVABLE

Accounts receivable are comprised of amounts due from customers for goods shipped. Based upon management's review of the accounts, all are considered fully collectible.

NOTE 3- INVESTMENTS

Investments are presented in the financial statements at fair market value as follows:

	Cost	Market Value	Unrealized Gain(Loss) on Investments
Undesignated Fund	\$ 19,298	\$ 19,305	\$ 7
Undesignated Fund- Pension	4,823,375	5,774,382	951,007
Temporarily & Board Designated Fund	1,149,562	1,251,932	102,370
Permanently Restricted Fund	227,050	199,470	(27,580)
Total	<u>\$ 6,219,286</u>	<u>\$ 7,245,089</u>	<u>\$ 1,025,804</u>

- Continued

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

*Notes to Financial Statements
December 31, 2010*

NOTE 3- INVESTMENTS- Continued

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain(Loss) on Investments</u>
Undesignated Fund			
Fixed income securities:			
Common Stock	\$ 19,298	\$ 19,305	\$ 7
	<u> </u>	<u> </u>	<u> </u>
Undesignated Fund- Pension			
Fixed income securities:			
Corporate bonds	\$ 562,785	\$ 556,490	\$ (6,295)
Government obligations	701,403	761,479	60,076
Mutual funds	1,828,207	1,870,145	41,938
Common Stock	1,730,980	2,586,268	855,288
	<u> </u>	<u> </u>	<u> </u>
	\$ 4,823,375	\$ 5,774,382	\$ 951,007
	<u> </u>	<u> </u>	<u> </u>
Temporarily & Board Designated Fund			
Mutual funds	\$ 50,206	\$ 50,873	\$ 667
Common Stock	998,856	1,100,930	102,074
Fixed income securities:			
Government obligations	100,500	100,129	(371)
	<u> </u>	<u> </u>	<u> </u>
	\$ 1,149,562	\$ 1,251,932	\$ 102,370
	<u> </u>	<u> </u>	<u> </u>
Permanently Restricted Fund			
Common stock	\$ 3,316	\$ 2,739	\$ (577)
Mutual funds	183,734	161,136	(22,599)
Fixed income securities:			
Corporate bonds	40,000	35,596	(4,404)
	<u> </u>	<u> </u>	<u> </u>
	\$ 227,050	\$ 199,470	\$ (27,580)
	<u> </u>	<u> </u>	<u> </u>

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ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

**Notes to Financial Statements
December 31, 2010**

NOTE 3- INVESTMENTS- Continued

	Cost	Market Value	Unrealized Gain(Loss) on Investments
Total all funds			
Common stock	\$ 2,752,450	\$ 3,709,242	\$ 956,792
Mutual funds	2,062,148	2,082,153	20,006
Fixed income securities:			
Corporate bonds	602,785	592,086	(10,699)
Government obligations	801,903	861,608	59,705
	<u>\$ 6,219,286</u>	<u>\$ 7,245,089</u>	<u>\$ 1,025,804</u>

The following tabulation summarizes the net increase(decrease) in unrealized appreciation of investments:

	Cost	Market Value	Market over Cost (Cost over Market)
Balance at end of year	<u>\$ 6,219,286</u>	<u>\$ 7,245,089</u>	\$ 1,025,804
Balance at beginning of year	<u>\$ 5,393,006</u>	<u>\$ 5,919,318</u>	526,312
Increase in unrealized appreciation of investments.			<u>\$ 499,492</u>

Effective January 1, 2009, the General Conference adopted FASB ASC 820-10, formerly SFAS No. 157, *Fair Value Measurements*. There was no impact to the General Conference's net assets or results of operations upon adoption. FASB ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The inputs used for valuing the General Conference's investments are summarized in the three broad levels listed below:

- Level 1 - Quoted prices in active markets for identical assets.
- Level 2 - Other significant observable inputs either directly or indirectly (including quoted prices for similar securities, interest rates, yield curves, credit risk, etc.)
- Level 3- Significant unobservable inputs (including General Conference's own assumption in determining the fair value of investments.)

- Continued

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

***Notes to Financial Statements
December 31, 2010***

NOTE 3- INVESTMENTS- Continued

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. For example, short-term debt securities maturing in sixty days or less are generally valued at amortized cost. Generally, amortized cost approximates the current fair value of short-term debt securities, but since the valuation is not obtained from a quoted price in an active market, such securities are reflected as Level 2.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010.

Equity securities- mutual funds and common stock: Valued at the quoted market price from the exchange.

Corporate debt securities and government obligations: Valued based on recently executed transactions and market quotations (where observable).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the General Conference believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the valuations techniques during the current year.

The following table sets forth by level, within the fair value hierarchy, the General Conference's assets at fair value as of December 31, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Common stock	\$ 3,709,242	\$ -	\$ 3,709,242
Mutual funds	2,082,153	-	2,082,153
Corporate bonds	-	592,086	592,086
Government obligations	-	861,608	861,608
	<u>\$ 5,791,395</u>	<u>\$ 1,453,694</u>	<u>\$ 7,245,089</u>

NOTE 4- CONCENTRATION OF CREDIT RISK

The General Conference maintains cash balances at a financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at the institution. As of December 31, 2010 there were no amounts in excess of the insured limits.

The General Conference's marketable securities at December 31, 2010 and December 31, 2009 are held by a financial services company. Management believes the General Conference has no significant concentration of credit risk with respect to these investments.

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ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

*Notes to Financial Statements
December 31, 2010*

NOTE 5- DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the General Conference has evaluated events and transactions for potential recognition or disclosure through May 10, 2011 the date that the financial statements were available to be issued.

NOTE 6- LONG TERM DEBT

At December 31, 2010 there is a note payable due in annual installments of \$24,375 including interest at 5.48%. Interest expense for December 31, 2010 and 2009 is \$1,466 and \$2,657 respectively.

	2010	2009
	<u>\$ 23,108</u>	<u>\$ 45,016</u>
Less current maturities	23,108	21,908
	<u>\$ -</u>	<u>\$ 23,108</u>

NOTE 7- OPERATING LEASES

The organization presently leases certain office equipment which is classified as operating leases under certain criteria established by the Financial Accounting Standards Board. Total rent expense for December 31, 2010 and 2009 was \$21,043 and \$27,194 respectively. Future minimum rental payments required under operating leases having initial or remaining non-cancelable terms in excess of one year at December 31, 2010 were:

2011	\$ 16,211
2012	15,015
2013	14,225
2014	<u>10,786</u>
	<u>\$ 56,237</u>

NOTE 8- DEFINED CONTRIBUTION PLAN

The General Conference has established a defined contribution plan for its ministers and employees. Ministers in the conference can contribute to the plan and their respective church also can make contributions to the plan. Contributions received in the plan totaled \$205,283 and \$172,730 for years ended December 31, 2010 and 2009, respectively. Below are the respective liabilities for the pension fund. The General Conference annually contributes nine percent of the senior staff salary to the plan.

Ministers' Accumulated Vested Benefit Accounts– This represents resources that are restricted to fund the individual members' vested pension accounts in accordance with contractual agreements. Total amount of accumulated vested benefits at December 31, 2010 is \$4,055,436.

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

*Notes to Financial Statements
December 31, 2010*

NOTE 9- ANNUITY PARTICIPANTS VESTED AMOUNTS

Upon retirement, member balances are transferred from Part II to Part III and their lifetime annual annuity payments are calculated based on their accumulated balance and life expectancy. Pension Annuity Participants Vested Amounts represents resources that are restricted to fund the individual members' vested annuity account in accordance with contractual agreements. Distributions to participants under this plan for the years ended December 31, 2010 and 2009 were \$134,462 and \$131,573, respectively. The fair market value of investments supporting this plan at December 31, 2010 was \$1,277,455, and the projected benefit obligation to participants at December 31, 2010 was \$1,314,584 leaving this plan under-funded by an estimated \$37,129. The operating fund is funding the difference until market values return which represents the internal balances between the funds. The investments consist of 55% invested in government and corporate bonds and the remaining 45% invested in mutual funds. An actuarial study was performed on March 25, 2011 for this plan. The following is information on the assumptions used in the study:

Measurement Period	01/01/2010-12/31/2010
Asset valuation method:	Fair market value of assets at 12/31/2010
Interest rate	4.5%*
Retirees **	31

* This interest rate was chosen to comply with Accounting Standards Codification Section 715-20-50, also known as SFAS 158. This interest rate is based on spot yields of investment grade, long-term corporate bonds as of December 31, 2010, with duration similar to the duration of the liabilities for annuity benefits being valued in this plan.

** Generational RP-2000 Mortality Table for Healthy Annuitants, with mortality projection using projection scale AA to age at decrement.

NOTE 10- RECLASSIFICATIONS

Certain amounts in the financial statements for 2009 have been reclassified to conform to the current year presentation. Such reclassification had no effect on net income.

NOTE 11- ADVENT CHRISTIAN TITHING ASSOCIATION

In a move to promote efficiency, the Executive Council of the Advent Christian General Conference merged the funds of the Advent Christian Tithing Association into the permanent endowment of the General Conference. The investment earnings of these funds will be used in accordance with the goal of the Tithing Association to promote stewardship in the denomination. With this merger, the Tithing Association corporate structure has been dissolved.

- Continued

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements
December 31, 2010

NOTE 12- PERMANENTLY RESTRICTED NET ASSETS

Net assets were permanently restricted for the following purposes at December 31, 2010:

Permanently Restricted

Leadership Resource Endowment	\$ 12,752
J. Howard Shaw Endowment Fund	110,907
Shew Trust	9,917
C. Kirby Endowment Fund Missions	106,228
Michael Scholarship Endowment	14,346
Powers Estate Trust Fund	266,149
Fair Market Value Investment Adjustment	<u>(22,852)</u>
Total Permanently Restricted	<u>\$ 497,447</u>

NOTE 13- TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31, 2010:

Temporarily Restricted

Headquarters Restricted Funds	\$ 150
Minority Scholarship Fund	7,500
Leadership Resource Fund	69,956
Pastor's Conference	3,668
TLC Project Fund	241
M3 Project Fund	974
Missionary Relief Fund	275
Anniversary Campaign Fund	30,152
Radio Evangelism	26,256
Pastors Library Fund	11,175
Mission Capital Fund	773
World Hunger/Emergency Relief	28,950
Focus Home Missions Fund	255
Michael Scholarship Fund	191
Fair Market Value Investment Adjustment	<u>15,361</u>
Total Temporarily Restricted	<u>\$ 195,877</u>

SUPPLEMENTAL INFORMATION

**ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
ACGC**

*Statements of Financial Position
December 31, 2010
(With Comparative Totals as of December 31, 2009)*

ASSETS	Unrestricted Funds		
	Undesignated Funds	Board Designated Funds	Plant Fund
Current assets:			
Cash on hand and invested	\$ 137,734	\$ 71,420	\$ -
Investments	19,305	1,064,142	-
Accounts receivable	14,164	-	-
Inventories	103,670	-	-
Prepaid expenses	7,250	-	-
Total current assets	<u>282,123</u>	<u>1,135,562</u>	<u>-</u>
Note receivable- long term	43,299	-	-
Investments- long term	-	-	-
Property and equipment, net	-	-	333,397
Total assets	<u>\$ 325,422</u>	<u>\$ 1,135,562</u>	<u>\$ 333,397</u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$ 69,399	\$ -	\$ -
Accrued interest payable	-	-	1,055
Departmental accommodations	14,900	-	-
Customer deposits	547	-	-
Subscriptions due	13,087	-	-
Current portion of notes payable	-	-	23,108
Total current liabilities	<u>97,933</u>	<u>-</u>	<u>24,163</u>
Note payable, less current portion	-	-	-
Total liabilities	<u>97,933</u>	<u>-</u>	<u>24,163</u>
Net assets:			
Permanently restricted	-	-	-
Temporarily restricted	-	-	-
Unrestricted:			
Undesignated	227,489	-	-
Board designated	-	1,135,562	-
Plant fund	-	-	309,234
Total net assets	<u>227,489</u>	<u>1,135,562</u>	<u>309,234</u>
Total liabilities and net assets	<u>\$ 325,422</u>	<u>\$ 1,135,562</u>	<u>\$ 333,397</u>

See accompanying notes to financial statements.

Temporarily Restricted Funds	Permanently Restricted Funds	Total All Funds	
		2010	2009
\$ 8,087	\$ 297,977	\$ 515,218	\$ 522,036
187,790	-	1,271,237	225,300
-	-	14,164	13,262
-	-	103,670	94,987
-	-	7,250	12,391
<u>195,877</u>	<u>297,977</u>	<u>1,911,539</u>	<u>867,976</u>
-	-	43,299	45,399
-	199,470	199,470	207,658
-	-	333,397	304,183
<u>\$ 195,877</u>	<u>\$ 497,447</u>	<u>\$ 2,487,705</u>	<u>\$ 1,425,216</u>
\$ -	\$ -	\$ 69,399	\$ 41,738
-	-	1,055	2,056
-	-	14,900	19,404
-	-	547	497
-	-	13,087	14,077
-	-	23,108	21,908
<u>-</u>	<u>-</u>	<u>122,096</u>	<u>99,680</u>
-	-	-	23,108
<u>-</u>	<u>-</u>	<u>122,096</u>	<u>122,788</u>
-	497,447	497,447	501,272
195,877	-	195,877	159,960
-	-	227,489	341,170
-	-	1,135,562	42,915
-	-	309,234	257,111
<u>195,877</u>	<u>497,447</u>	<u>2,365,609</u>	<u>1,302,428</u>
<u>\$ 195,877</u>	<u>\$ 497,447</u>	<u>\$ 2,487,705</u>	<u>\$ 1,425,216</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
ACGC

Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

	Unrestricted Funds		
	Undesignated Funds	Board Designated Funds	Plant Fund
REVENUES, GAINS, AND OTHER SUPPORT			
Support:			
United ministries	\$ 1,269,317	\$ -	\$ -
Christmas in October	64,935	-	-
First responders	26,791	-	-
Individual and estate gifts	223,319	1,041,006	-
Field offerings and other gifts	21,913	-	-
Revenues and gains:			
Administrative service fees	25,000	-	-
Subscriptions	33,329	-	-
Income on investments	1,860	1,258	-
Income on loans receivable	-	-	-
Other income	2,535	-	-
Gains (losses) on sale of marketable securities	-	1,759	-
Venture Bookstore gross profit	55,031	-	-
Unrealized gain on investments, net	37	87,364	-
	1,724,067	1,131,387	-
Reclassifications:			
Satisfaction of purpose restriction	195,528	(38,740)	-
Transfers between funds	(32,897)	-	52,123
	162,631	(38,740)	52,123
EXPENSES			
Program services:			
United ministries program	380,274	-	-
World outreach program	688,095	-	-
Communications program	247,969	-	-
Nurture program	184,472	-	-
Supporting services:			
Management and general	484,865	-	-
Fund-raising	14,704	-	-
	2,000,379	-	-
Change in net assets	(113,681)	1,092,647	52,123
Net assets, beginning of year	341,170	42,915	257,111
Net assets, end of year	\$ 227,489	\$ 1,135,562	\$ 309,234

See accompanying notes to financial statements.

<u>Temporarily Restricted Funds</u>	<u>Permanently Restricted Funds</u>	<u>Total All Funds</u>	
		<u>2010</u>	<u>2009</u>
\$ -	\$ -	\$ 1,269,317	\$ 1,325,468
-	-	64,935	63,399
-	-	26,791	24,423
175,098	-	1,439,423	333,991
-	-	21,913	16,480
-	-	25,000	30,000
-	-	33,329	47,284
481	3,337	6,936	17,663
-	-	-	1,340
-	-	2,535	524
-	-	1,759	(19,854)
-	-	55,031	90,569
<u>16,674</u>	<u>16,297</u>	<u>120,372</u>	<u>63,578</u>
<u>192,253</u>	<u>19,634</u>	<u>3,067,341</u>	<u>1,994,865</u>
(156,336)	(452)	-	-
<u>-</u>	<u>(19,226)</u>	<u>-</u>	<u>-</u>
<u>(156,336)</u>	<u>(19,678)</u>	<u>-</u>	<u>-</u>
-	-	380,274	396,745
-	-	688,095	691,917
-	-	247,969	297,665
-	-	184,472	152,225
-	3,781	488,646	406,478
<u>-</u>	<u>-</u>	<u>14,704</u>	<u>21,822</u>
<u>-</u>	<u>3,781</u>	<u>2,004,160</u>	<u>1,966,852</u>
35,917	(3,825)	1,063,181	28,013
<u>159,960</u>	<u>501,272</u>	<u>1,302,428</u>	<u>1,274,415</u>
<u>\$ 195,877</u>	<u>\$ 497,447</u>	<u>\$ 2,365,609</u>	<u>\$ 1,302,428</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
ACGC

Statements of Cash Flows
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)

	2010	2009
OPERATING ACTIVITIES		
Change in net assets	\$ 1,063,181	\$ 28,013
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	23,655	26,998
Loss (gain) on disposal of assets	(773)	1,266
Loss (gain) on sale of investments	(1,759)	19,854
Unrealized gain on investments, net	(120,372)	(63,578)
Receipt of donated stock	(1,027,677)	-
(Increase) decrease in operating assets:		
Accounts receivable	(902)	(2,811)
Inventories	(8,683)	(14,991)
Prepaid expenses	5,141	(2,428)
Increase (decrease) in operating liabilities:		
Accounts payable	26,660	(9,033)
Customer deposits	50	325
Departmental accommodations	(4,504)	4,203
Subscriptions due	(990)	(11,458)
	(46,973)	(23,640)
Net cash used by operating activities		
INVESTING ACTIVITIES		
Purchases of property and equipment	(53,294)	(27,726)
Proceeds from sale of assets	1,200	-
Collections of loans receivable	2,100	1,160
Purchases of investments	(162,829)	(321,820)
Proceeds from redemption of investments	274,886	525,010
	62,063	176,624
Net cash provided by investing activities		
FINANCING ACTIVITIES		
Payments on long-term debt	(21,908)	(20,768)
	(21,908)	(20,768)
Net cash used by financing activities		
Net increase (decrease) in cash	(6,818)	132,216
Cash, at beginning of year	522,036	389,820
Cash, at end of year	\$ 515,218	\$ 522,036

See accompanying notes to financial statements.

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
ACGC

Schedule of Activity and Changes in Fund Balances
Permanently and Temporarily Restricted and Board Designated Funds
For the Year Ended December 31, 2010

	Fund Balance 1/1/2010	Income	Expenses	Transfers In (Out)	Fund Balance 12/31/2010
Board Designated					
Church Planting Fund	\$ 42,027	\$ -	\$ 1,710	\$ -	\$ 40,317
New Church Builders Union	1,239	3,258	42	-	4,455
Powers Trust Fund	-	1,036,777	33,000	-	1,003,777
Properties Capital Reserve Fund	-	2,110	2,110	-	-
World Missions Reserve Fund	-	1,878	1,878	-	-
Fair Market Value Investment Adjustment	(351)	-	-	87,364	87,013
Total Board Designated	<u>\$ 42,915</u>	<u>\$ 1,044,023</u>	<u>\$ 38,740</u>	<u>\$ 87,364</u>	<u>\$ 1,135,562</u>
Permanently Restricted					
Leadership Resource Endowment	\$ 12,752	\$ -	\$ -	\$ -	\$ 12,752
J. Howard Shaw Endowment Fund	110,907	-	-	-	110,907
Shew Trust	9,917	452	452	-	9,917
Tithing Powers Endowment	275,639	1,137	-	(10,627)	266,149
C. Kirby Endowment Fund Missions	106,228	-	-	-	106,228
Michael Scholarship Endowment	14,346	-	-	-	14,346
Fair Market Value Investment Adjustment	(28,517)	-	-	5,665	(22,852)
Total Permanently Restricted	<u>\$ 501,272</u>	<u>\$ 1,589</u>	<u>\$ 452</u>	<u>\$ (4,962)</u>	<u>\$ 497,447</u>
Temporarily Restricted					
Headquarters Restricted Funds	\$ 4,030	\$ 17,651	\$ 21,531	\$ -	\$ 150
Minority Scholarship Fund	10,000	-	2,500	-	7,500
Leadership Resource Fund	73,169	225	3,438	-	69,956
Pastor's Conference	5,865	15,003	17,200	-	3,668
TLC Project Fund	921	701	1,381	-	241
M3 Project Fund	2,777	1,200	3,003	-	974
Missionary Relief Fund	25	250	-	-	275
Anniversary Campaign Fund	3,525	61,166	34,539	-	30,152
Radio Evangelism	26,901	-	645	-	26,256
Pastors Library Fund	7,371	9,836	6,032	-	11,175
Mission Capital Fund	709	64	-	-	773
World Hunger/Emergency Relief	25,754	64,767	61,571	-	28,950
Focus Home Missions Fund	50	4,460	4,255	-	255
Michael Scholarship Fund	178	254	241	-	191
Fair Market Value Investment Adjustment	(1,315)	-	-	16,676	15,361
Total Temporarily Restricted	<u>\$ 159,960</u>	<u>\$ 175,577</u>	<u>\$ 156,336</u>	<u>\$ 16,676</u>	<u>\$ 195,877</u>
Total	<u>\$ 704,147</u>	<u>\$ 1,221,189</u>	<u>\$ 195,528</u>	<u>\$ 99,078</u>	<u>\$ 1,828,886</u>

See accompanying notes to financial statements.

**ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
BOARD OF PENSIONS**

*Statements of Financial Position
December 31, 2010
(With Comparative Totals as of December 31, 2009)*

	Part I Operating Fund	Part II Ministers' Accumulation Fund
ASSETS	<u> </u>	<u> </u>
Current assets:		
Cash on hand and invested	\$ 75,695	\$ 418,219
Due from (to) funds	(37,129)	-
Total current assets	<u>38,566</u>	<u>418,219</u>
Investments- long term	<u>153,294</u>	<u>4,485,777</u>
Total assets	<u>\$ 191,860</u>	<u>\$ 4,903,996</u>
 LIABILITIES AND NET ASSETS		
Long-term liabilities:		
Ministers' accumulated vested benefits- A Fund	\$ -	\$ 3,428,511
Ministers' accumulated vested benefits- B Fund	-	626,925
Pension annuity - participants vested amounts	-	-
Total liabilities	<u>-</u>	<u>4,055,436</u>
Net Assets:		
Unrestricted:		
Undesignated	186,182	848,560
Board designated- Tate Memorial	<u>5,678</u>	<u>-</u>
Total net assets	<u>191,860</u>	<u>848,560</u>
Total liabilities and net assets	<u>\$ 191,860</u>	<u>\$ 4,903,996</u>

See accompanying notes to financial statements.

Part III Pension Annuity Fund	Total All Funds	
	2010	2009
\$ 142,144	\$ 636,058	\$ 560,321
37,129	-	-
179,273	636,058	560,321
1,135,311	5,774,382	5,486,360
<u>\$ 1,314,584</u>	<u>\$ 6,410,440</u>	<u>\$ 6,046,681</u>
\$ -	\$ 3,428,511	\$ 3,494,506
-	626,925	509,513
1,314,584	1,314,584	1,155,024
<u>1,314,584</u>	<u>5,370,020</u>	<u>5,159,043</u>
-	1,034,742	879,134
-	5,678	8,504
-	1,040,420	887,638
<u>\$ 1,314,584</u>	<u>\$ 6,410,440</u>	<u>\$ 6,046,681</u>

**ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
BOARD OF PENSIONS**

*Statements of Activities and Changes in Net Assets
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)*

REVENUES AND GAINS	Operating Fund	Ministers' Accumulated Vested Benefits
Revenues and gains:		
Pension deposits	\$ -	\$ 205,283
Income from investments	8,421	136,763
Gain (loss) on sale of securities, net	-	8,262
Withdrawal penalty	18,699	-
Unrealized gain on investments, net	<u>6,775</u>	<u>352,606</u>
 Total revenues and gains	 <u>33,895</u>	 <u>702,914</u>
 EXPENSES		
General and administrative:		
General conference services	25,229	-
Board meetings	1,342	-
Securities expense	-	2,473
Management fees	1,036	14,022
Audit fee	6,000	-
Distributions to participants	<u>-</u>	<u>359,407</u>
 Total expenses	 <u>33,607</u>	 <u>375,902</u>
 Change in net assets	 <u>288</u>	 <u>327,012</u>
 Net assets, beginning of year	 213,175	 591,319
Transfers between funds	<u>(21,603)</u>	<u>(69,771)</u>
 Net assets, end of year	 <u>\$ 191,860</u>	 <u>\$ 848,560</u>

See accompanying notes to financial statements.

Pension Annuity Participants Vested Amounts	Total All Funds	
	2010	2009
\$ -	\$ 205,283	\$ 172,730
44,137	189,321	182,480
-	8,262	(108,785)
-	18,699	12,036
<u>19,739</u>	<u>379,120</u>	<u>628,499</u>
<u>63,876</u>	<u>800,685</u>	<u>886,960</u>
-	25,229	30,000
-	1,342	973
-	2,473	2,905
6,272	21,330	17,357
-	6,000	6,000
<u>134,462</u>	<u>493,869</u>	<u>244,660</u>
<u>140,734</u>	<u>550,243</u>	<u>301,895</u>
<u>(76,858)</u>	<u>250,442</u>	<u>585,065</u>
83,144	887,638	474,918
<u>(6,286)</u>	<u>(97,660)</u>	<u>(172,345)</u>
<u>\$ -</u>	<u>\$ 1,040,420</u>	<u>\$ 887,638</u>

**ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
BOARD OF PENSIONS**

*Statements of Cash Flows
For the Year Ended December 31, 2010
(With Comparative Totals for the Year Ended December 31, 2009)*

	2010	2009
OPERATING ACTIVITIES		
Change in net assets	\$ 250,442	\$ 585,065
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Loss (gain) on sale of investments	(8,262)	108,785
Unrealized gain on investments	(379,120)	(628,499)
Interest receivable	-	22
Net cash provided (used) by operating activities	(136,940)	65,373
INVESTING ACTIVITIES		
Purchases of investments	(1,021,473)	(1,586,918)
Proceeds from redemption of investments	1,168,639	1,733,107
Net cash provided by investing activities	147,166	146,189
FINANCING ACTIVITIES		
Change in vested benefits	210,977	169,767
Transfers between funds, net	(145,466)	(221,678)
Net cash provided (used) by financing activities	65,511	(51,911)
Net increase in cash	75,737	159,651
Cash, at beginning of year	560,321	400,670
Cash, at end of year	\$ 636,058	\$ 560,321

See accompanying notes to financial statements.