

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

Charlotte, North Carolina

Audited Financial Statements

December 31, 2012

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, 2012, and the related statements of activities, 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's summarized comparative information has been derived from Advent Christian General Conference of America, Incorporated's 2011 financial statements, and in our report dated July 30, 2012, 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, 2012, 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 financial statements as a whole. The individual fund financial statements and schedules on pages 21-27 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 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.

July 19, 2013
Charlotte, North Carolina

FINANCIAL STATEMENTS

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Statement of Financial Position

December 31, 2012

(With Comparative Totals as of December 31, 2011)

ASSETS	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 835,952	\$ 598,830
Investments	150,132	45,002
Investments - temporary	1,225,105	1,133,954
Accounts receivable	9,052	8,735
Inventories	63,983	54,648
Prepaid expenses	<u>1,729</u>	<u>4,531</u>
Total current assets	<u>2,285,953</u>	<u>1,845,700</u>
Investments- long term	451,842	341,199
Investments- pension	6,518,060	6,370,997
Property and equipment, net	<u>324,038</u>	<u>334,547</u>
Total assets	<u>\$ 9,579,893</u>	<u>\$ 8,892,443</u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 50,806	\$ 29,255
Departmental accommodations	43,787	14,973
Customer deposits	-	612
Subscriptions due	<u>10,064</u>	<u>15,499</u>
Total current liabilities	<u>104,657</u>	<u>60,339</u>
Ministers' accumulated vested benefits- A Fund	3,556,012	3,607,827
Ministers' accumulated vested benefits- B Fund	762,464	663,511
Pension annuity - participants vested amounts	<u>1,314,584</u>	<u>1,314,584</u>
Total long-term liabilities	<u>5,633,060</u>	<u>5,585,922</u>
Total liabilities	<u>5,737,717</u>	<u>5,646,261</u>
Net assets:		
Permanently restricted	518,491	481,609
Temporarily restricted	239,871	182,139
Unrestricted:		
Undesignated	2,098,714	1,538,438
Board designated	<u>985,100</u>	<u>1,043,996</u>
Total net assets	<u>3,842,176</u>	<u>3,246,182</u>
Total liabilities and net assets	<u>\$ 9,579,893</u>	<u>\$ 8,892,443</u>

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

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Statement of Activities

For the Year Ended December 31, 2012

(With Comparative Totals for the Year Ended December 31, 2011)

	<u>Unrestricted Funds</u>	
	<u>Undesignated Funds</u>	<u>Board Designated Funds</u>
REVENUES, GAINS, AND OTHER SUPPORT		
Support:		
United ministries	\$ 1,214,911	\$ -
Christmas in October	60,095	-
First responders	31,633	-
Individual and estate gifts	309,017	16,245
Field offerings and other gifts	26,755	-
Revenues and gains:		
Administrative service fees	16,000	-
Pension deposits	165,513	-
Subscriptions	33,397	-
Income on investments	207,546	6,006
Convention registrations	-	-
Other income	8,339	-
Gains (losses) on sale of marketable securities	159,428	9,333
Venture Bookstore gross profit	49,812	-
Unrealized gain (loss) on investments, net	251,575	106,249
Total revenues, gains and other support	<u>2,534,021</u>	<u>137,833</u>
Reclassifications:		
Satisfaction of purpose restriction	142,147	(63,953)
Transfers between funds	48,134	(51,038)
Total reclassifications	<u>190,281</u>	<u>(114,991)</u>
EXPENSES		
Program services:		
United ministries program	363,791	-
World outreach program	554,648	-
Communications program	251,132	-
Nurture program	196,419	-
Convention program	-	-
Supporting services:		
Management and general	459,600	-
Distributions to participants	471,652	-
Fund raising	66,834	-
Total expenses	<u>2,364,076</u>	<u>-</u>
Change in net assets	<u>\$ 360,226</u>	<u>\$ 22,842</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>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 1,214,911	\$ 1,250,681
-	-	60,095	61,282
-	-	31,633	32,955
81,296	-	406,558	484,959
-	-	26,755	22,524
-	-	16,000	20,400
-	-	165,513	218,550
-	-	33,397	29,428
904	7,068	221,524	210,559
-	-	-	56,493
58,052	-	66,391	1,220
128	(717)	168,172	102,117
-	-	49,812	43,881
<u>28,566</u>	<u>26,682</u>	<u>413,072</u>	<u>(134,295)</u>
<u>168,946</u>	<u>33,033</u>	<u>2,873,833</u>	<u>2,400,754</u>
(77,816)	(378)	-	-
<u>(6,610)</u>	<u>9,514</u>	<u>-</u>	<u>-</u>
<u>(84,426)</u>	<u>9,136</u>	<u>-</u>	<u>-</u>
-	-	363,791	374,730
-	-	554,648	631,289
-	-	251,132	249,327
-	-	196,419	178,451
-	-	-	127,362
-	-	459,600	484,143
-	-	471,652	257,011
-	-	<u>66,834</u>	<u>60,959</u>
-	-	<u>2,364,076</u>	<u>2,363,272</u>
<u>\$ 84,520</u>	<u>\$ 42,169</u>	<u>\$ 509,757</u>	<u>\$ 37,482</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

*Statement of Changes in Net Assets
For the year ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)*

	<u>Unrestricted Funds</u>	
	<u>Undesignated Funds</u>	<u>Board Designated Funds</u>
Net assets, beginning of year	\$ 1,538,438	\$ 1,043,996
Change in net assets	360,226	22,842
Transfers between funds	<u>86,237</u>	<u>-</u>
Net assets, end of year	<u>\$ 1,984,901</u>	<u>\$ 1,066,838</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>2012</u>	<u>2011</u>
\$ 182,139	\$ 481,609	\$ 3,246,182	\$ 3,406,029
84,520	42,169	509,757	37,482
<u>-</u>	<u>-</u>	<u>86,237</u>	<u>(197,329)</u>
<u>\$ 266,659</u>	<u>\$ 523,778</u>	<u>\$ 3,842,176</u>	<u>\$ 3,246,182</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

*Statement of Cash Flows
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)*

	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 509,757	\$ 37,482
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	25,184	25,500
Loss (gain) on sale of investments	(168,172)	(102,117)
Loss on disposal of assets	606	-
Unrealized (gain) loss on investments, net	(413,072)	134,295
Receipt of donated stock	(10,020)	(37,258)
(Increase) decrease in operating assets:		
Accounts receivable	(317)	5,429
Inventories	(9,335)	49,022
Prepaid expenses	2,802	2,719
Increase (decrease) in operating liabilities:		
Accounts payable	21,551	(41,199)
Customer deposits	(612)	65
Departmental accommodations	28,814	73
Subscriptions due	<u>(5,435)</u>	<u>2,412</u>
Net cash provided (used) by operating activities	<u>(18,249)</u>	<u>76,423</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(15,278)	(26,650)
Proceeds from sale of assets	-	-
Charge off of note receivable	-	43,299
Purchases of investments	(1,144,076)	(1,182,771)
Proceeds from redemption of investments	<u>1,172,373</u>	<u>578,449</u>
Net cash provided (used) by investing activities	<u>13,019</u>	<u>(587,673)</u>
FINANCING ACTIVITIES		
Payments on long-term debt	-	(23,108)
Change in vested benefits	47,138	215,902
Transfers between funds, net	<u>195,214</u>	<u>(233,990)</u>
Net cash provided (used) by financing activities	<u>242,352</u>	<u>(41,196)</u>
Net increase (decrease) in cash	237,122	(552,446)
Cash, at beginning of year	<u>598,830</u>	<u>1,151,276</u>
Cash, at end of year	<u>\$ 835,952</u>	<u>\$ 598,830</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.

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

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 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, 2012 and 2011. 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.

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ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

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 \$25,184 and \$25,500 for years ended December 31, 2012 and 2011, respectively.

	2012	2011
Land and land improvements	\$ 231,954	\$ 231,954
Headquarters property	268,132	269,396
Headquarters furnishings and equipment	95,195	91,708
Residences (including furnishings)	102,034	97,735
Vehicles	16,943	16,943
	714,258	707,736
Less, accumulated depreciation	390,220	373,189
Total property and equipment, net	\$ 324,038	\$ 334,547

Shipping and Handling Costs

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

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.

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ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS

Investments are presented in the financial statements at fair market value at December 31, 2012 and 2011, respectively as follows:

	<u>12/31/2012</u>		Unrealized
	Cost	Market Value	Gain(Loss) on Investments
Undesignated Fund	\$ 150,020	\$ 150,132	\$ 112
Undesignated Fund- Pension	5,376,245	6,518,060	1,141,815
Temporarily & Board Designated Fund	1,058,228	1,225,105	166,877
Permanently Restricted Fund	456,067	451,842	(4,225)
Total	<u>\$ 7,040,560</u>	<u>\$ 8,345,139</u>	<u>\$ 1,304,579</u>

	<u>12/31/2012</u>		Unrealized
	Cost	Market Value	Gain(Loss) on Investments
Undesignated Fund			
Fixed income securities:			
Certificates of deposits	140,000	139,998	(2)
Common stock	10,020	10,134	114
	<u>\$ 150,020</u>	<u>\$ 150,132</u>	<u>\$ 112</u>

	<u>12/31/2012</u>		Unrealized
	Cost	Market Value	Gain(Loss) on Investments
Undesignated Fund- Pension			
Fixed income securities:			
Corporate bonds	\$ 552,740	\$ 551,694	\$ (1,046)
Government obligations	615,858	726,901	111,043
Mutual funds	1,982,619	2,104,103	121,484
Common stock	2,225,028	3,135,362	910,334
	<u>\$ 5,376,245</u>	<u>\$ 6,518,060</u>	<u>\$ 1,141,815</u>

	<u>12/31/2012</u>		Unrealized
	Cost	Market Value	Gain(Loss) on Investments
Temporarily & Board Designated Fund			
Mutual funds	\$ 84,276	\$ 84,905	\$ 629
Common stock	938,945	1,105,685	166,740
Fixed income securities:			
Government obligations	35,007	34,515	(492)
	<u>\$ 1,058,228</u>	<u>\$ 1,225,105</u>	<u>\$ 166,877</u>

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ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS- Continued

	12/31/2011		
	Cost	Market Value	Unrealized Gain(Loss) on Investments
Undesignated Fund			
Fixed income securities:			
Certificates of deposits	\$ 45,000	\$ 45,002	\$ 2
	\$ 45,000	\$ 45,002	\$ 2
	12/31/2011		
	Cost	Market Value	Unrealized Gain(Loss) on Investments
Undesignated Fund- Pension			
Fixed income securities:			
Corporate bonds	\$ 492,785	\$ 465,471	\$ (27,314)
Government obligations	859,755	968,756	109,001
Certificates of deposits	63,000	62,994	(6)
Mutual funds	1,929,265	1,986,581	57,316
Common stock	2,135,842	2,887,195	751,353
	\$ 5,480,647	\$ 6,370,997	\$ 890,350
	12/31/2011		
	Cost	Market Value	Unrealized Gain(Loss) on Investments
Temporarily & Board Designated Fund			
Mutual funds	\$ 86,339	\$ 79,521	\$ (6,818)
Common stock	965,053	1,003,413	38,360
Fixed income securities:			
Government obligations	50,500	51,020	520
	\$ 1,101,892	\$ 1,133,954	\$ 32,062
	12/31/2011		
	Cost	Market Value	Unrealized Gain(Loss) on Investments
Permanently Restricted Fund			
Common stock	\$ 28,563	\$ 26,320	\$ (2,243)
Mutual funds	285,031	261,560	(23,471)
Fixed income securities:			
Corporate bonds	\$ 40,000	\$ 34,916	(5,084)
Government obligations	18,510	18,403	(107)
	\$ 372,104	\$ 341,199	\$ (30,905)

-Continued-

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS- Continued

	12/31/2011		Unrealized Gain(Loss) on Investments
	Cost	Market Value	
Total all funds			
Common stock	\$ 3,129,458	\$ 3,916,928	\$ 787,470
Mutual funds	2,300,635	2,327,662	27,027
Fixed income securities:			
Corporate bonds	532,785	500,387	(32,398)
Government obligations	928,765	1,038,179	109,414
Certificates of deposit	108,000	107,996	(4)
	\$ 6,999,643	\$ 7,891,152	\$ 891,509

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

	12/31/2011		Market over Cost (Cost over Market)
	Cost	Market Value	
Balance at end of year	\$ 6,999,643	\$ 7,891,152	\$ 891,509
Balance at beginning of year	\$ 6,219,285	\$ 7,245,089	\$ 1,025,804
Decrease in unrealized appreciation of investments.			\$ (134,295)

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). 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.

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ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS- Continued

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, 2012 and 2011.

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.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2012 and 2011, respectively:

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ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS- Continued

Fair Value Measurements at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	December 31, 2012
Exchange Traded Funds:			
Large Cap Funds	\$ 20,221	\$ -	\$ 20,221
Fixed Income:			
Corporate Bonds	-	591,424	591,424
Government obligations	-	761,415	761,415
Mutual Funds:			
Inflation Funds	361,165	-	361,165
Intermediate Funds	172,493	-	172,493
International Funds	167,045	-	167,045
Large Funds	525,792	-	525,792
Mid-Cap Funds	454,263	-	454,263
Short Term Fund	246,961	-	246,961
Small Cap Funds	-	-	-
Total Return Fund	322,027	-	322,027
Other Funds	327,907	-	327,907
Common Stocks:			
Automotive	10,192	-	10,192
Conglomerates	-	-	-
Consumer Goods	610,139	-	610,139
Entertainment	6,893	-	6,893
Financial	354,347	-	354,347
Industrial Goods	448,709	-	448,709
Insurance	754,442	-	754,442
Healthcare	339,288	-	339,288
Manufacturing	14,428	-	14,428
Oil and Gas	317,092	-	317,092
Retail	-	-	-
Technology	1,141,037	-	1,141,037
Transportation	-	-	-
Utilities	163,841	-	163,841
Other	94,020	-	94,020
Certificate of Deposit	-	139,998	139,998
	<u>\$ 6,852,302</u>	<u>\$ 1,492,837</u>	<u>\$ 8,345,139</u>

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ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 2- INVESTMENTS- Continued

	Fair Value Measurements at Reporting Date Using		
	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	December 31, 2011
Exchange Traded Funds:			
Large Cap Funds	\$ 17,564	\$ -	\$ 17,564
Fixed Income:			
Corporate Bonds	-	500,387	500,387
Government obligations	-	1,038,178	1,038,178
Mutual Funds:			
Inflation Funds	417,668	-	417,668
Intermediate Funds	167,549	-	167,549
International Funds	84,511	-	84,511
Large Funds	390,535	-	390,535
Mid-Cap Funds	348,740	-	348,740
Short Term Fund	479,446	-	479,446
Small Cap Funds	13,343	-	13,343
Total Return Fund	291,597	-	291,597
Other Funds	116,709	-	116,709
Common Stocks:			
Automotive	8,468	-	8,468
Conglomerates	139,250	-	139,250
Consumer Goods	466,780	-	466,780
Entertainment	6,904	-	6,904
Financial	367,540	-	367,540
Industrial Goods	170,660	-	170,660
Insurance	644,960	-	644,960
Healthcare	288,120	-	288,120
Manufacturing	14,809	-	14,809
Oil and Gas	452,400	-	452,400
Retail	290,380	-	290,380
Technology	780,445	-	780,445
Transportation	146,380	-	146,380
Utilities	102,182	-	102,182
Other	37,651	-	37,651
Certificate of Deposit	-	107,996	107,996
	<u>\$ 6,244,591</u>	<u>\$ 1,646,561</u>	<u>\$ 7,891,152</u>

-Continued-

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 3- CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. These financial institutions participate in the Federal Deposit Insurance Corporation's Transaction Account Guarantee Program, and the accounts that are non-interest bearing are fully guaranteed by the Federal Deposit Insurance Corporation for the entire amount of the accounts. The Organization does maintain cash balances in accounts that do not participate in the transaction account guarantee program due to interest earnings. 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. As of December 31, 2012 and 2011 cash balances exceeded federally insured limits by \$278,961 and \$96,721, respectively.

The Organization's marketable securities at December 31, 2012 and December 31, 2011 are held by a financial services company. 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, 2012 and 2011 was \$17,054 and \$16,159, respectively. Future minimum rental payments required under operating leases having initial or remaining non-cancelable terms in excess of one year at December 31, 2012 were:

2013	\$15,941
2014	12,502
2015	1,716
2016	<u>572</u>
	<u>\$ 30,731</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

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. The Organization is exempt from filing a tax return because of their religious exemption.

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 derecognition, 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 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. Currently no tax returns have been filed due to their religious exemption, and therefore no open audit periods exist.

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 \$165,513 and \$218,550 for years ended December 31, 2012 and 2011, 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, 2012 and 2011 is \$4,318,476 and \$4,271,338, 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, 2012 and 2011 were \$138,193 and \$138,266, respectively. The fair market value of Part III investments set aside for this plan at December 31, 2012 was \$1,333,625. According to the actuarial study the obligation to participants at December 31, 2012 was \$1,314,584.

-Continued-

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 8- ANNUITY PARTICIPANTS VESTED AMOUNTS- Continued

However, pension operating fund investments are available to cover the unfunded portion, and, therefore, no liability has been reported in the Statement of Financial Position. The investments consist of 55% invested in government and corporate bonds and the remaining 45% invested in mutual funds and certificates of deposits. An actuarial study was performed on March 25, 2011 for the December 31, 2010 year end. The obligation on the balance sheet is currently at the actuarial valuation as there has been minimal change since the study was performed. Below contains 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. 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 9- SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest as follows:

	<u>2012</u>	<u>2011</u>
Interest	\$ -	\$ 211

Non- cash activities as follows:

Donated stock	\$ 10,020	\$ 37,258
Charge off of note receivable	-	43,299
Total Non-cash activities	<u>\$ 10,020</u>	<u>\$ 80,557</u>

NOTE 10- RECLASSIFICATIONS

Certain amounts in the financial statements for 2011 have been reclassified to conform to the current year presentation. Such reclassification had no effect on net income.

-Continued-

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED

Notes to Financial Statements

NOTE 11- 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, 2011, from which summarized information was derived.

NOTE 12- TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Net assets were temporarily and permanently restricted for the following purposes at December 31, 2012 and 2011:

<u>Permanently Restricted</u>	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Leadership Resource Endowment	\$ 12,752	\$ 12,752
J. Howard Shaw Endowment Fund	110,661	110,662
Shew Trust	9,917	9,917
C. Kirby Endowment Fund Missions	105,898	105,898
Michael Scholarship Endowment	14,340	14,340
Tithing Powers Endowment	264,923	258,950
Fair Market Value Investment Adjustment	-	(30,910)
Total Permanently Restricted	<u>\$ 518,491</u>	<u>\$ 481,609</u>
<u>Temporarily Restricted</u>	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Minority Scholarship Fund	\$ 4,750	\$ 5,000
Leadership Resource Fund	64,306	68,863
Pastor's Conference	11,142	3,669
TLC Project Fund	1,938	1,425
M3 Project Fund	-	(1)
Missionary Relief Fund	250	100
Anniversary Campaign Fund	50,509	40,123
Radio Evangelism	22,255	22,255
Pastors Library Fund	7,355	8,799
Mission Capital Fund	61,975	8
World Hunger/Emergency Relief	12,164	26,165
Focus Home Missions Fund	2,681	125
Michael Scholarship Fund	546	-
Fair Market Value Investment Adjustment	-	5,608
Total Temporarily Restricted	<u>\$ 239,871</u>	<u>\$ 182,139</u>

-Continued-

NOTE 13- DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 19, 2013, 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, 2012
(With Comparative Totals as of December 31, 2011)*

ASSETS	Unrestricted Funds	
	Undesignated Funds	Board Designated Funds
Current assets:		
Cash and cash equivalents	\$ 186,115	\$ 86,554
Investments	150,132	980,084
Accounts receivable	9,052	-
Inventories	63,983	-
Prepaid expenses	1,729	-
Total current assets	411,011	1,066,638
Investments- long term	-	-
Property and equipment, net	324,038	-
Total assets	\$ 735,049	\$ 1,066,638
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 50,806	\$ -
Departmental accommodations	43,787	-
Customer deposits	-	-
Subscriptions due	10,064	-
Total current liabilities	104,657	-
Total liabilities	104,657	-
Net assets:		
Permanently restricted	-	-
Temporarily restricted	-	-
Unrestricted:		
Undesignated	630,392	81,738
Board designated	-	984,900
Total net assets	630,392	1,066,638
Total liabilities and net assets	\$ 735,049	\$ 1,066,638

See accompanying notes to financial statements.

<u>Temporarily Restricted Funds</u>	<u>Permanently Restricted Funds</u>	<u>Total All Funds</u>	
		<u>2012</u>	<u>2011</u>
\$ 21,638	\$ 71,936	\$ 366,243	\$ 384,029
245,021	-	1,375,237	1,178,956
-	-	9,052	8,735
-	-	63,983	54,648
-	-	1,729	4,531
<u>266,659</u>	<u>71,936</u>	<u>1,816,244</u>	<u>1,630,899</u>
-	451,842	451,842	341,199
-	-	324,038	334,547
<u>\$ 266,659</u>	<u>\$ 523,778</u>	<u>\$ 2,592,124</u>	<u>\$ 2,306,645</u>
\$ -	\$ -	\$ 50,806	\$ 29,255
-	-	43,787	14,973
-	-	-	612
-	-	10,064	15,499
-	-	104,657	60,339
-	-	104,657	60,339
-	518,491	518,491	481,609
239,871	-	239,871	182,139
26,788	5,287	744,205	541,449
-	-	984,900	1,041,109
<u>266,659</u>	<u>523,778</u>	<u>2,487,467</u>	<u>2,246,306</u>
<u>\$ 266,659</u>	<u>\$ 523,778</u>	<u>\$ 2,592,124</u>	<u>\$ 2,306,645</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
ACGC

Statement of Activities
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	Unrestricted Funds	
	Undesignated Funds	Board Designated Funds
REVENUES, GAINS, AND OTHER SUPPORT		
Support:		
United ministries	\$ 1,214,911	\$ -
Christmas in October	60,095	-
First responders	31,633	-
Individual and estate gifts	309,017	16,245
Field offerings and other gifts	26,755	-
Revenues and gains:		
Administrative service fees	16,000	-
Subscriptions	33,397	-
Income on investments	5,456	6,006
Convention registrations	-	-
Other income	-	-
Gains (losses) on sale of marketable securities	(645)	9,333
Venture Bookstore gross profit	49,812	-
Unrealized gain (loss) on investments, net	110	106,249
Total revenues, gains and other support	1,746,541	137,833
Reclassifications:		
Satisfaction of purpose restriction	139,460	(61,266)
Transfers between funds	48,134	(51,038)
Total reclassifications	187,594	(112,304)
EXPENSES		
Program services:		
United ministries program	363,791	-
World outreach program	554,648	-
Communications program	251,132	-
Nurture program	196,419	-
Convention program	-	-
Supporting services:		
Management and general	412,368	-
Fundraising	66,834	-
Total expenses	1,845,192	-
Change in net assets	88,943	25,529
Net assets, beginning of year	541,449	1,041,109
Net assets, end of year	\$ 630,392	\$ 1,066,638

See accompanying notes to financial statements.

<u>Temporarily Restricted Funds</u>	<u>Permanently Restricted Funds</u>	<u>Total All Funds</u>	
		<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 1,214,911	\$ 1,250,681
-	-	60,095	61,282
-	-	31,633	32,955
81,296	-	406,558	484,959
-	-	26,755	22,524
-	-	16,000	20,400
-	-	33,397	29,428
904	7,068	19,434	14,396
-	-	-	56,493
58,052	-	58,052	1,220
128	(717)	8,099	(10,437)
-	-	49,812	43,881
<u>28,566</u>	<u>26,682</u>	<u>161,607</u>	<u>(73,639)</u>
<u>168,946</u>	<u>33,033</u>	<u>2,086,353</u>	<u>1,934,143</u>
(77,816)	(378)	-	-
<u>(6,610)</u>	<u>9,514</u>	<u>-</u>	<u>-</u>
<u>(84,426)</u>	<u>9,136</u>	<u>-</u>	<u>-</u>
-	-	363,791	374,730
-	-	554,648	631,289
-	-	251,132	249,327
-	-	196,419	178,451
-	-	-	127,362
-	-	412,368	431,328
-	-	<u>66,834</u>	<u>60,959</u>
-	-	<u>1,845,192</u>	<u>2,053,446</u>
84,520	42,169	241,161	(119,303)
<u>182,139</u>	<u>481,609</u>	<u>2,246,306</u>	<u>2,365,609</u>
<u>\$ 266,659</u>	<u>\$ 523,778</u>	<u>\$ 2,487,467</u>	<u>\$ 2,246,306</u>

ADVENT CHRISTIAN GENERAL CONFERENCE OF AMERICA, INCORPORATED
ACGC

Statement of Cash Flows
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)

	2012	2011
OPERATING ACTIVITIES		
Change in net assets	\$ 241,161	\$ (119,303)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	25,184	25,500
(Gain) on disposal of assets	603	-
Loss (Gain) on sale of investments	(8,099)	10,437
Unrealized loss (gain) on investments, net	(161,607)	73,639
Receipt of donated stock	(10,020)	(37,258)
(Increase) decrease in operating assets:		
Accounts receivable	(317)	5,429
Inventories	(9,335)	49,022
Prepaid expenses	2,802	2,719
Increase (decrease) in operating liabilities:		
Accounts payable	21,551	(41,199)
Customer deposits	(612)	65
Departmental accommodations	28,814	73
Subscriptions due	(5,435)	2,412
Net cash used by operating activities	124,690	(28,464)
INVESTING ACTIVITIES		
Purchases of property and equipment	(15,278)	(26,650)
Proceeds from sale of assets	-	-
Charge off of note receivable	-	43,299
Purchases of investments	(386,491)	(400,839)
Proceeds from redemption of investments	259,293	304,573
Net cash provided (used) by investing activities	(142,476)	(79,617)
FINANCING ACTIVITIES		
Payments on long-term debt	-	(23,108)
Net cash used by financing activities	-	(23,108)
Net decrease in cash	(17,786)	(131,189)
Cash, at beginning of year	384,029	515,218
Cash, at end of year	\$ 366,243	\$ 384,029

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, 2012*

	Fund Balance 1/1/2012	Income	Expenses	Transfers In (Out)	Fund Balance 12/31/2012
Board Designated					
Church Planting Fund	\$ 40,318	\$ -	\$ 1,166	\$ -	\$ 39,152
New Church Builders Union	225	16,045	16,220	-	50
Powers Trust Fund	974,038	7,093	35,433	-	945,698
Properties Capital Reserve Fund	-	4,414	4,414	-	-
World Missions Reserve Fund	-	4,033	4,033	-	-
Fair Market Value Investment Adjustment	26,528	-	-	(26,528)	-
Total Board Designated	\$ 1,041,109	\$ 31,585	\$ 61,266	\$ (26,528)	\$ 984,900
Permanently Restricted					
Leadership Resource Endowment	\$ 12,752	\$ -	\$ -	\$ -	\$ 12,752
J. Howard Shaw Endowment Fund	110,662	-	1	-	110,661
Shew Trust	9,917	378	378	-	9,917
Tithing Powers Endowment	258,950	5,974	-	-	264,924
C. Kirby Endowment Fund Missions	105,898	-	-	-	105,898
Michael Scholarship Endowment	14,340	-	1	-	14,339
Fair Market Value Investment Adjustment	(30,910)	-	-	30,910	-
Total Permanently Restricted	\$ 481,609	\$ 6,352	\$ 380	\$ 30,910	\$ 518,491
Temporarily Restricted					
Headquarters Restricted Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Minority Scholarship Fund	5,000	250	500	-	4,750
Leadership Resource Fund	68,863	486	5,043	-	64,306
Pastor's Conference	3,669	8,582	1,109	-	11,142
TLC Project Fund	1,425	1,759	2,021	775	1,938
Missionary Relief Fund	100	150	-	-	250
Anniversary Campaign Fund	40,123	31,964	21,579	-	50,508
Radio Evangelism	22,255	-	-	-	22,255
Pastors Library Fund	8,799	2,540	3,984	-	7,355
Mission Capital Fund	7	63,237	1,268	-	61,976
World Hunger/Emergency Relief	26,165	26,806	40,807	-	12,164
Focus Home Missions Fund	125	4,060	1,504	-	2,681
Michael Scholarship Fund	-	546	-	-	546
Fair Market Value Investment Adjustment	5,608	-	-	(5,608)	-
Total Temporarily Restricted	\$ 182,139	\$ 140,380	\$ 77,815	\$ (4,833)	\$ 239,871
Total	\$ 1,704,857	\$ 178,317	\$ 139,461	\$ (451)	\$ 1,743,262

See accompanying notes to financial statements.

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

*Statement of Financial Position
December 31, 2012
(With Comparative Totals as of December 31, 2011)*

	Part I Operating Fund	Part II Ministers' Accumulation Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 67,959	\$ 210,462
Total current assets	67,959	210,462
Investments- long term	136,967	5,238,756
Total assets	\$ 204,926	\$ 5,449,218
 LIABILITIES AND NET ASSETS		
Long-term liabilities:		
Ministers' accumulated vested benefits- A Fund	\$ -	\$ 3,556,012
Ministers' accumulated vested benefits- B Fund	-	762,464
Pension annuity- participants vested amounts	-	-
Total liabilities	-	4,318,476
 Net Assets:		
Unrestricted:		
Undesignated	204,726	1,130,742
Board designated- Tate Memorial	200	-
Total net assets	204,926	1,130,742
Total liabilities and net assets	\$ 204,926	\$ 5,449,218

See accompanying notes to financial statements.

Part III Pension Annuity Fund	Total All Funds	
	2012	2011
\$ 191,288	\$ 469,709	\$ 214,801
191,288	469,709	214,801
<u>1,142,337</u>	<u>6,518,060</u>	<u>6,370,997</u>
<u>\$ 1,333,625</u>	<u>\$ 6,987,769</u>	<u>\$ 6,585,798</u>
\$ -	\$ 3,556,012	\$ 3,607,827
-	762,464	663,511
<u>1,314,584</u>	<u>1,314,584</u>	<u>1,314,584</u>
<u>1,314,584</u>	<u>5,633,060</u>	<u>5,585,922</u>
19,041	1,354,509	996,989
-	200	2,887
<u>19,041</u>	<u>1,354,709</u>	<u>999,876</u>
<u>\$ 1,333,625</u>	<u>\$ 6,987,769</u>	<u>\$ 6,585,798</u>

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

*Statement of Activities
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)*

REVENUES AND GAINS	Operating Fund	Ministers' Accumulated Vested Benefits
Revenues and gains:		
Pension deposits	\$ -	\$ 165,513
Income from investments	7,193	153,001
Gain (loss) on sale of securities, net	(2,101)	134,583
Withdrawal penalty	8,339	-
Unrealized gain (loss) on investments, net	17,438	255,796
Total revenues and gains	<u>30,869</u>	<u>708,893</u>
 EXPENSES		
General and administrative:		
General conference services	16,000	-
Board meetings	1,364	-
Securities expense	-	2,354
Management fees	913	14,265
Audit fee	6,000	-
Distributions to participants	-	333,459
Total expenses	<u>24,277</u>	<u>350,078</u>
Change in net assets	<u>6,592</u>	<u>358,815</u>
Net assets, beginning of year	229,756	770,120
Transfers between funds	(31,422)	1,807
Net assets, end of year	<u>\$ 204,926</u>	<u>\$ 1,130,742</u>

See accompanying notes to financial statements.

Pension Annuity Participants Vested Amounts	Total All Funds	
	2012	2011
\$ -	\$ 165,513	\$ 218,550
41,896	202,090	196,163
27,591	160,073	112,554
-	8,339	-
<u>(21,769)</u>	<u>251,465</u>	<u>(60,656)</u>
47,718	787,480	466,611
-	16,000	20,511
-	1,364	2,106
34	2,388	2,015
6,302	21,480	21,289
-	6,000	6,894
<u>138,193</u>	<u>471,652</u>	<u>257,011</u>
144,529	518,884	309,826
<u>(96,811)</u>	<u>268,596</u>	<u>156,785</u>
-	999,876	1,040,420
<u>115,852</u>	<u>86,237</u>	<u>(197,329)</u>
<u>\$ 19,041</u>	<u>\$ 1,354,709</u>	<u>\$ 999,876</u>

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

*Statement of Cash Flows
For the Year Ended December 31, 2012
(With Comparative Totals for the Year Ended December 31, 2011)*

	2012	2011
OPERATING ACTIVITIES		
Change in net assets	\$ 268,596	\$ 156,785
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Gain on sale of investments	(160,073)	(112,554)
Unrealized loss (gain) on investments, net	<u>(251,465)</u>	<u>60,656</u>
Net cash provided (used) by operating activities	<u>(142,942)</u>	<u>104,887</u>
INVESTING ACTIVITIES		
Purchases of investments	(757,584)	(781,932)
Proceeds from redemption of investments	<u>913,081</u>	<u>273,876</u>
Net cash provided (used) by investing activities	<u>155,497</u>	<u>(508,056)</u>
FINANCING ACTIVITIES		
Change in vested benefits	47,138	215,902
Transfers between funds, net	<u>195,215</u>	<u>(233,990)</u>
Net cash provided (used) by financing activities	<u>242,353</u>	<u>(18,088)</u>
Net increase (decrease) in cash	254,908	(421,257)
Cash, at beginning of year	<u>214,801</u>	<u>636,058</u>
Cash, at end of year	<u>\$ 469,709</u>	<u>\$ 214,801</u>

See accompanying notes to financial statements.