

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

Charlotte, North Carolina

Audited Financial Statements

December 31, 2015

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 financial statements of Advent Christian General Conference of America, Incorporated (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from Advent Christian General Conference of America, Incorporated's 2014 financial statements, and in our report dated July 29, 2015, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advent Christian General Conference of America, Incorporated as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The individual fund financial statements and schedules on pages 17-23 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Rowell, Craven & Short, P.A.
September 14, 2016
Charlotte, North Carolina

FINANCIAL STATEMENTS

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

*Statement of Financial Position
December 31, 2015
(With Comparative Totals as of December 31, 2014)*

ASSETS	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 414,607	\$ 574,656
Investments	144,994	84,319
Investments - temporary	1,967,199	1,975,402
Accounts receivable	4,537	2,667
Inventories	34,590	40,126
Prepaid expenses	9,404	7,169
Total current assets	<u>2,575,331</u>	<u>2,684,339</u>
Investments- long term	557,843	574,044
Investments- pension	7,761,406	7,841,771
Property and equipment, net	331,308	322,930
Total assets	<u>\$ 11,225,888</u>	<u>\$ 11,423,084</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 30,294	\$ 19,215
Departmental accommodations	47,030	44,861
Subscriptions due	12,691	11,826
Total current liabilities	<u>90,015</u>	<u>75,902</u>
Ministers' accumulated vested benefits- A Fund	3,907,547	3,602,290
Ministers' accumulated vested benefits- B Fund	1,040,511	1,050,201
Pension annuity - participants vested amounts	1,270,302	1,270,302
Total long-term liabilities	<u>6,218,360</u>	<u>5,922,793</u>
Total liabilities	<u>6,308,375</u>	<u>5,998,695</u>
Net assets:		
Permanently restricted	562,487	579,184
Temporarily restricted	415,772	483,522
Unrestricted:		
Undesignated	2,375,162	2,830,533
Board designated	1,564,092	1,531,150
Total net assets	<u>4,917,513</u>	<u>5,424,389</u>
Total liabilities and net assets	<u>\$ 11,225,888</u>	<u>\$ 11,423,084</u>

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

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	Unrestricted Funds	
	Undesignated Funds	Board Designated Funds
REVENUES, GAINS, AND OTHER SUPPORT		
Support:		
United ministries	705,458	\$ -
Penny crusade	504,598	-
Christmas in October	61,010	-
First responders	28,009	-
Individual and estate gifts	262,575	126,828
Field offerings and other gifts	25,756	-
Revenues and gains:		
Administrative service fees	16,000	-
Pension deposits	224,454	-
Subscriptions	26,288	-
Income on investments	217,232	10,108
Convention income	-	-
Other income	5,500	-
Gains (losses) on sale of marketable securities	265,065	43,359
Venture Bookstore gross profit	50,869	-
Unrealized gain (loss) on investments, net	(532,684)	2,112
Total revenues, gains and other support	1,860,130	182,407
Reclassifications:		
Satisfaction of purpose restriction	192,440	(100,327)
Transfers between funds, ACGC Fund	66,039	(40,282)
Transfers between funds, Pension Fund	(295,564)	-
Total reclassifications	(37,085)	(140,609)
EXPENSES		
Program services:		
United ministries program	371,650	-
World outreach program	646,782	-
Communications program	242,752	-
Nurture program	240,618	-
Convention program	-	-
Supporting services:		
Management and general	438,420	8,856
Distributions to participants	333,984	-
Fund raising	4,210	-
Total expenses	2,278,416	8,856
Change in net assets	\$ (455,371)	\$ 32,942
Net assets, beginning of year	2,830,533	1,531,150
Net assets, end of year	\$ 2,375,162	\$ 1,564,092

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

<u>Temporarily</u> <u>Restricted Funds</u>	<u>Permanently</u> <u>Restricted Funds</u>	<u>Total All Funds</u>	
		<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ 705,458	677,306
-	-	504,598	513,907
-	-	61,010	59,234
-	-	28,009	28,947
71,770	-	461,173	459,351
-	-	25,756	29,476
-	-	16,000	16,000
-	-	224,454	203,206
-	-	26,288	24,912
956	27,315	255,611	255,921
-	-	-	88,035
-	-	5,500	-
(305)	(112)	308,007	338,831
-	-	50,869	55,467
<u>(27,566)</u>	<u>(36,877)</u>	<u>(595,015)</u>	<u>486,744</u>
<u>44,855</u>	<u>(9,674)</u>	<u>2,077,718</u>	<u>3,237,337</u>
(91,926)	(187)	-	-
(20,540)	(5,217)	-	-
<u>-</u>	<u>-</u>	<u>(295,564)</u>	<u>(25,519)</u>
<u>(112,466)</u>	<u>(5,404)</u>	<u>(295,564)</u>	<u>(25,519)</u>
-	-	371,650	357,334
-	-	646,782	601,853
-	-	242,752	247,757
-	-	240,618	235,650
-	-	-	120,699
139	1,619	449,034	493,926
-	-	333,984	584,794
<u>-</u>	<u>-</u>	<u>4,210</u>	<u>7,119</u>
<u>139</u>	<u>1,619</u>	<u>2,289,030</u>	<u>2,649,132</u>
\$ (67,750)	\$ (16,697)	\$ (506,876)	\$ 562,686
<u>483,522</u>	<u>579,184</u>	<u>5,424,389</u>	<u>4,861,703</u>
<u>\$ 415,772</u>	<u>\$ 562,487</u>	<u>\$ 4,917,513</u>	<u>\$ 5,424,389</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Statement of Cash Flows

For the Year Ended December 31, 2015

(With Comparative Totals for the Year Ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (506,876)	\$ 562,687
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	26,864	24,005
Loss (gain) on sale of investments	(308,008)	(338,831)
Loss on disposal of assets	-	(500)
Unrealized (gain) loss on investments, net	595,012	(486,744)
Receipt of donated stock	(10,597)	(10,062)
(Increase) decrease in operating assets:		
Accounts receivable	(1,870)	2,646
Inventories	5,536	22,409
Prepaid expenses	(2,235)	(4,841)
Increase (decrease) in operating liabilities:		
Accounts payable	11,079	(36,655)
Departmental accommodations	2,169	(13,963)
Subscriptions due	865	1,157
Net cash used by operating activities	<u>(188,060)</u>	<u>(278,692)</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(35,242)	(4,561)
Proceeds from sale of assets	-	500
Purchases of investments	(1,475,659)	(1,485,912)
Proceeds from redemption of investments	1,243,344	1,819,388
Net cash provided by investing activities	<u>(267,557)</u>	<u>329,415</u>
FINANCING ACTIVITIES		
Change in vested benefits	295,567	133,566
Transfers between funds, net	-	-
Net cash provided by financing activities	<u>295,567</u>	<u>133,566</u>
Net increase in cash	(160,050)	184,289
Cash, at beginning of year	<u>574,657</u>	<u>390,368</u>
Cash, at end of year	<u>\$ 414,607</u>	<u>\$ 574,657</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

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Advent Christian General Conference of America, Inc. 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 various programs including United Ministries, Convention, World Outreach, Communications, and Nurture Program.

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. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

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.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Accounts Receivable

Accounts receivable are comprised of amounts due from customers for goods shipped requiring payment within 30 days from the invoice date. The Organization provides for losses on accounts receivable using the allowance method. The allowance method is based on experience and each customer balance is individually reviewed when the balance exceeds 90 days from the invoice date. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Credit losses, when realized, have been within the range of the Organization's expectations and, historically have not been significant. Accounts receivable are reported at the full

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Accounts Receivable – continued

amount management expects to collect from outstanding balances. Management considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts was considered necessary.

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, 2015 and 2014. Investments in securities are reflected at fair market value or at estate value in the case of bequests. Dividends earned are recognized as income at the time the funds are received. In accordance with FASB ASC 958-320-50 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. Cost is determined by the average cost method.

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. Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes which amounted to \$26,864 and \$24,005 for years ended December 31, 2015 and 2014, respectively.

	2015	2014
Land and land improvements	\$ 231,954	\$ 231,954
Headquarters property	276,428	271,970
Headquarters furnishings and equipment	98,935	93,182
Residences (including furnishings)	130,471	125,867
Vehicles	24,991	9,991
	<u>762,779</u>	<u>732,964</u>
Less, accumulated depreciation	431,472	410,034
Total property and equipment, net	<u>\$ 331,307</u>	<u>\$ 322,930</u>

Shipping and Handling Costs

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

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

Support and Revenue

Contributions received by the Organization 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.

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.

NOTE 2- INVESTMENTS

Investments are presented in the financial statements at fair market value at December 31, 2015 and 2014, respectively as follows:

	12/31/2015		Unrealized Gain(Loss) on Investments
	Cost	Market Value	
Undesignated Fund	\$ 146,886	\$ 144,995	\$ (1,891)
Undesignated Fund- Pension	6,011,052	7,761,407	1,750,355
Temporarily & Board Designated Fund	1,251,974	1,967,198	715,224
Permanently Restricted Fund	597,513	557,843	(39,670)
Total	<u>\$ 8,007,425</u>	<u>\$ 10,431,443</u>	<u>\$ 2,424,018</u>

	Cost	Market Value	Unrealized Gain(Loss) on Investments
Undesignated Fund			
Common stock	\$ 76,382	\$ 74,513	\$ (1,869)
Mutual funds	70,504	70,482	(22)
	<u>\$ 146,886</u>	<u>\$ 144,995</u>	<u>\$ (1,891)</u>

	Cost	Market Value	Unrealized Gain(Loss) on Investments
Undesignated Fund- Pension			
Fixed income securities:			
Corporate bonds	\$ 200,591	\$ 194,240	\$ (6,351)
Government obligations	448,810	513,825	65,015
Mutual funds	2,328,054	2,729,607	401,553
Common stock	3,033,597	4,323,735	1,290,138
	<u>\$ 6,011,052</u>	<u>\$ 7,761,407</u>	<u>\$ 1,750,355</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS- Continued

	12/31/2015		Unrealized Gain(Loss) on Investments
	Cost	Market Value	
Temporarily & Board Designated Fund			
Mutual funds	\$ 401,798	\$ 379,224	\$ (22,574)
Common stock	850,176	1,587,974	737,798
	<u>\$ 1,251,974</u>	<u>\$ 1,967,198</u>	<u>\$ 715,224</u>
Permanently Restricted Fund			
Mutual funds	<u>\$ 597,513</u>	<u>\$ 557,843</u>	<u>\$ (39,670)</u>
Total all funds			
Common stock	\$ 3,960,155	\$ 5,986,222	\$ 2,026,067
Mutual funds	3,397,869	3,737,156	339,287
Fixed income securities:			
Corporate bonds	200,591	194,240	(6,351)
Government obligations	448,810	513,825	65,015
	<u>\$ 8,007,425</u>	<u>\$ 10,431,443</u>	<u>\$ 2,424,018</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>\$ 8,007,425</u>	<u>\$ 10,431,443</u>	\$ 2,424,018
Balance at beginning of year	<u>\$ 7,456,505</u>	<u>\$ 10,475,536</u>	\$ 3,019,031
Increase (decrease) in unrealized appreciation of investments.			<u>\$ (595,013)</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS- Continued

	12/31/2014		
	Cost	Market Value	Unrealized Gain(Loss) on Investments
Undesignated Fund	\$ 84,179	\$ 84,319	\$ 140
Undesignated Fund- Pension	5,560,764	7,841,771	2,281,007
Temporarily & Board Designated Fund	1,234,725	1,975,402	740,677
Permanently Restricted Fund	576,837	574,044	(2,793)
Total	\$ 7,456,505	\$ 10,475,536	\$ 3,019,031
	Cost	Market Value	Unrealized Gain(Loss) on Investments
Undesignated Fund			
Mutual funds	84,179	84,319	140
	\$ 84,179	\$ 84,319	\$ 140
	Cost	Market Value	Unrealized Gain(Loss) on Investments
Undesignated Fund- Pension			
Fixed income securities:			
Corporate bonds	\$ 200,591	\$ 198,053	\$ (2,538)
Government obligations	527,852	599,610	71,758
Mutual funds	2,247,060	2,686,733	439,673
Common stock	2,585,261	4,357,375	1,772,114
	\$ 5,560,764	\$ 7,841,771	\$ 2,281,007
	Cost	Market Value	Unrealized Gain(Loss) on Investments
Temporarily & Board Designated Fund			
Mutual funds	\$ 359,198	\$ 356,979	\$ (2,219)
Common stock	875,527	1,618,423	742,896
	\$ 1,234,725	\$ 1,975,402	\$ 740,677

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS- Continued

	12/31/2014		Unrealized Gain(Loss) on Investments
	Cost	Market Value	
Permanently Restricted Fund			
Mutual funds	\$ 576,837	\$ 574,044	\$ (2,793)
	<u>\$ 576,837</u>	<u>\$ 574,044</u>	<u>\$ (2,793)</u>
			Unrealized
			Gain(Loss) on
			Investments
Total all funds	Cost	Market Value	
Common stock	\$ 3,460,788	\$ 5,975,798	\$ 2,515,010
Mutual funds	3,267,274	3,702,075	434,801
Fixed income securities:			
Corporate bonds	200,591	198,053	(2,538)
Government obligations	527,852	599,610	71,758
	<u>\$ 7,456,505</u>	<u>\$ 10,475,536</u>	<u>\$ 3,019,031</u>

The following tabulation summarizes the net increase(decrease) in unrealized appreciation of investments at December 31, 2013:

	Cost	Market Value	Market over Cost (Cost over Market)
Balance at end of year	<u>\$ 7,456,505</u>	<u>\$ 10,475,536</u>	\$ 3,019,031
Balance at beginning of year	<u>\$ 7,040,560</u>	<u>\$ 8,345,139</u>	\$ 1,304,579
Increase in unrealized appreciation of investments.			<u>\$ 1,714,452</u>

Unrealized gain (loss) on investments is reported in Revenues, Gains, and Other Support on the Statement of Activities.

Professional literature defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The guidance states that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions market participants would use in pricing the asset or liability under current market conditions at the measurement date. As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a fair value hierarchy that is based on the subjectivity of inputs (Level I and II) which are either observable market data or those that are unobservable (Level III).

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS- Continued

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Three levels of inputs that may be used to measure fair value are as follows:

- Level 1- Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2- Inputs to the valuation methodology include:
 - A. Quoted prices for similar assets or liabilities in active markets.
 - B. Quoted prices for identical or similar assets or liabilities in inactive markets.
 - C. Inputs other than quoted prices that are observable for the asset or liability.
 - D. Inputs that are derived principally from or corroborated by observable market data by correlation or by other means.If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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, 2015 and 2014.

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).

Certificate of deposits: Valued at cost, which approximates fair value.

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 Organization 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.

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS- Continued

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2015 and 2014, respectively:

	Fair Value Measurements at Reporting Date Using			
	Quoted Prices in		December 31, 2015	December 31, 2014
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level II)		
Exchange Traded Funds:				
Short Term Funds	\$ 347,575	\$ -	\$ 347,575	\$ 360,782
Total Return Funds	238,038		238,038	244,868
Fixed Income				
Corporate Bonds		194,240	194,240	198,053
Government obligations		513,825	513,825	599,610
Mutual Funds				
Intermediate Funds	625,698		625,698	653,355
International Funds	171,740		171,740	202,869
Large Funds	784,599		784,599	792,644
Mid-Cap Funds	544,951		544,951	558,629
Short Term Funds	701,978		701,978	313,782
Small Funds	35,072		35,072	39,829
Other Funds	362,016		362,016	535,317
Common Stocks				
Basic Materials	282,130		282,130	352,710
Consumer Goods	500,870		500,870	488,125
Financial	1,644,320		1,644,320	1,794,380
Healthcare	592,920		592,920	626,300
Industrial Goods	498,730		498,730	508,880
Services	1,052,860		1,052,860	1,105,773
Technology	1,232,794		1,232,794	974,320
Utilities	107,085		107,085	125,310
	\$ 9,723,376	\$ 708,065	\$ 10,431,441	\$ 10,475,536

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 3- CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at multiple financial institutions. The Organization has not experienced any losses in the accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2015 and 2014 no cash balances exceeded federally insured limits.

The Organization's marketable securities at December 31, 2015 and 2014 are held by financial services companies. Management believes the Organization has no significant concentration of credit risk with respect to these investments.

NOTE 4- COMPENSATED ABSENCES

The Organization provides for vacation and sick leave for employees as work load allows. Compensated absences for vacation and sick pay have not been accrued since they cannot be reasonably estimated, but are expensed as incurred.

NOTE 5- 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 Codification. Total rent expense for December 31, 2015 and 2014 was \$17,537 and \$20,369, respectively. Future minimum rental payments required under operating leases having initial or remaining non-cancelable terms in excess of one year at December 31, 2015 were:

2016	\$ 17,664
2017	17,664
2018	8,039
2019	2,994
2020	2,160
	<u>\$ 48,521</u>

NOTE 6 - INCOME TAXES

The Organization has obtained exemption from income taxes under Section 501(c) (3) of the Internal Revenue Code and, therefore, no provision for income taxes has been recognized in the accompanying financial statements. Although the Organization is exempt from filing a tax return because of their religious exemption, they are voluntarily filing Form 990 beginning with the 2012 year.

The Financial Accounting Standards Board (FASB) issued FASB ASC 740-10, "Accounting for Uncertainty in Income Taxes," which clarifies the accounting and recognition for income tax positions taken. While Advent General Conference is considered a tax exempt organization, the provisions of ASC 740-10 may still apply in certain situations. ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in the tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, and disclosure. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized that materially impact the financial statements or related disclosures.

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 6 - INCOME TAXES – continued

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Management will continually evaluate expiring statutes of limitations, changes in tax law, and new authoritative rulings.

NOTE 7- 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 churches also can make contributions to the plan. Contributions received in the plan totaled \$224,454 and \$203,206 for years ended December 31, 2015 and 2014, 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 an obligation to fund the members' vested pension accounts in accordance with contractual agreements. Total amount of accumulated vested benefits at December 31, 2015 and 2014 is \$4,948,057 and \$4,652,491 respectively.

NOTE 8- 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. Obligations to fund the members' vested annuity account in accordance with contractual agreements are reported in the Statement of Financial Position as Pension annuity- participants vested amounts. Distributions to participants under this plan for the years ended December 31, 2015 and 2014 were \$141,020 and \$141,624, respectively. The fair market value of Part III investments set aside for this plan at December 31, 2015 was \$1,126,857. According to the actuarial study the obligation to participants at December 31, 2013 was \$1,270,302. The investments consist of 40.63% invested in government securities and corporate bonds and the remaining 59.37% invested in mutual funds and certificates of deposits. An actuarial study was performed on January 8, 2014 for the December 31, 2013 year end. The obligation on the balance sheet is currently at the actuarial valuation. Below contains information on the assumptions used in the study:

Measurement Period 01/01/2013-12/31/2013

Asset valuation method: Fair market value of assets at 12/31/2013

Interest rate	3.75%*
Retirees **	31

* This interest rate was chosen to comply with Accounting Standards Codification Section 715-20-50. This interest rate is based on spot yields of investment grade, long-term corporate bonds as of December 31, 2013, 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.

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 9- PRIOR YEAR SUMMARIZED INFORMATION

The financial statements contain certain prior year comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2014, from which summarized information was derived.

NOTE 10- TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Net assets were temporarily and permanently restricted for the following purposes at December 31, 2015 and 2014:

<u>Permanently Restricted</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Leadership Resource Endowment	\$ 12,752	\$ 12,752
J. Howard Shaw Endowment Fund	110,661	110,661
Shew Trust	9,917	9,917
C. Kirby Endowment Fund Missions	105,898	105,898
Michael Scholarship Endowment	14,339	14,339
Tithing Powers Endowment Fund	339,889	314,492
Fair Market Value Investment Adjustment	(30,969)	11,125
Total Permanently Restricted	<u>\$ 562,487</u>	<u>\$ 579,184</u>

<u>Temporarily Restricted</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
AIMS Support Fund	\$ 525	\$ 225
Minority Scholarship Fund	4,250	4,250
Leadership Resource Fund	56,540	62,298
Leader's Conference	3,358	-
TLC Project Fund	178	1,333
Missionary Relief Fund	300	150
Anniversary Campaign Fund	520	280
Radio Evangelism	14,255	22,255
Pastors Library Fund	11,324	10,994
Mission Capital Fund	158,220	168,003
World Hunger/Emergency Relief	16,406	16,073
Focus Home Missions Fund	2,205	1,555
Michael Scholarship Fund	422	732
Fair Market Value Investment Adjustment	147,269	195,374
Total Temporarily Restricted	<u>\$ 415,772</u>	<u>\$ 483,522</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 11- DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 14, 2016, the date that the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

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

*Statement of Financial Position
December 31, 2015
(With Comparative Totals as of December 31, 2014)*

ASSETS	Unrestricted Funds	
	Undesignated Funds	Board Designated Funds
Current assets:		
Cash and cash equivalents	\$ 141,863	\$ 10,006
Investments	144,994	1,554,086
Accounts receivable	4,537	-
Inventories	34,590	-
Prepaid expenses	9,404	-
Total current assets	335,388	1,564,092
Investments- long term	-	-
Property and equipment, net	331,308	-
Total assets	\$ 666,696	\$ 1,564,092
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 30,296	\$ -
Departmental accommodations	47,030	-
Subscriptions due	12,691	-
Total current liabilities	90,017	-
Total liabilities	90,017	-
Net assets:		
Permanently restricted	-	-
Temporarily restricted	-	-
Unrestricted:		
Undesignated	576,679	-
Board designated	-	1,564,092
Total net assets	576,679	1,564,092
Total liabilities and net assets	\$ 666,696	\$ 1,564,092

See accompanying notes to financial statements.

<u>Temporarily Restricted Funds</u>	<u>Permanently Restricted Funds</u>	<u>Total All Funds</u>	
		<u>2015</u>	<u>2014</u>
\$ 2,660	\$ 4,644	\$ 159,173	\$ 180,444
413,112	-	2,112,192	2,059,722
-	-	4,537	2,667
-	-	34,590	40,126
-	-	9,404	7,169
<u>415,772</u>	<u>4,644</u>	<u>2,319,896</u>	<u>2,290,128</u>
-	557,843	557,843	574,044
-	-	331,308	322,930
<u>\$ 415,772</u>	<u>\$ 562,487</u>	<u>\$ 3,209,047</u>	<u>\$ 3,187,102</u>
\$ -	\$ -	\$ 30,296	\$ 19,215
-	-	47,030	44,861
-	-	12,691	11,826
-	-	<u>90,017</u>	<u>75,902</u>
-	-	90,017	75,902
-	562,487	562,487	579,184
415,772	-	415,772	483,522
-	-	576,679	517,344
-	-	1,564,092	1,531,150
<u>415,772</u>	<u>562,487</u>	<u>3,119,030</u>	<u>3,111,200</u>
<u>\$ 415,772</u>	<u>\$ 562,487</u>	<u>\$ 3,209,047</u>	<u>\$ 3,187,102</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
ACGC

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	Unrestricted Funds	
	Undesignated Funds	Board Designated Funds
REVENUES, GAINS, AND OTHER SUPPORT		
Support:		
United ministries	705,458	\$ -
Penny crusade	504,598	-
Christmas in October	61,010	-
First responders	28,009	-
Individual and estate gifts	262,575	126,828
Field offerings and other gifts	25,756	-
Revenues and gains:		
Administrative service fees	16,000	-
Subscriptions	26,288	-
Income on investments	16,242	10,107
Convention registrations	-	-
Other income	-	-
Gains (losses) on sale of marketable securities	(219)	43,359
Venture Bookstore gross profit	50,869	-
Unrealized gain (loss) on investments, net	(2,032)	2,112
Total revenues, gains and other support	1,694,554	182,407
Reclassifications:		
Satisfaction of purpose restriction	192,440	(100,327)
Transfers between funds	66,039	(40,282)
Total reclassifications	258,479	(140,609)
EXPENSES		
Program services:		
United ministries program	371,650	-
World outreach program	646,782	-
Communications program	242,752	-
Nurture program	240,618	-
Convention program	-	-
Supporting services:		
Management and general	387,685	8,856
Fundraising	4,210	-
Total expenses	1,893,697	8,856
Change in net assets	59,336	32,942
Net assets, beginning of year	517,343	1,531,150
Net assets, end of year	\$ 576,679	\$ 1,564,092

See accompanying notes to financial statements.

	Temporarily Restricted Funds	Permanently Restricted Funds	Total All Funds	
			2015	2014
\$	\$	\$	705,458	677,306
			504,598	513,907
			61,010	59,234
			28,009	28,947
	71,770		461,173	459,351
	-		25,756	29,476
			16,000	16,000
			26,288	24,912
	956	27,315	54,620	61,391
			-	88,035
			-	-
	(305)	(112)	42,723	7,908
	-		50,869	55,467
	(27,566)	(36,876)	(64,362)	149,613
	44,855	(9,674)	1,912,142	2,171,546
	(91,926)	(187)	-	-
	(20,540)	(5,217)	-	-
	(112,466)	(5,404)	-	-
			371,650	357,334
			646,782	601,853
			242,752	247,757
			240,618	235,650
			-	120,699
	139	1,619	398,299	437,659
	-	-	4,210	7,119
	139	1,619	1,904,311	2,008,071
	(67,750)	(16,697)	7,831	163,475
	483,522	579,184	3,111,199	2,947,724
\$	415,772	\$ 562,487	\$ 3,119,030	\$ 3,111,199

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
ACGC

Statement of Cash Flows
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

	2015	2014
OPERATING ACTIVITIES		
Change in net assets	\$ 7,831	\$ 163,476
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	26,864	24,005
(Gain) on disposal of assets	-	(500)
Loss (Gain) on sale of investments	(42,723)	(7,908)
Unrealized loss (gain) on investments, net	64,362	(149,613)
Receipt of donated stock	(10,598)	(10,062)
(Increase) decrease in operating assets:		
Accounts receivable	(1,870)	2,646
Inventories	5,536	22,409
Prepaid expenses	(2,235)	(4,841)
Increase (decrease) in operating liabilities:		
Accounts payable	11,081	(36,655)
Departmental accommodations	2,169	(13,963)
Subscriptions due	864	1,157
Net cash used by operating activities	61,281	(9,849)
INVESTING ACTIVITIES		
Purchases of property and equipment	(35,242)	(4,561)
Proceeds from sale of assets	-	500
Purchases of investments	(280,618)	(222,369)
Proceeds from redemption of investments	233,308	259,303
Net cash provided (used) by investing activities	(82,552)	32,873
Net increase in cash	(21,271)	23,024
Cash, at beginning of year	180,444	157,420
Cash, at end of year	\$ 159,173	\$ 180,444

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, 2015

	Fund Balance 1/1/2015	Income	Expenses	Transfers In (Out)	Fund Balance 12/31/15
<u>Board Designated</u>					
Church Planting Fund	\$ 54,508	\$ -	\$ 2,665	\$ -	\$ 51,843
Headquarters Capital Bd. Des.	-	40,000	35,686	-	4,314
New Church Builders Union	375	7,000	-	-	7,375
Convention Reserve	-	79,628	1,000	-	78,628
Powers Trust Fund	876,859	40,527	56,691	-	860,695
Properties Capital Reserve Fund	-	2,287	2,287	-	-
World Missions Reserve Fund	-	1,998	1,998	-	-
Fair Market Value Investment Adjustment	599,408	-	-	(38,171)	561,237
Total Board Designated	\$ 1,531,150	\$ 171,440	\$ 100,327	\$ (38,171)	\$ 1,564,092
<u>Permanently Restricted</u>					
Leadership Resource Endowment	\$ 12,752	\$ -	\$ -	\$ -	\$ 12,752
J. Howard Shaw Endowment Fund	110,661	-	-	-	110,661
Shew Trust	9,917	187	187	-	9,917
Tithing Powers Endowment	314,492	25,397	-	-	339,889
C. Kirby Endowment Fund Missions	105,898	-	-	-	105,898
Michael Scholarship Endowment	14,339	-	-	-	14,339
Fair Market Value Investment Adjustment	11,125	-	-	(42,094)	(30,969)
Total Permanently Restricted	\$ 579,184	\$ 25,584	\$ 187	\$ (42,094)	\$ 562,487
<u>Temporarily Restricted</u>					
AIMS Support Fund	\$ 225	\$ 300	\$ -	\$ -	\$ 525
Minority Scholarship Fund	4,250	-	-	-	4,250
Leadership Resource Fund	62,297	541	6,299	-	56,539
Leadership Conference	-	3,870	512	-	3,358
TLC Project Fund	1,333	378	1,533	-	178
Missionary Relief Fund	150	150	-	-	300
Anniversary Campaign Fund	280	240	-	-	520
Radio Evangelism	22,255	-	8,000	-	14,255
Pastors Library Fund	10,995	5,272	4,942	-	11,325
Missions Project	168,003	44,131	53,914	-	158,220
World Hunger/Emergency Relief	16,073	16,128	15,795	-	16,406
Focus Home Missions Fund	1,555	1,000	350	-	2,205
Michael Scholarship Fund	732	271	581	-	422
Fair Market Value Investment Adjustment	195,374	-	-	(48,105)	147,269
Total Temporarily Restricted	\$ 483,522	\$ 72,281	\$ 91,926	\$ (48,105)	\$ 415,772
Total	\$ 2,593,856	\$ 269,305	\$ 192,440	\$ (128,370)	\$ 2,542,351

See accompanying notes to financial statements.

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

*Statement of Financial Position
December 31, 2015
(With Comparative Totals as of December 31, 2014)*

	Part I Operating Fund	Part II Ministers' Accumulation Fund
ASSETS		
Current assets:		
Cash on hand and invested	\$ 51,835	\$ 195,528
Due from / to other Board of Pension funds	(135,373)	-
Total current assets	(83,538)	195,528
Investments- long term	97,527	6,537,022
Total assets	\$ 13,989	\$ 6,732,550
 LIABILITIES AND NET ASSETS		
Long-term liabilities:		
Ministers' accumulated vested benefits- A Fund	\$ -	\$ 3,907,546
Ministers' accumulated vested benefits- B Fund	-	1,040,511
Pension annuity- participants vested amounts	-	-
Total liabilities	-	4,948,057
Net Assets:		
Unrestricted:		
Undesignated	13,989	1,784,493
Total net assets	13,989	1,784,493
Total liabilities and net assets	\$ 13,989	\$ 6,732,550

See accompanying notes to financial statements.

Part III Pension Annuity Fund	Total All Funds	
	2015	2014
\$ 8,072	\$ 255,435	\$ 394,211
135,373	-	-
143,445	255,435	394,211
1,126,857	7,761,406	7,841,770
<u>\$ 1,270,302</u>	<u>\$ 8,016,841</u>	<u>\$ 8,235,981</u>
\$ -	\$ 3,907,546	\$ 3,602,290
-	1,040,511	1,050,201
1,270,302	1,270,302	1,270,302
1,270,302	6,218,359	5,922,793
-	1,798,482	2,313,189
-	1,798,482	2,313,189
<u>\$ 1,270,302</u>	<u>\$ 8,016,841</u>	<u>\$ 8,235,982</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
BOARD OF PENSIONS

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

REVENUES AND GAINS	Operating Fund	Ministers' Accumulated Vested Benefits
Revenues and gains:		
Pension deposits	\$ -	\$ 224,454
Income from investments	4,349	156,992
Gain (loss) on sale of securities, net	-	265,659
Withdrawal penalty	5,500	-
Unrealized gain (loss) on investments, net	(553)	(493,022)
 Total revenues and gains	 9,296	 154,083
Reclassifications:		
Transfers between funds	(97,691)	(333,247)
 EXPENSES		
General and administrative:		
General conference services	16,000	-
Board meetings	770	-
Pastors insurance	2,611	-
Securities expense	-	4,725
Management fees	493	13,675
Audit fee	6,300	-
Distributions to participants	-	192,964
 Total expenses	 26,174	 211,364
 Change in net assets	 (114,569)	 (390,528)
 Net assets, beginning of year	 128,558	 2,175,021
 Net assets, end of year	 \$ 13,989	 \$ 1,784,493

See accompanying notes to financial statements.

Pension Annuity Participants Vested Amounts	Total All Funds	
	2015	2014
\$ -	\$ 224,454	\$ 203,206
39,649	200,990	194,530
(375)	265,284	330,923
-	5,500	-
<u>(37,077)</u>	<u>(530,652)</u>	<u>337,131</u>
2,197	165,576	1,065,790
135,374	(295,564)	(25,519)
-	16,000	16,016
-	770	2,072
-	2,611	2,517
-	4,725	7,365
6,161	20,329	20,785
-	6,300	7,512
<u>141,020</u>	<u>333,984</u>	<u>584,794</u>
147,181	384,719	641,061
(9,610)	(514,707)	399,210
<u>9,610</u>	<u>2,313,189</u>	<u>1,913,979</u>
<u>\$ -</u>	<u>\$ 1,798,482</u>	<u>\$ 2,313,189</u>

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

*Statement of Cash Flows
For the Year Ended December 31, 2015
(With Comparative Totals for the Year Ended December 31, 2014)*

	2015	2014
OPERATING ACTIVITIES		
Change in net assets	\$ (514,707)	\$ 399,210
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Loss (gain) on sale of investments	(265,284)	(330,923)
Unrealized loss (gain) on investments, net	530,652	(337,131)
Net cash provided by operating activities	(249,339)	(268,844)
INVESTING ACTIVITIES		
Purchases of investments	(1,195,041)	(1,263,543)
Proceeds from redemption of investments	1,010,037	1,560,085
Net cash provided by (used in) investing activities	(185,004)	296,542
FINANCING ACTIVITIES		
Change in vested benefits	295,566	133,566
Net cash used in financing activities	295,566	133,566
Net increase (decrease) in cash	(138,777)	161,264
Cash, at beginning of year	394,212	232,948
Cash, at end of year	\$ 255,435	\$ 394,212

See accompanying notes to financial statements.