

SAMPLE UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
Illustrative Combined Financial Statements (International Model)
31 December 20X1 and 20X0

(To be used by Divisions, Union Conferences/Missions, and Local Conferences/Fields)

The reporting currency is the [*name of local currency*]

SAMPLE UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
 Combined Statement of Financial Position (International Model)
 31 December 20X1 and 20X0

Appendix 17A.01

ASSETS	Operating Fund	Plant Fund	Total 20X1	Total 20X0
<u>Current Assets</u>				
Cash & Cash Equivalents (Note 3)	1,702,642		1,702,642	1,599,670
Investments (Note 4)	8,571,777		8,571,777	5,840,869
Accounts Receivable, net (Note 5)	9,069,178		9,069,178	8,042,572
Cash Held for Agency (Note 3)	546,956		546,956	672,581
Loans Rec. - Current Portion (Note 6)	886,033		886,033	750,000
Supplies & Prepaid Expense (Note 7)	241,995		241,995	337,914
Total Current Assets	<u>21,018,581</u>		<u>21,018,581</u>	<u>17,243,606</u>
<u>Land, Buildings, and Equipment</u> (Note 8)		4,975,856	4,975,856	2,505,436
<u>Other Assets</u>				
Due From Other Funds	2,000		0	0
Restricted Currency Receivable (Note 16)	180,000		180,000	86,000
Loans Rec. - Noncurrent (Note 6)	4,276,542		4,276,542	5,803,827
Cash & Invest., Non-operating (Note 9)		1,245,890	1,245,890	41,235
Total Other Assets	<u>4,458,542</u>	<u>1,245,890</u>	<u>5,702,432</u>	<u>5,931,062</u>
Total Assets	<u><u>25,477,123</u></u>	<u><u>6,221,746</u></u>	<u><u>31,696,869</u></u>	<u><u>25,680,104</u></u>
LIABILITIES				
<u>Current Liabilities</u>				
Accounts Payable (Note 10)	955,057		955,057	820,057
Offering & Agency Accounts (Note 11)	7,200,452		7,200,452	4,526,233
Loans Pay. - Current Portion (Note 12)	697,450		697,450	435,456
Total Current Liabilities	<u>8,852,959</u>		<u>8,852,959</u>	<u>5,781,746</u>
<u>Other Liabilities</u>				
Due to Other Funds		2,000	0	0
Restricted Currency Payable (Note 16)	180,000		180,000	86,000
Loans Pay. - Noncurrent (Note 12)	2,140,744	1,000,000	3,140,744	2,375,000
Total Other Liabilities	<u>2,320,744</u>	<u>1,002,000</u>	<u>3,320,744</u>	<u>2,461,000</u>
Total Liabilities	<u>11,173,703</u>	<u>1,002,000</u>	<u>12,173,703</u>	<u>8,242,746</u>
NET ASSETS				
Unallocated Tithe Function	3,041,556		3,041,556	3,280,762
Unallocated Non-tithe Function	3,462,935		3,462,935	3,067,025
Allocated Functions	7,798,929		7,798,929	8,522,900
Unexpended Plant Function		1,243,890	1,243,890	61,235
Invested in Plant Function		3,975,856	3,975,856	2,505,436
Total Net Assets	<u>14,303,420</u>	<u>5,219,746</u>	<u>19,523,166</u>	<u>17,437,358</u>
Total Liabilities & Net Assets	<u><u>25,477,123</u></u>	<u><u>6,221,746</u></u>	<u><u>31,696,869</u></u>	<u><u>25,680,104</u></u>

Inter-fund borrowing is eliminated in the total columns.

The accompanying notes are an integral part of these financial statements.

SAMPLE UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
 Combined Statement of Financial Activity (International Model)
 Years Ended 31 December 20X1 and 20X0

Appendix 17A.02

	Operating Fund *	Plant Fund	Total 20X1	Budget 20X1	Total 20X0
OPERATING ACTIVITY					
<u>Earned Income</u>					
Tithe (net) (Note 14)	5,874,785		5,874,785	5,556,000	5,560,152
Specific Donations	97,961		97,961	0	702,521
Total Investment Income (Note 4)	845,186		845,186	840,000	557,384
Net Exchange Gain (Loss) - General	3,297		3,297	0	(18,741)
Other Operating Income	191,472		191,472	200,000	21,507
Total Earned Operating Income	7,012,701		7,012,701	6,596,000	6,822,823
<u>Operating Expense</u>					
Employee-related Expense (Note 19)	6,409,558		6,409,558	6,492,000	6,867,214
Administrative & General Expense	2,210,431	180,009	2,390,440	2,368,500	2,717,004
Departmental Expense	1,196,710		1,196,710	1,151,500	1,136,418
Other Operating Expense	1,101,984		1,101,984	968,000	1,167,324
Total Operating Expense	10,918,683	180,009	11,098,692	10,980,000	11,887,960
Increase (Decrease) before Approp.	(3,905,982)	(180,009)	(4,085,991)	(4,384,000)	(5,065,137)
<u>Operating Appropriations</u>					
Tithe Appropriations Received	8,636,721		8,636,721	8,625,000	8,204,885
Tithe Appropriations Disbursed	(5,510,223)		(5,510,223)	(4,850,000)	(3,572,250)
Non-tithe Appropriations Received	1,524,127		1,524,127	1,500,000	1,447,925
Non-tithe Appropriations Disbursed	(978,667)		(978,667)	(875,000)	(629,391)
Net Exchange Gain (Loss) Op. App.	26,775		26,775	0	(1,009)
Net Appropriations Retained	3,698,733		3,698,733	4,400,000	5,450,160
Increase (Decrease) after Approp.	(207,249)	(180,009)	(387,258)	16,000	385,023
CAPITAL ACTIVITY					
Capital Appropriations Received	19,991	560,929	580,920	580,920	2,060,640
Other Capital Income (Note 17)		2,080,657	2,080,657	1,095,000	71,920
Capital Appropriations Disbursed	(200,000)		(200,000)	(360,000)	0
Gain (Loss) on Sale of Assets		0	0	0	(54,562)
Net Exchange Gain (Loss) Cap. App.		11,489	11,489	0	0
Net Capital Increase (Decrease)	(180,009)	2,653,075	2,473,066	1,315,920	2,077,998
Increase (Decrease) before Transfers	(387,258)	2,473,066	2,085,808	1,331,920	2,463,021
TRANSFERS					
From Non-tithe to Unexpended Plant	(180,009)	180,009	0	0	0
Net Increase (Decrease) for the Year	(567,267)	2,653,075	2,085,808	1,331,920	2,463,021
Net Assets, Beginning of Year	14,870,687	2,566,671	17,437,358	17,437,358	14,974,337
Net Assets, End of Year	14,303,420	5,219,746	19,523,166	18,769,278	17,437,358

* See Note 18 for expanded detail of the operating fund.
 The accompanying notes are an integral part of these financial statements.

SAMPLE UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
 Combined Statement of Changes in Net Assets (International Model)
 Year Ended 31 December 20X1

Appendix 17A.03 (1)

	Balance 31-12-20X0	Income	Expense	Transfers From (To)		Balance 31-12-20X1
				Unallocated & Allocated	Operating & Plant	
OPERATING FUND:						
Unallocated						
Tithe	3,280,762	9,203,774	9,242,980	(200,000)	0	3,041,556
Non-tithe	3,067,025	1,399,618	1,307,703	484,004	(180,009)	3,462,935
Total Unallocated	6,347,787	10,603,392	10,550,683	284,004	(180,009)	6,504,491
Allocated						
(Tithe-allowable Functions)						
Constituency Session	1,004,342	0	20,000	0	0	984,342
Evangelism - Big Cities	772,895	9,260	105,000	5,000	0	682,155
Evangelism - Rural Areas	632,368	8,701	140,000	5,000	0	506,069
Extended Inter-union Service	285,517	0	10,000	0	0	275,517
Health Outreach	808,299	25,000	60,000	25,000	0	798,299
Leadership Training	706,944	20,000	18,000	0	0	708,944
(Non-tithe-related Functions)						
Contingency	2,214,795	0	0	(297,120)	0	1,917,675
Exchange Fluctuation - Op.	927,602	30,072	0	(100,000)	0	857,674
Global Mission	553,699	0	195,000	0	0	358,699
Ingathering Reversion	0	35,000	0	(35,000)	0	0
Insurance	191,237	0	15,000	0	0	176,237
Religious Liberty	425,202	0	5,000	0	0	420,202
Securities Fluctuation	0	0	0	113,116	0	113,116
Total Allocated	8,522,900	128,033	568,000	(284,004)	0	7,798,929
Total Operating Fund	14,870,687	10,731,425	11,118,683	0	(180,009)	14,303,420
PLANT FUND:						
Unexpended Plant						
General / Unspecified	49,473	641,184	0	(512,429)	180,009	358,237
Building Projects - Donated	0	1,974,512	0	(1,200,000)	0	774,512
Building Projects - Allocated	8,000	75,890	0	0	0	83,890
Equipment Acquisitions	2,000	0	0	12,000	0	14,000
Exchange Fluctuation - Cap.	1,762	11,489	0	0	0	13,251
Total Unexpended Plant	61,235	2,703,075	0	(1,700,429)	180,009	1,243,890
Invested in Plant						
Invested in Plant	2,505,436	0	230,009	1,700,429	0	3,975,856
Total Plant Fund	2,566,671	2,703,075	230,009	0	180,009	5,219,746
Total All Funds	17,437,358	13,434,500	11,348,692	0	0	19,523,166

The accompanying notes are an integral part of these financial statements.

SAMPLE UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
 Combined Statement of Changes in Net Assets (International Model)
 Year Ended 31 December 20X0

Appendix 17A.03 (2)

	Balance 31-12-19X9	Income	Expense	Transfers From (To)		Balance 31-12-20X0
				Unallocated & Allocated	Operating & Plant	
OPERATING FUND:						
Unallocated						
Tithe	2,926,671	10,192,787	9,738,696	(100,000)		3,280,762
Non-tithe	2,982,437	1,662,425	1,377,837		(200,000)	3,067,025
Total Unallocated	5,909,108	11,855,212	11,116,533	(100,000)	(200,000)	6,347,787
Allocated						
(Tithe-allowable Functions)						
Constituency Session	1,112,947		108,605			1,004,342
Evangelism - Big Cities	668,187	200,000	95,292			772,895
Evangelism - Rural Areas	510,334	200,000	77,966			632,368
Extended Inter-union Service	285,517					285,517
Health Outreach	768,299			40,000		808,299
Leadership Training	728,638		121,694	100,000		706,944
(Non-tithe-related Functions)						
Contingency	2,289,795			(75,000)		2,214,795
Exchange Fluctuation - Op.	946,343	(18,741)				927,602
Global Mission	478,699	250,000	175,000			553,699
Ingathering Reversion	0	40,000		(40,000)		0
Insurance	131,143		14,906	75,000		191,237
Religious Liberty	418,690	11,512	5,000			425,202
Securities Fluctuation	0					0
Total Allocated	8,338,592	682,771	598,463	100,000	0	8,522,900
Total Operating Fund	14,247,700	12,537,983	11,714,996	0	(200,000)	14,870,687
PLANT FUND:						
Unexpended Plant						
General / Unspecified	13,044	70,158		(233,729)	200,000	49,473
Building Projects - Donated	0	1,795,640		(1,795,640)		0
Building Projects - Allocated	8,000					8,000
Equipment Acquisitions	2,000					2,000
Exchange Fluctuation - Cap.	0	1,762				1,762
Total Unexpended Plant	23,044	1,867,560	0	(2,029,369)	200,000	61,235
Invested in Plant						
Invested in Plant	703,593	0	227,526	2,029,369	0	2,505,436
Total Plant Fund	726,637	1,867,560	227,526	0	200,000	2,566,671
Total All Funds	14,974,337	14,405,543	11,942,522	0	0	17,437,358

The accompanying notes are an integral part of these financial statements.

SAMPLE UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
 Combined Statement of Cash Flows (International Model)
 Years Ended 31 December 20X1 and 20X0

Appendix 17A.04

	Operating Fund	Plant Fund	20X1 Total	20X0 Total
<u>Cash Flows from Operating Activities:</u>				
Net Increase from Financial Activity	(567,267)	2,653,075	2,085,808	2,463,021
Adjustments to remove non-cash items:				
Depreciation Expense		180,009	180,009	172,964
(Gain) Loss on Sale of Plant Assets		0	0	54,562
Unrealized (Gain) Loss on Investments	(133,971)	(45,890)	(179,861)	24,620
Adjustments to reclassify non-operating items:				
Total Exchange (Gain) Loss	(30,072)	(11,489)	(41,561)	19,750
Non-operating Donations & Appropriations		(2,535,441)	(2,535,441)	(169,858)
(Increase) Decrease - Accounts Receivable	(1,139,722)		(1,139,722)	569,861
(Increase) Decrease - Supplies & Prepaid	95,919		95,919	(55,903)
Increase (Decrease) - Accounts Payable	135,000		135,000	74,323
Increase (Decrease) - Agency Funds, net	2,799,844		2,799,844	(1,437,109)
Net Cash Provided (Used) from Operating	<u>1,159,731</u>	<u>240,264</u>	<u>1,399,995</u>	<u>1,716,231</u>
<u>Cash Flows from Investing Activities:</u>				
Proceeds from Maturity of Investments	316,179		316,179	0
Purchase of Investments	(2,800,000)	(1,158,765)	(3,958,765)	(2,000,000)
Payments Received on Notes Receivable	1,641,252		1,641,252	750,000
New Notes Receivable Issued	(250,000)		(250,000)	(3,000,000)
Proceeds from Sale of Assets		50,000	50,000	35,000
Purchase of Land, Buildings, & Equipment		(1,700,429)	(1,700,429)	(303,586)
Net Cash Provided (Used) from Investing	<u>(1,092,569)</u>	<u>(2,809,194)</u>	<u>(3,901,763)</u>	<u>(4,518,586)</u>
<u>Cash Flows from Financing Activities:</u>				
Donations for Future Plant Fund Acquisitions		2,535,441	2,535,441	169,858
Proceeds from Borrowing New Debt	500,000		500,000	3,500,000
Payments Made on Long-term Debt	(472,262)		(472,262)	(435,456)
Proceeds (Payments) on Inter-fund Borrowing	(22,000)	22,000	0	0
Net Cash Provided (Used) from Financing	<u>5,738</u>	<u>2,557,441</u>	<u>2,563,179</u>	<u>3,234,402</u>
Exchange Gain (Loss) on Cash Held in Other Currency	<u>30,072</u>	<u>11,489</u>	<u>41,561</u>	<u>(19,750)</u>
Net Increase (Decrease) for the Year	102,972	0	102,972	412,297
Cash, Beginning of Year	<u>1,599,670</u>	<u>0</u>	<u>1,599,670</u>	<u>1,187,373</u>
Cash, End of Year	<u><u>1,702,642</u></u>	<u><u>0</u></u>	<u><u>1,702,642</u></u>	<u><u>1,599,670</u></u>

Supplemental information: cash paid for interest on long-term debt: 305,595.
 The accompanying notes are an integral part of these financial statements.

SAMPLE UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
Notes to the Financial Statements (International Model)
Years Ended 31 December 20X1 and 20X0

Appendix 17A.05 (1)

Note 1 - Organizational Structure

The *[insert the name of the reporting entity, with an acronym as an identifier, for example: Sample Union Conference of Seventh-day Adventists (SUC)]* is an administrative entity of the world-wide Seventh-day Adventist Church. SUC coordinates the operation of all denominational activities within the *[identify the entity's geographic territory, as it is listed in the SDA Yearbook]*, comprising the *[identify the applicable denominational entities, as they are listed in the SDA Yearbook]*. Most of SUC's financial activity consists of transactions with other denominational entities, such as: General Conference of Seventh-day Adventists, *[insert name]* Division, and the various conferences, missions, and fields within its assigned geographic territory.

Note 2 - Summary of Significant Accounting Policies

Currency - The financial statements and notes thereto are presented in *[identify the functional currency and the standard currency symbol as an identifier; for example: Functional Currency Units (FCU)]*, which is the functional currency of SUC. Accounting records involving transactions with other countries are maintained in dual currencies: FCU and the applicable local currency. In accordance with policies of the Seventh-day Adventist denomination, the various local currencies are converted into FCU at fixed rates of exchange, which are set each month by the *[name]* Division, and are intended to approximate current market exchange rates. For comparison, the fixed exchange rate with the US dollar was FCU 225 and 208 at 31 December 20X1 and 20X0, respectively.

Accounting Method - The accounting records are maintained on the accrual method of accounting at historical cost, in accordance with International Financial Reporting Standards generally accepted by the Seventh-day Adventist denomination. The *[indicate authorizing group, such as: SUC officers or finance committee]* authorized issuance of the accompanying financial statements on *[issuance date]*. *[Add the following sentence only when, due to technology limitations, the reporting entity has adopted a modified remittance cutoff date.]* Because of difficulty in postal communication with remote areas, the monthly reports of tithes and offerings are cut-off for fiscal year accounting at *[indicate the cutoff date, such as 30 November]*.

Cash and Equivalents - Cash consists of currency on hand and bank checking and saving accounts that are held for operating purposes. Cash equivalents consist of highly-liquid assets that are readily convertible to cash and are held for operating purposes. Cash equivalents include items such as time deposits that have a maturity date of three months or less from the date of acquisition and money market funds. Cash and equivalents that are held for purposes other than operating are classified as non-operating cash and investments. The increase or decrease in operating cash and equivalents is reported in the statement of cash flows as an increase or decrease in cash. The increase or decrease in non-operating cash and investments is reported in the statement of cash flows as proceeds or purchases of investments.

Investments - Investments consist of time deposits that have a maturity date of more than three months, and debt and equity securities, which are held for current income and/or appreciation in value. All investments whose fair value can be reliably measured are carried at fair value based on the investment portfolio as a whole for each type of instrument. Those investments that meet certain criteria are classified as held-to-maturity instruments, and are carried at historical cost. The difference between aggregate fair value and historical cost for each type of instrument is recorded in a valuation account. The change in this valuation account during each period is recognized as an unrealized gain or loss in the statement of financial activity.

Land, Buildings, and Equipment - Land, buildings, and equipment assets are recorded at historical cost in local currency, and are depreciated by the straight-line method over the estimated useful lives of the assets, which range from three to seventy-five years. Legal title to the land used by SUC is held in the name of *[identify the name of the entity that holds legal title to the property]*.

Fund Accounting - The following self-balancing funds are established in the accounting system:

SAMPLE UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
Notes to the Financial Statements (International Model)
Years Ended 31 December 20X1 and 20X0

Appendix 17A.05 (2)

Note 2 - Summary of Significant Accounting Policies (continued)

Operating Fund - Includes all income, expenses, other transactions, and related assets and liabilities involving SUC's operations, except transactions of the Plant and Retirement funds. Financial activity is sub-divided into tithe, non-tithe, and allocated funds.

Plant Fund - Includes all transactions relating to land, buildings, and equipment, such as holding title to, and accounting for, the real properties used by SUC, holding and accounting for equipment, accounting for depreciation on those assets, and holding liquid assets accumulated for renewal and replacement of land, buildings, and equipment. Equipment items that individually cost FCU 500 or more are capitalized and depreciated; equipment items that individually cost less than FCU 500 are charged to expense in full when acquired. *[If applicable, add the following sentence: The Plant Fund also includes land for which legal title is held by (name of legal entity) but which is used by affiliated entities.]*

Retirement Fund - *[Use if applicable.]* Includes all transactions relating to the receipt of funds from denominational entities and the disbursement of benefits to retirees within the SUC territory, which are intended to provide for retired national employees and their beneficiaries, in accordance with the retirement policies of General Conference of Seventh-day Adventists, *[insert name]* Division.

Principles of Combination - The Operating and Plant Funds are combined for reporting purposes, to represent the total operating activities of SUC. [The financial statements of the Retirement Fund are not combined with the other funds, because the retirement funds are held exclusively for the benefit of current and future retirees.]

Note 3 - Cash and Cash Equivalents

	20X1	20X0
Imprest / Petty Cash	3,000	2,500
Bank Checking and Saving Accounts	239,857	197,747
Time Deposits, due in 3 months or less	500,000	500,000
General Conference Money Fund	1,506,741	1,572,004
Less Cash Held for Agency	(546,956)	(672,581)
Total Cash and Cash Equivalents	<u>1,702,642</u>	<u>1,599,670</u>

Note 4 - Investments

	Cost	Fair Value	Unrealized Appreciation (Decline)
<u>31 December 20X1</u>			
GC Unitized Bond Fund	2,800,000	3,000,708	200,708
GC Unitized Income Fund	1,000,000	1,000,962	962
GC Unitized International Fund	3,208,661	3,004,081	(204,580)
GC Unitized Investment Fund	800,000	892,200	92,200
Bank-managed Bond Fund	650,000	673,826	23,826
Total Investments, 31 December 20X1	<u>8,458,661</u>	<u>8,571,777</u>	<u>113,116</u>
<u>31 December 20X0</u>			
GC Unitized Income Fund	1,000,000	1,000,246	246
GC Unitized International Fund	3,211,724	3,191,416	(20,308)
GC Unitized Investment Fund	1,000,000	1,000,967	967
Bank-managed Bond Fund	650,000	648,240	(1,760)
Total Investments, 31 December 20X0	<u>5,861,724</u>	<u>5,840,869</u>	<u>(20,855)</u>

SAMPLE UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
Notes to the Financial Statements (International Model)
Years Ended 31 December 20X1 and 20X0

Appendix 17A.05 (3)

Note 4 - Investments (continued)	20X1	20X0
Interest & Dividends from Investments	479,626	296,708
Net Realized Gain (Loss) on Sale of Investments	119,109	167,918
Net Unrealized Gain (Loss) in Value of Investments	133,971	(20,855)
Net Gain (Loss) on Investments	253,080	147,063
Total Income from Investments Excluding Cash	732,706	443,771
Interest Earned on Cash & Cash Equivalents	112,480	113,613
Total Investment Income	<u>845,186</u>	<u>557,384</u>

Source of Fair Value Information: The Organization uses information from various sources to determine the fair values of assets and liabilities that are subject to fair value accounting. This information is separated into three "levels" of inputs:

Level 1: Observable quoted market prices in active markets for identical assets or liabilities

Level 2: Direct or indirect observable market data, such as quoted prices in inactive markets for identical assets or liabilities, quoted prices in active markets for similar assets or liabilities, and other observable market data correlated to identical or similar assets or liabilities

Level 3: Unobservable inputs and assumptions based on judgment and the best information available

The Organization used the following inputs to determine fair values of assets which are carried at fair value.

	Level 1	Level 2	Level 3
GC Unitized - Bond Fund		3,000,708	
GC Unitized - Income Fund		1,000,962	
GC Unitized - International Fund		3,004,081	
GC Unitized - Investment Fund		892,200	
Bank-managed Bond Fund		673,826	
Total Investments, 31 December 20X1	<u>0</u>	<u>8,571,777</u>	<u>0</u>

For investments valued with Level 3 inputs:

Beginning balance	0
Total gains or losses (net)	0
Total purchases and sales (net)	0
Transfers in or out of level 3 (net)	0
Ending balance	<u>0</u>
Net Gain (Loss) for assets still held at reporting date	<u>0</u>

Note 5 - Accounts Receivable

	20X1	20X0
XYZ Division [<i>Name of next higher denominational entity</i>]	4,241,969	5,000,741
SDA Entities Within SUC [<i>identifier of reporting entity</i>] Territory	4,577,755	2,467,719
Other Denominational Entities	200,210	470,842
Administrative Employees (as defined in Note 19)	27,026	53,772
Other Employees	18,018	35,848
General Accounts	18,200	13,650
Total Accounts Receivable	9,083,178	8,042,572
Allowance for Uncollectible Accounts	(14,000)	0
Net Accounts Receivable	<u>9,069,178</u>	<u>8,042,572</u>

SAMPLE UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS
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Notes 6 - Loans Receivable

	20X1	20X0
Affiliated SDA Entities, Secured, 5 to 6% interest, payments due monthly	2,328,233	3,268,313
Employees Housing Loans, Secured, 6 to 7% interest, pmts due monthly		
Administrative Employees (as defined in Note 19)	1,439,263	1,644,868
Other Employees	1,177,579	1,345,802
Employees Car Loans, Unsecured, 8 to 10% interest, pmts due monthly	140,100	191,244
Employees Education Loans, Unsecured, 6 to 7% interest, amort. mo.	72,400	96,600
Other Loans, Secured, 8 to 10% interest, due on demand	15,000	32,000
Total Loans Receivable	5,172,575	6,578,827
Allowance for Uncollectible Loans	(10,000)	(25,000)
Net Loans Receivable	5,162,575	6,553,827
Current Portion - Due Within One Year	(886,033)	(750,000)
Long-term Portion	4,276,542	5,803,827

Note 7 - Supplies & Prepaid Expense

	20X1	20X0
Departmental Supplies	181,995	217,914
Prepaid Expenses	60,000	120,000
Total Supplies & Prepaid Expense	241,995	337,914

Note 8 - Land, Buildings, and Equipment

	Total Cost	Accumulated Depreciation	Net Value	Depreciation Expense
<u>Balances at 31 December 20X1</u>				
Land	900,000	0	900,000	0
Land Improvements	35,980	8,639	27,341	1,033
Buildings	3,045,000	707,460	2,337,540	45,900
Furnishings & Equipment	2,138,225	427,250	1,710,975	133,076
Land, Buildings, & Equipment, 20X1	6,119,205	1,143,349	4,975,856	180,009
<u>Balances at 31 December 20X0</u>				
Land	200,000	0	200,000	0
Land Improvements	35,980	7,606	28,374	1,033
Buildings	1,545,000	661,560	883,440	39,200
Furnishings & Equipment	1,738,470	344,848	1,393,622	132,731
Land, Buildings, & Equipment, 20X0	3,519,450	1,014,014	2,505,436	172,964

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Note 8 - Land, Buildings, and Equipment (continued)

<u>Summary of Changes</u>	Balance			Balance
	31-12-20X0	Additions	Deletions	31-12-20X1
Land	200,000	700,000	0	900,000
Land Improvements	35,980	0	0	35,980
Buildings	1,545,000	1,500,000	0	3,045,000
Furnishings & Equipment	1,738,470	500,429	100,674	2,138,225
Total Cost	3,519,450	2,700,429	100,674	6,119,205
<u>Accumulated Depreciation</u>				
Land Improvements	7,606	1,033	0	8,639
Buildings	661,560	39,200	0	707,460
Furnishings & Equipment	344,848	133,076	50,674	427,250
Accumulated Depreciation	1,014,014	180,009	50,674	1,143,349
Net Value	2,505,436	2,520,420	50,000	4,975,856

Note 9 - Cash and Investments - Non-operating

<u>Unexpended Plant Fund</u>	Cost	Fair Value	Unrealized Appreciation (Decline)
<u>31 December 20X1</u>			
[Name] Bank - Time Deposit, 5% interest, due Dec. 20X2	700,000	700,000	0
GC Unitized Income Fund	500,000	545,890	45,890
Total Cash and Investments - Non-operating 20X1	1,200,000	1,245,890	45,890
<u>31 December 20X0</u>			
[Name] Bank - Saving Account	41,235	41,235	0
Total Cash and Investments - Non-operating 20X0	41,235	41,235	0

Note 10 - Accounts Payable

	20X1	20X0
Commercial Accounts	49,204	11,763
XYZ Division [Name of next higher denominational entity]	15,707	10,022
SDA Entities Within SUC [identifier of reporting entity] Territory	878,311	792,371
Other Denominational Entities	8,621	3,713
Employees	3,214	2,188
Total Accounts Payable	955,057	820,057

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Notes to the Financial Statements (International Model)
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Note 11 - Offering Funds and Agency Accounts

	Balance 31-12-20X0	Additions	Withdrawals	Balance 31-12-20X1
<u>World Missions</u>				
Specific Mission Offerings	0	349,467	349,467	0
Sabbath School - 12 Sabbaths	0	621,354	620,598	756
Sabbath School - 13th Sabbath	6,215	329,168	326,718	8,665
Total World Missions	<u>6,215</u>	<u>1,299,989</u>	<u>1,296,783</u>	<u>9,421</u>
<u>Miscellaneous Offerings</u>				
Adventist World Radio	0	51,777	48,982	2,795
Disaster & Famine Relief	59,892	62,951	106,109	16,734
Ingathering Program	629	73,331	71,565	2,395
World Evangelism	0	70,904	50,856	20,048
Total Misc Offerings	<u>60,521</u>	<u>258,963</u>	<u>277,512</u>	<u>41,972</u>
<u>General Agency</u>				
Lay Evangelism	357,682	3,000	131,394	229,288
Publishing Development	248,163	67,570	49,458	266,275
Total General Agency	<u>605,845</u>	<u>70,570</u>	<u>180,852</u>	<u>495,563</u>
<u>Depositor Accounts</u>				
[Name] Memorial Fund	671,622	1,029,624	50,000	1,651,246
[Name] Scholarship Fund	1,422,015	491,243	110,000	1,803,258
[Name 1] Church Building Fund	46,912	750,000	12,750	784,162
[Name 2] Church Building Fund	524,779	417,718	0	942,497
[Name 3] School Building Fund	1,188,324	500,000	215,991	1,472,333
Total Depositor Accounts	<u>3,853,652</u>	<u>3,188,585</u>	<u>388,741</u>	<u>6,653,496</u>
Total Offering & Agency Funds	<u><u>4,526,233</u></u>	<u><u>4,818,107</u></u>	<u><u>2,143,888</u></u>	<u><u>7,200,452</u></u>

Note 12 - Loans Payable

	Operating	Plant	20X1	20X0
[Name] Division, Unsecured, 5% interest	1,618,014	0	1,618,014	1,154,820
[Name] Division, Unsecured, 6% interest	0	1,000,000	1,000,000	0
Security Bank, Unsecured, 6% interest	1,220,180	0	1,220,180	1,655,636
Total Loans Payable	<u>2,838,194</u>	<u>1,000,000</u>	<u>3,838,194</u>	<u>2,810,456</u>
Current Portion - Due Within One Year	(697,450)	0	(697,450)	(435,456)
Long-term Portion	<u>2,140,744</u>	<u>1,000,000</u>	<u>3,140,744</u>	<u>2,375,000</u>

Amounts due on principal in each of the next five years are: 20X2: 697,450; 20X3: 747,911; 20X4: 787,662; 20X5: 829,539; and 20X6: 775,632.

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Note 13 - Contingent Liability

The [identifier] has guaranteed a loan payable by [name of affiliated entity] to [name of lender]. The loan balance at 31 December 20X1 was [amount]. Principal and interest payments on this loan are scheduled to be made by [name of affiliated entity]. At 31 December 20X1, [name of affiliated entity] was current on its payment obligation.

Note 14 - Tithe Received and Percentages Passed On

	20X1	20X0
Tithe Received From Local Conferences/Missions/Fields	8,812,178	8,340,228
Tithe Passed On To (name) Division	(1,762,436)	(1,668,046)
Tithe Passed On To General Conference	(1,174,957)	(1,112,030)
Net Tithe Income	<u>5,874,785</u>	<u>5,560,152</u>

Note 15 - One-Offering Plan Remittances [use if applicable]

	20X1	20X0
One-Offering Percentage Received From [type of lower entity]	324,997	311,876
Percentage Passed On To [name of next higher entity]	(97,501)	(93,563)
Percentage Passed On To General Conference	(129,998)	(124,752)
Net One-Offering Percentage Retained by [reporting entity]	<u>97,498</u>	<u>93,561</u>

Note 16 - Restricted Currency Remittances Receivable and Payable

	20X1	20X0
Restricted Currency Remittances Receivable From Local Conference	265,000	125,000
Union Portion of Restricted Currency Receivable	(85,000)	(39,000)
Restricted Currency Receivable for Benefit of Division and GC	180,000	86,000
Restricted Currency Remittances Payable To Division and GC	<u>(180,000)</u>	<u>(86,000)</u>

These funds are subject to currency restrictions of the country in which they are held. The extent and timing of withdrawal of these funds for their intended use cannot be determined, so they are classified as noncurrent.

Note 17 - Other Capital Income

	20X1	20X0
Donations Restricted for Plant Assets	1,974,512	69,858
Investment Income (Interest and Dividends)	60,255	2,062
Unrealized Gain (Loss) in Value of Investments	45,890	0
Total Other Capital Income	<u>2,080,657</u>	<u>71,920</u>

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Note 18 - Schedule of Financial Activity - Operating Fund

OPERATING ACTIVITY	Unallocated Funds			Allocated Funds	Total 20X1	Budget 20X1	Total 20X0
	Tithe	Non-tithe	Total				
<u>Earned Income</u>							
Tithe (net) (Note 14)	5,874,785	0	5,874,785	0	5,874,785	5,556,000	5,560,152
Specific Donations	0	0	0	97,961	97,961	0	702,521
Investment Income	0	845,186	845,186	0	845,186	840,000	557,384
Exch. Gain (Loss) - General	0	0	0	3,297	3,297	0	(18,741)
Other Operating Income	0	191,472	191,472	0	191,472	200,000	21,507
Tithe/Non-tithe Exchange	202,491	(202,491)	0	0	0	0	0
Total Earned Oper. Income	<u>6,077,276</u>	<u>834,167</u>	<u>6,911,443</u>	<u>101,258</u>	<u>7,012,701</u>	<u>6,596,000</u>	<u>6,822,823</u>
<u>Operating Expenses</u>							
Employee-related Expenses	6,381,558	0	6,381,558	28,000	6,409,558	6,492,000	6,867,214
Admin. & General Expense	1,535,913	649,518	2,185,431	25,000	2,210,431	2,200,500	2,544,040
Departmental Expense	846,228	350,482	1,196,710	0	1,196,710	1,151,500	1,136,418
Other Operating Expense	479,281	107,703	586,984	515,000	1,101,984	968,000	1,167,324
Total Operating Expense	<u>9,242,980</u>	<u>1,107,703</u>	<u>10,350,683</u>	<u>568,000</u>	<u>10,918,683</u>	<u>10,812,000</u>	<u>11,714,996</u>
Incr. (Decr.) before Approp.	<u>(3,165,704)</u>	<u>(273,536)</u>	<u>(3,439,240)</u>	<u>(466,742)</u>	<u>(3,905,982)</u>	<u>(4,216,000)</u>	<u>(4,892,173)</u>
<u>Operating Appropriations</u>							
Tithe Appropriations Received	8,636,721	0	8,636,721	0	8,636,721	8,625,000	8,204,885
Tithe Appropriations Disbursed	(5,510,223)	0	(5,510,223)	0	(5,510,223)	(4,850,000)	(3,572,250)
Non-tithe Approp. Received	0	1,524,127	1,524,127	0	1,524,127	1,500,000	1,447,925
Non-tithe Approp. Disbursed	0	(978,667)	(978,667)	0	(978,667)	(875,000)	(629,391)
Exch. Gain (Loss) Approp.	0	0	0	26,775	26,775	0	(1,009)
Net Appropriations Retained	<u>3,126,498</u>	<u>545,460</u>	<u>3,671,958</u>	<u>26,775</u>	<u>3,698,733</u>	<u>4,400,000</u>	<u>5,450,160</u>
Incr. (Decr.) after Approp.	<u>(39,206)</u>	<u>271,924</u>	<u>232,718</u>	<u>(439,967)</u>	<u>(207,249)</u>	<u>(490,900)</u>	<u>557,987</u>
CAPITAL ACTIVITY							
Capital Approp. Received	0	19,991	19,991	0	19,991	19,991	265,000
Capital Approp. Disbursed	0	(200,000)	(200,000)	0	(200,000)	260,000	0
Capital Increase (Decrease)	<u>0</u>	<u>(180,009)</u>	<u>(180,009)</u>	<u>0</u>	<u>(180,009)</u>	<u>(240,009)</u>	<u>265,000</u>
Incr. (Decr.) before Transfers	<u>(39,206)</u>	<u>91,915</u>	<u>52,709</u>	<u>(439,967)</u>	<u>(387,258)</u>	<u>250,891</u>	<u>822,987</u>
TRANSFERS							
From Unallocated to Allocated	(200,000)	(173,288)	(373,288)	373,288	0	0	0
From Allocated to Unallocated	0	657,292	657,292	(657,292)	0	0	0
From Non-tithe to Unexp Plant	0	(180,009)	(180,009)	0	(180,009)	168,000	(200,000)
Net Transfers In (Out)	<u>(200,000)</u>	<u>303,995</u>	<u>103,995</u>	<u>(284,004)</u>	<u>(180,009)</u>	<u>(168,000)</u>	<u>(200,000)</u>
Increase (Decrease) for Year	<u>(239,206)</u>	<u>395,910</u>	<u>156,704</u>	<u>(723,971)</u>	<u>(567,267)</u>	<u>82,891</u>	<u>622,987</u>
Net Assets, 1 January	<u>3,280,762</u>	<u>3,067,025</u>	<u>6,347,787</u>	<u>8,522,900</u>	<u>14,870,687</u>	<u>14,870,687</u>	<u>14,247,700</u>
Net Assets, 31 December	<u>3,041,556</u>	<u>3,462,935</u>	<u>6,504,491</u>	<u>7,798,929</u>	<u>14,303,420</u>	<u>14,953,578</u>	<u>14,870,687</u>

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Note 19 - Compensation of Administrative Personnel

Total employee-related expense is reported in the Statement of Financial Activity at FCU 6,409,558 and 6,867,214 for the years 20X1 and 20X0, respectively. Included in those totals are amounts for administrative officers, vice-presidents, and members of the governing committee who are employees, which as a group totaled FCU 1,858,772 and 1,922,820 for 20X1 and 20X0, respectively. (See Note 5 for receivables from this group.)

Note 20 - Pension and Other Post-retirement Benefits

Defined Benefit Retirement Plan

The [identifier] participates in a non-contributory defined benefit retirement plan known as the [name of the plan or fund] (DB Plan). The DB Plan, which covers substantially all employees of the [identifier], is administered by the Division. Contributions to the Plan are made by participating employers located within the Division territory. Employees do not contribute to the Plan. The required contributions from the [identifier] to the DB Plan (for retiree pension, health care, and other benefits) were FCU 250,207 and 278,008 for the years ended 31 December 20X1 and 20X0, respectively. The DB Plan and the Division together determine the amount of contributions that are required each year from the participating employers, and this amount may increase in the future.

[For entities whose retirement plan has not obtained an actuarial valuation that establishes a proportionate liability amount for each participating employer, use the following paragraph.]

This DB Plan is defined as a “multiemployer” plan. The DB Plan has concluded that it is not reasonably possible to determine the actuarial present value of accumulated benefits or plan net assets for employees of the [identifier] apart from other plan participants. *[If the Plan has obtained an actuarial evaluation, even if it was obtained in an earlier period, add the following:* However, based on the latest actuarial evaluation of the DB Plan, as of [date of last actuarial report], the actuarially computed value of accumulated plan benefits exceeded the estimated market value of plan assets, for the plan as a whole. *]* *[If an actuarial evaluation has never been obtained, add the following:* No actuarial evaluation has been obtained for the DB Plan as a whole. *]*

[For entities whose retirement plan has determined an actuarial valuation that established a proportionate liability amount for each participating employer, use the following paragraph.]

This DB Plan is defined as a “multiemployer” plan. Based on the latest actuarial evaluation of the DB Plan, as of [date of last actuarial report], the actuarially computed value of accumulated plan benefits exceeded the estimated market value of plan assets. The [identifier’s] proportionate share of the unfunded obligation was determined to be FCU XXX,XXX, which is reported as a noncurrent liability in the Statement of Financial Position.

[If the reporting entity is located in a territory that has frozen its defined benefit retirement plan and started a defined contribution retirement plan, include the following paragraph.]

During 20XX, the Division Executive Committee voted to freeze accrual of service credit in this DB Plan effective 31 December 20X0, except for employees who stated their intent to retire before 1 January 20X5, and to start a new defined contribution pension plan effective 1 January 20X1. The [identifier] is scheduled to continue making contributions to this frozen DB Plan after 31 December 20X0. Certain employees will continue to be eligible for future benefits under this DB Plan.

Defined Contribution Retirement Plan *[use this section for entities that participate in DC plans]*

Beginning 1 January 20X1, the [identifier] participates in a defined contribution retirement plan known as the [name of the plan] (DC Plan). The DC Plan, which covers substantially all employees of the [identifier], is governed by a plan document developed by the Division, in coordination with the entities in its territory. This DC Plan is defined as a “multiemployer” plan. Contributions to the DC Plan are made by participating employers located within the Division territory, and voluntary contributions may be made by eligible employees.

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Note 20 - Pension and Other Post-retirement Benefits (continued)

Defined Contribution Retirement Plan [continued]

The [identifier] contributed FCU 180,705 to the DC Plan for the year ended 31 December 20X1, based on a stated percentage of each employee's earnings and a matching percentage of certain employee voluntary contributions. Administration of the accumulated contributions designated for the future benefit of each employee is provided under an agreement between the Division, Union Conferences, and Missions and a record-keeping organization, [name of record-keeping investment management organization, with (identifier)]. (Identifier of record-keeper) receives all contributions, and invests them in accordance with portfolio profiles selected by each employee.

Note 21 - Concentrations of Risk (use and adapt the following paragraphs as appropriate for each entity)

The [identifier]'s assets include FCU 4,577,755 of loans receivable from affiliated organizations. These loans represent 14% of the [identifier]'s total assets. Management's estimate of the collectability of these loans could be subject to the risk that economic conditions could diminish the ability of the debtors to pay amounts due.

The [identifier] maintains its cash accounts primarily in banks that operate in the territory of [names of countries, states, or provinces]. The total cash balances are insured by government agencies up to FCU [amount] per bank. The [identifier] held cash balances on deposit with [number] banks at [financial statement date], which exceeded the balance insured by the government by [excess amount].

Note 22 - Denominational Working Capital & Liquidity

	20X1	20X0
<u>Working Capital:</u>		
Current Assets	24,018,581	20,243,606
Current Liabilities	(8,852,959)	(5,781,746)
Actual Working Capital	<u>15,165,622</u>	<u>14,461,860</u>
Working Capital Recommended by Policy *		
30% of Operating Expense	3,329,608	3,572,010
Allocated Net Assets	<u>7,798,929</u>	<u>8,522,900</u>
Recommended Working Capital	<u>11,128,537</u>	<u>12,094,910</u>
Excess (Deficiency) of Actual over Recommended	<u>4,037,085</u>	<u>2,366,950</u>
Percentage of Actual to Recommended Working Capital	<u>136%</u>	<u>120%</u>
<u>Liquidity:</u>		
Cash and Cash Equivalents	1,702,642	1,599,670
Cash Held for Agency	546,956	672,581
Investments	8,571,777	5,840,869
Receivable From Higher Organization	<u>7,241,969</u>	<u>8,000,741</u>
Total Liquid Assets	<u>17,950,228</u>	<u>16,113,861</u>
Current Liabilities	(8,852,959)	(5,781,746)
Allocated Net Assets	<u>(7,798,929)</u>	<u>(8,522,900)</u>
Total Commitments	<u>(16,651,888)</u>	<u>(14,304,646)</u>
Net Liquid Assets	<u>1,298,340</u>	<u>1,809,215</u>
Percentage of Liquid Assets to Commitments	<u>108%</u>	<u>113%</u>

* Refer to GC and Division Working Policy for recommended working capital by type of entity.