



**CHURCH OF GOD™**  
(SEVENTH DAY) UNITED STATES & CANADA

**THE GENERAL CONFERENCE OF THE  
CHURCH OF GOD (SEVENTH DAY)**

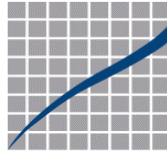
**FINANCIAL STATEMENTS**

**MARCH 31, 2021 AND 2019**

## TABLE OF CONTENTS

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<b>Independent auditor's report</b>	1
<b>Financial Statements</b>	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	6
Statements of functional expenses	7
Notes to financial statements	9



**BiggsKofford**  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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Board of Directors and Members  
**The General Conference of the Church of God (Seventh Day)**  
Denver, Colorado

We have audited the accompanying financial statements of The General Conference of the Church of God (Seventh Day), a nonprofit organization, which comprise the statements of financial position as of March 31, 2021 and 2019, and the related statements of activities, cash flows and functional expenses for the twenty-four month periods 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 financials 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 The General Conference of the Church of God (Seventh Day) as of March 31, 2021 and 2019, and the changes in net assets, cash flows and functional expenses for the twenty-four month periods then ended in accordance with accounting principles generally accepted in the United States of America.

*BiggsKofford, P.C.*

Denver, Colorado

July 28, 2021

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2021 AND 2019**

<b><u>ASSETS</u></b>	<b><u>2021</u></b>	<b><u>2019</u></b>
Cash and equivalents	\$ 509,207	\$ 899,060
Accounts receivable	22,018	27,091
Investments	1,321,755	1,082,334
Property and equipment, net	506,855	330,350
Intangible assets, net	19,152	22,624
Other assets	17,102	80,903
<b>Total assets</b>	<b><u>\$ 2,396,089</u></b>	<b><u>\$ 2,442,362</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 143,223	\$ 135,829
<b>Total liabilities</b>	<b><u>143,223</u></b>	<b><u>135,829</u></b>
Net assets:		
Without donor restrictions		
Operating	61,223	162,282
Board designated	771,034	964,542
Equity in property, equipment and intangible assets	526,007	352,974
<b>Total net assets without donor restrictions</b>	<b><u>1,358,264</u></b>	<b><u>1,479,798</u></b>
<b>With donor restrictions</b>	<b><u>894,602</u></b>	<b><u>826,735</u></b>
<b>Total net assets</b>	<b><u>2,252,866</u></b>	<b><u>2,306,533</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 2,396,089</u></b>	<b><u>\$ 2,442,362</u></b>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2021 AND 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>SUPPORT AND REVENUE</u></b>			
Contributions	\$ 2,046,398	\$ 763,145	\$ 2,809,543
Sales	406,285	-	406,285
Tuition and fees	163,669	-	163,669
Investment income	168,214	-	168,214
Convention income	162,050	-	162,050
Grant income	200,436	-	200,436
Other income	40,245	-	40,245
Total support and revenue	3,187,297	763,145	3,950,442
<b><u>RECLASSIFICATIONS</u></b>			
Satisfaction of program restrictions	695,278	(695,278)	-
<b><u>EXPENSES</u></b>			
Program expenses	3,258,102	-	3,258,102
General and administrative	688,240	-	688,240
Fundraising	57,767	-	57,767
Total expenses	4,004,109	-	4,004,109
Change in net assets	(121,534)	67,867	(53,667)
Net assets, beginning of period	1,479,798	826,735	2,306,533
Net assets, end of period	\$ 1,358,264	\$ 894,602	\$ 2,252,866

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2019 AND 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>SUPPORT AND REVENUE</u></b>			
Contributions	\$ 2,485,685	\$ 1,081,156	\$ 3,566,841
Sales	446,885	-	446,885
Tuition and fees	178,464	-	178,464
Investment income	87,538	-	87,538
Reimbursement income	418,824	-	418,824
Convention income	146,684	-	146,684
Other income	53,215	-	53,215
Total support and revenue	3,817,295	1,081,156	4,898,451
<b><u>RECLASSIFICATIONS</u></b>			
Satisfaction of program restrictions	1,015,632	(1,015,632)	-
<b><u>EXPENSES</u></b>			
Program expenses	4,008,834	-	4,008,834
General and administrative	755,921	-	755,921
Fundraising	68,333	-	68,333
Total expenses	4,833,088	-	4,833,088
Change in net assets	(161)	65,524	65,363
Net assets, beginning of period	1,479,959	761,211	2,241,170
Net assets, end of period	\$ 1,479,798	\$ 826,735	\$ 2,306,533

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2021 AND 2019**

	<u>2021</u>	<u>2019</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (53,667)	\$ 65,363
Adjustments to reconcile change in net assets to the net cash flows from operating activities:		
Depreciation and amortization	53,202	34,907
Loss on disposal of assets	3,652	6,413
Realized and unrealized gains, net	(168,214)	(24,297)
Decrease (increase) in operating assets:		
Accounts receivable	5,073	46,100
Other assets	63,801	(52,353)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	7,394	24,677
Net cash flows from operating activities	<u>(88,759)</u>	<u>100,810</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of investments	(795,621)	(929,706)
Proceeds from sales of investments	724,414	834,235
Purchases of property and equipment	(229,887)	(11,671)
Purchases of intangible assets	-	(26,000)
Net cash flows from investing activities	<u>(301,094)</u>	<u>(133,142)</u>
Net change in cash and equivalents	(389,853)	(32,332)
Cash and equivalents, beginning of period	899,060	931,392
Cash and equivalents, end of period	<u>\$ 509,207</u>	<u>\$ 899,060</u>

The accompanying notes and independent auditor's report should be read with these financial statements.



**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2021**

	Program	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 1,728,883	\$ 284,757	\$ 20,340	\$ 2,033,980
Foreign ministry	695,278	-	-	695,278
Conventions	147,266	17,325	8,663	173,254
Professional fees	42,431	127,292	-	169,723
Mission ministries	154,538	-	-	154,538
Printing	78,337	9,792	9,792	97,921
Postage	59,947	21,410	4,282	85,639
Honorariums and benevolence	74,848	-	-	74,848
Outside labor	54,554	10,229	3,410	68,193
Depreciation and amortization	28,197	23,941	1,064	53,202
Board of Director and district meetings	8,303	43,951	-	52,254
Travel	36,701	12,234	-	48,935
Equipment lease	18,550	18,550	-	37,100
Bank charges	18,012	18,012	-	36,024
Telephone	25,880	6,901	1,725	34,506
Utilities	-	29,226	-	29,226
Maintenance	-	26,675	-	26,675
Computer	9,679	14,519	-	24,198
Insurance	15,584	5,195	-	20,779
Promotions	15,783	-	3,946	19,729
Web development and branding	7,656	3,828	3,828	15,312
Merchandise and books	13,355	-	-	13,355
Office supplies	6,648	6,648	-	13,296
Issachar Forum	5,970	-	663	6,633
MTS School	5,091	-	-	5,091
Miscellaneous	2,336	2,336	-	4,672
Meals, lodging and entertainment	3,398	1,133	-	4,531
Fees and licenses	-	2,285	-	2,285
Property and sales tax	-	1,621	-	1,621
Mail and internet	651	380	54	1,085
Bad debt	127	-	-	127
Program supplies	99	-	-	99
<b>Total</b>	<b>\$ 3,258,102</b>	<b>\$ 688,240</b>	<b>\$ 57,767</b>	<b>\$ 4,004,109</b>
Percentage of total	<u>81%</u>	<u>17%</u>	<u>2%</u>	<u>100%</u>

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should be read with these financial statements.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE TWENTY-FOUR MONTH PERIOD ENDED MARCH 31, 2019**

	Program	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 1,968,304	\$ 324,192	\$ 23,157	\$ 2,315,653
Foreign ministry	1,015,632	-	-	1,015,632
Mission ministries	237,538	-	-	237,538
Conventions	185,635	21,839	10,920	218,394
Professional fees	37,790	113,369	-	151,159
Printing	106,418	13,302	13,302	133,022
Travel	77,050	25,683	-	102,733
Postage	58,017	20,720	4,144	82,881
Honorariums and benevolence	63,809	-	-	63,809
Board of Director and district meetings	15,304	71,059	-	86,363
Outside labor	48,282	9,053	3,018	60,353
Promotions	35,178	-	8,795	43,973
Equipment lease	19,479	19,479	-	38,958
Bank charges	17,952	17,952	-	35,904
Utilities	-	34,002	-	34,002
Telephone	24,620	6,565	1,641	32,826
Depreciation and amortization	18,399	15,877	631	34,907
Computer	8,548	12,823	-	21,371
Merchandise and books	20,520	-	-	20,520
Insurance	15,065	5,022	-	20,087
Office supplies	7,425	7,425	-	14,850
Maintenance	-	26,395	-	26,395
Issachar Forum	7,890	-	877	8,767
Meals, lodging and entertainment	5,564	1,855	-	7,419
Miscellaneous	2,530	2,526	-	5,056
Web development and branding	2,750	1,100	1,650	5,500
MTS School	4,745	-	-	4,745
Mail and internet	2,376	1,386	198	3,960
Fees and licenses	-	2,372	-	2,372
Property and sales tax	-	1,925	-	1,925
Program supplies	1,040	-	-	1,040
Bad debt	974	-	-	974
<b>Total</b>	<b>\$ 4,008,834</b>	<b>\$ 755,921</b>	<b>\$ 68,333</b>	<b>\$ 4,833,088</b>
Percentage of total	<b>83%</b>	<b>16%</b>	<b>1%</b>	<b>100%</b>

The accompanying notes and independent auditor's report  
should be read with these financial statements.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The General Conference of the Church of God (Seventh Day) ("GCCG" or "Organization") was incorporated in 1899 in the State of Missouri. GCCG is a fellowship of believers in Jesus Christ. GCCG's mission is to proclaim the gospel, introducing others to the Lord, teaching them to obey His Word and nurturing spiritual growth in all its members. The majority of GCCG's support and revenue is from offerings collected by the local congregations and received from affiliated districts. Some of the ministries GCCG utilizes to accomplish its mission include funding missions abroad, training ministries and a publishing entity of GCCG known as the Bible Advocate Press.

These financial statements present financial information for the GCCG and not the individual congregations related to the GCCG, as the GCCG does not exercise financial control over these congregations, as defined in the accounting standards.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of presentation

The financial statement presentation follows the recommendations of accounting principles generally accepted in the United States of America ("US GAAP"). GCCG is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

The accompanying statements of activities and of cash flows present the twenty-four month periods ended March 31, 2021 and 2019.

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Cash and equivalents

Cash and equivalents include checking, savings and money market accounts. For purposes of the statements of cash flows, GCCG considers all highly liquid investments with initial maturities of three months or less to be cash equivalents.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and equivalents, marketable securities and accounts receivable. The Organization maintains its cash and equivalents in bank deposit accounts in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At certain times during the twenty-four month periods ended March 31, 2021 and 2019, the Organization had deposits in excess of FDIC limits. The Organization holds cash and equivalents and investments with highly creditworthy financial institutions.

Accounts receivable

Accounts receivable are stated at the amount that GCCG expects to collect. Accounts receivable represent amounts due to GCCG primarily from sales of resource materials to individuals and congregations and expense reimbursements from districts. Account balances are written off once management has determined the balance to be uncollectible. As of March 31, 2021 and 2019, management considers accounts receivable to be fully collectible; therefore, no allowance for doubtful accounts has been recorded.

Investments

Investments in marketable equity securities with readily determinable fair market values are presented on the financial statements at fair market value. Fair market values are based upon quoted market prices provided by the brokers. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Property and equipment

Property and equipment is recorded at cost or, if donated, at the estimated fair value on the date of receipt. GCCG's policy is to capitalize acquisitions of property and equipment costing or having a fair value of at least \$1,000 on the date of receipt and having a useful life exceeding one year. Depreciation expense is provided on a straight-line basis over estimated useful lives of three to forty years.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Intangible assets

Intangible assets consist of software development costs and production costs. Amounts are recorded at cost and are amortized over the estimated life of the asset not to exceed 10 years. Amortization expense for the twenty-four month periods ending March 31, 2021 and 2019 totaled \$3,472 and \$3,376, respectively.

Net assets

The financial statements report net assets by class as follows:

Without donor restrictions are currently available for use at the discretion of the board of directors and resources invested in property and equipment and intangible assets.

With donor restrictions amounts are those which are stipulated by donors for specific program purposes.

Support and revenue

In accordance with US GAAP, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of donor restrictions.

Contribution income is recorded when cash is received, when unconditional promises are made or when ownership of contributed assets are transferred to GCCG. When a donor restrictions expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as satisfaction of program restrictions.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are recorded when costs are incurred.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Functional allocation of expenses (continued)

The financial statements report certain categories of expenses that are attributable to one or more program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and amortization which are allocated on a square footage basis, as well as salaries and benefits, professional fees, office supplies, insurance, and other expenses, which are allocated on the basis of estimates of time and effort.

Income taxes

The Organization is generally exempt from federal income tax under Section 501(c)(3) the Internal Revenue Code. The Organization evaluates the effect of uncertain income tax positions, if any, and provides for those positions in accordance with the provisions of FASB Accounting Standards Codification ("ASC") 450, *Contingencies*.

Accounting pronouncements adopted

In 2019 the Organization adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, and (f) modifying other consolidated financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Accounting pronouncements adopted (continued)

In 2021, the Organization adopted ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASC Topic 606"), which replaces numerous requirements in US GAAP, including industry-specific requirements, and provides companies with a single revenue recognition model for recognizing revenues from contracts with customers. Upon implementation assessment of ASC Topic 606, management concluded that no adjustment was required to the opening balance of net assets at the date of initial application. The comparative information was not restated and continues to be reported under the accounting standards in effect for those periods. Additional disclosures required by ASC Topic 606 are presented within the revenue recognition policy disclosure above.

In 2021, the Organization adopted ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU Clarifies how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution, helps an entity to evaluate whether contributions are considered conditional or unconditional by stating that a conditional contribution must have (1) a barrier that must be overcome and (2) a right of return or release of obligation, and modifies the simultaneous release option currently in US GAAP, which allows a not-for-profit entity to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that revenue is recognized.

Reclassification

Certain prior period amounts have been reclassified to conform with current period presentation. These reclassifications had no effect on the reported change in net assets.

Subsequent events

Management evaluated subsequent events through the date of the attached audit report, the date these financial statements were available to be issued.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**2. LIQUIDITY AND AVAILABILITY OF RESOURCES**

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

	<b>2021</b>	<b>2019</b>
Cash and equivalents	\$ 509,207	\$ 899,060
Accounts receivable	22,018	27,091
Investments	1,321,755	1,082,334
 Total financial assets	 1,852,980	 2,008,485
 Less amounts unavailable for general expenditures within one year due to:		
Donor restrictions	(894,602)	(826,735)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 958,378	 \$ 1,181,750

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**3. FAIR VALUE OF ASSETS**

Topic 820 of the FASB ASC, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Therefore, the term "price" refers to the exit price as opposed to the entry price, which is the price paid to acquire the asset or received to assume a liability. Topic 820 of the FASB ASC also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

See independent auditor's report.



**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**3. FAIR VALUE OF ASSETS (CONTINUED)**

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fair value measurement of assets recognized in the accompanying statements of financial position, measured at fair value on a recurring basis, consist of the following as of March 31:

	<b>2021</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash & cash equivalents	\$ 159,719	\$ -	\$ -	\$ 159,719
Certificates of deposit	-	354,310	-	354,310
Mutual funds	807,726	-	-	807,726
	<u>\$ 807,726</u>	<u>\$ 354,310</u>	<u>\$ -</u>	<u>\$1,321,755</u>
	<b>2019</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash & cash equivalents	\$ 60,197	\$ -	\$ -	\$ 60,197
Certificates of deposit	-	436,786	-	436,786
Mutual funds	585,351	-	-	585,351
	<u>\$ 645,548</u>	<u>\$ 436,786</u>	<u>\$ -</u>	<u>\$1,082,334</u>

Investment income consists of the following for the twenty-four month periods ended March 31:

	<u>2021</u>	<u>2019</u>
Interest income	\$ 18,307	\$ 17,323
Dividend income	44,346	45,918
Unrealized and realized gains, net	168,214	24,297
	<u>\$ 230,867</u>	<u>\$ 87,538</u>

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**4. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of March 31:

	<b>2021</b>	<b>2019</b>
Land and improvements	\$ 299,348	\$ 299,348
Buildings and improvements	676,874	666,268
Furniture and equipment	340,609	230,705
Total property and equipment	1,316,831	1,196,321
Accumulated depreciation	(809,976)	(865,971)
Property and equipment, net	\$ 506,855	\$ 330,350

Depreciation expense for the twenty-four month periods ended March 31, 2021 and 2019 totaled \$49,731 and \$31,531, respectively.

**5. COMMITMENTS**

The Organization has entered into various contracts with hotels for future conventions to reserve blocks of rooms for attendees of the conventions. Although there is no liability to the Organization for the rooms (individual attendees are responsible for payment on the rooms), some of the contracts contain clauses requiring the Organization to pay a fee or penalty amount if the convention is cancelled or if the number of rooms used is not reasonably close to the level reserved. In the opinion of management, no fees or penalties are expected to be paid under these contracts and, therefore, no liability has been recorded.

The Organization has entered into contracts for rental space at various convention centers for future conventions. The Organization is not able to make a meaningful estimate of the amounts or range of future minimum payments, if any, related to these commitments. Consequently, the Organization has not provided for any future commitments under these contracts.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consists of the following as of March 31:

	<b>2021</b>	<b>2019</b>
Scholarship funds	\$ 9,685	\$ 10,231
Relief projects	52,770	70,091
International ministry	6,104	7,522
Nicaragua	4,334	1,132
Missions	19,372	2,135
Nyanza orphans	23,302	6,235
Worship ministries	4,761	4,761
Medical mission	73,024	47,965
Other projects	68,667	44,080
Endowments	632,583	632,583
 Total	 \$ 894,602	 \$ 826,735

**7. RELATED PARTIES**

The Organization receives support from and provides support to affiliated districts and churches. Contributions received from the Districts and Churches for the twenty-four month periods ending March 31, 2021 and 2019 totaled \$2,108,440 and \$2,096,348, respectively. The Organization also pays certain expenses on behalf of the districts for which the Organization receives reimbursement. Reimbursements from the districts are recorded as reimbursement income on the statements of activities and the related expenses are recorded based on natural classification on the statements of functional expenses.

**8. RETIREMENT PLAN**

GCCG maintains a Money Purchase Pension Plan ("Plan") for all employees who have worked at GCCG for at least one year and 1,000 hours. Employees may elect to defer a portion of their salary to the Plan, up to the limits imposed by the Internal Revenue Code. GCCG contributes 5% of each eligible employee's salary to the Plan. Total employer contributions for the twenty-four month periods ended March 31, 2021 and 2019, were \$66,021 and \$66,642, respectively.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

---

**9. ENDOWMENTS**

The Organization's endowments consist of 46 endowment funds, 44 of which the total investment return may be used for the general purposes of GCCG. The endowment funds are an accumulation of gifts and bequests to GCCG and will be supplemented, principally from new gifts and bequests. The purpose of the endowment funds is to meet current operating expenses of GCCG and to be a source of funds to meet program specifications. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

During 2008, the state of Colorado adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Organization has interpreted UPMIFA as requiring the preservation of the original fair value of the gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, and (b) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument. The undistributed portion of the donor-restricted endowment funds that have donor restrictions are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The undistributed portion of the donor-restricted endowment funds that do not have donor restrictions are classified as net assets without donor restrictions.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible affect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**9. ENDOWMENTS (CONTINUED)**

Changes in endowment net assets for the twenty-four month period ended March 31, 2021, consist of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ -</u>	<u>\$ 632,583</u>	<u>\$ 632,583</u>
Investment return:			
Net appreciation (realized and unrealized)	<u>47,752</u>	<u>-</u>	<u>47,752</u>
Total investment return	<u>47,752</u>	<u>-</u>	<u>47,752</u>
Contributions	-	-	-
Amounts appropriated for expenditure	<u>(19,486)</u>	<u>-</u>	<u>(19,486)</u>
Endowment net assets, end of year	<u>\$ 28,266</u>	<u>\$ 632,583</u>	<u>\$ 660,849</u>

Changes in endowment net assets for the twenty-four month period ended March 31, 2019, consist of the following:

The portion of perpetual endowment funds subject to a time restriction under UPMIFA: \$ 632,583

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with US GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of March 31, 2021 and 2019.

GCCG has investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowments. GCCG's endowment assets are invested in a manner that is intended to produce the highest possible rate of return consistent with the Organization's risk tolerances.

See independent auditor's report.

**THE GENERAL CONFERENCE OF THE CHURCH OF GOD (SEVENTH DAY)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2019**

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**10. PAYCHECK PROTECTION PLAN**

GCCG applied for and received a \$200,436 forgivable loan from the Small Business Administration (SBA) as part of the Paycheck Protection Program (PPP), which is part of the federal government's Coronavirus Aid, Relief, and Economic Security ("CARES") Act. Management has determined that all conditions have been met and forgiveness of the loan is probable as of March 31, 2021 and, accordingly, has recognized the full amount as grant income in the accompanying financial statements in accordance with Topic 958.

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See independent auditor's report.