

SPRING MEETING

Takoma Park, DC, April 3, 1980

Minutes of Spring Meeting

GENERAL CONFERENCE COMMITTEE

April 3, 1980, 8:30 a.m.

MEMBERS PRESENT

W J Hackett, D H Baasch, W Melvin Adams, J J Aitken, T M Ashlock, R Curtis Barger, R W Bates, M T Battle, G J Bertochini, L L Bock, J W Bothe, C E Bradford, C L Brooks, W J Brown, G O Bruce, H D Burbank, G T Carter, J E Chase, D R Christman, W O Coe, V H Cooper, S L DeShay, N R Dower, K H Emmerson, G O Engen, Joseph Espinosa, C O Franz, C O Frederick, A E Gibb, P A Gordon, V S Griffiths, Richard Hammill, Tulio Haylock, R R Hegstad, R H Henning, C D Henri, D B Hills, C B Hirsch, D W Holbrook, E W Howse, J N Hunt, G M Hyde, Warren L Johns, D S Johnson, H D Johnson, M E Kemmerer, J C Kinder, R E Klimes, G E Knowles, W R Leshner, N W Litchfield, M E Loewen, Alf Lohne, Alice Lowe, E H Mack, Jack Mahon, C D Martin, R F Mattison, J W McFarland, A C McKee, W L Murrill, M S Nigri, R E Osborn, H F Otis, A J Patzer, P F Pedersen, R L Pelton, Elbio Pereyra, A V Pinkney, H F Rampton, Leo Ranzolin, M H Reeder, E S Reile, D A Roth, M C Sawvel, W C Scales, A E Schmidt, Clark Smith, P G Smith, F A Soper, J R Spangler, W M Starks, E H J Steed, Ella May Stoneburner, C R Taylor, G Ralph Thompson, L R Van Dolson, A V Wallenkampf, C D Watson, F C Webster, Ruth M White, A S Whiting, Bruce M Wickwire, R A Wilcox, Cecil A Williams, Roy F Williams, Neal C Wilson, W H Wilson, K H Wood, F Donald Yost.

DEVOTIONAL MESSAGE

W J Hackett, Chairman, invited Alf Lohne to speak to the Committee on his recent trip to China. Alf Lohne gave an overview of his visit and conveyed some of the inspiration he received.

M E Loewen offered prayer.

INTRODUCTIONS

R A Wilcox presented Arthur Leroy Moore, Coordinator for Native American Affairs, who has his office in New Mexico.

80-100
April 3, 1980

Spring Meeting

MINUTES of the meeting held March 27, 1980 were approved.

From Personnel/ADCOM/GCC to WLM DHB

LUDDEN, HARTLEY B--RETIREMENT, APPRECIATION

RECOMMENDED, To authorize Retirement Plan benefits for Hartley B Ludden after more than forty years of denominational service, benefits to begin November 1, 1980; and further, to express appreciation to him and to his wife for their faithful service, 25 years of which were given in the Far Eastern Division.

From Administration/ADCOM/GCC to WLM DHB

ADAMS, W MELVIN--RETIREMENT, APPRECIATION

RECOMMENDED, To authorize Retirement Plan benefits to W Melvin Adams after nearly forty years of service to the church, benefits to begin July 1, 1980; and further, to express appreciation to him and to his wife for their faithful service, the last 21 years on the General Conference staff.

From Administration/ADCOM/GCC to WLM DHB

EVA, W DUNCAN--RETIREMENT, APPRECIATION

RECOMMENDED, To authorize Retirement Plan benefits to W Duncan Eva after nearly 47 years of service to the church, benefits to begin October 1, 1980; and further, to express appreciation to him and to his wife for their dedication to the service of God outside North America and the last eight years on the General Conference staff.

From Manual Reading Comm/ADCOM/PRADCO/GCC to WLM

A 2588 ACCOUNTING MANUALS APPROVED

VOTED, To approve the following accounting manuals which have been prepared by the Auditing Service and reviewed by the Manual Reading Committee:

ABC Accounting Manual
HHES/FHES Accounting Manual

From CA/GCC to Secretariat

COMMITTEE ON APPOINTEES

VOTED, To approve the following:

(Appointees - contd)

Appointments

Bonjour, Richard Arden (Medford, Oregon)--Dean of men, Far Eastern Academy, Singapore, Far Eastern Division
Canosa, Hamlet (So NE Conf)--Principal/Teacher, Overseas Elementary School, Singapore, Far Eastern Division
Cole, Samuel E (Forest Lake Acad)--Chairman, Math Dept, University College of Eastern Africa, Kenya, Afro-Mideast Division
Fleurimond, Job (Quebec, Canada)--Second evangelist, Kasai Project, Zaire, Trans-Africa Division
Hackett, Arlind Eugene (Indiana Conf)--Treasurer, West Indonesia Union Mission, Far Eastern Division

Calls and Transfers Between Divisions

Atuke, Jeremiah Orina (Afro-Mideast Div, Columbia, Missouri)--Accountant, Zaire Union, Trans-Africa Division
Bowd, Dorothy (Sydney Adv Hops, Australia)--Director of Nursing, Karachi Hospital, Pakistan, Southern Asia Division
Molino, Delia (Far East Div, Mwami Hosp, Trans-Afr Div)--To transfer to Ishaka Hospital, Uganda, Afro-Mideast Division
Padderatz, Gerhard Fritz Heinrich (Euro-Afr Div, Gaithersburg, Maryland)--History teacher, Solusi College, Zimbabwe, Trans-Africa Division
Piquard, Luc (Euro-Afr Div)--Teacher, Papeete Adv High School, French Polynesia Mission, Australasian Division
Roca, Jo Reme Chiong (Far East Div)--English teacher, Gimbie Mission School, Ethiopia, Afro-Mideast Division
Sanguesa, David (Euro-Afr Div)--Pastor, Spanish and Italian churches, Toronto, Canada, North American Division

Releases

Damazo, David Edwin from appt to Phuket Miss Hosp, Thailand, Far Eastern Division; changed to special service assignment
Gaver, Paul Edgar from appt to Bangkok Adv Hospital, Thailand, Far Eastern Division; changed to special service assignment
Greene, Alfonzo from appt to West Indies Coll, Jamaica, Inter-American Division; declined
Johnson, Debbe Sue from appt to Trans-Africa Division office; declined
Klein, Theresa Lee from appt to SDA Health Center, Blantyre, Malawi, Far Eastern Division; declined
McKee, Richard (Texas) from appt to Review & Herald Publishing Assn, Stanborough Press, England, N Europe-W Africa Division; declined
Weeks, Helena (N Europe-W Africa Div) from Ishaka Hospital, Uganda, Afro-Mideast Division; declined

Permanent Returns

Molino, Delia from Mwami Hospital, Zambia, Trans-Africa Division; rescind perm return to Far Eastern Division voted Jan 31, 1980
Stiles, Waldo W from Quito Clinic, Ecuador, South American Division; health, effective January 1980
Zinner, Harald H K--Change of effective date for perm return from Afro-Mideast Div to March 16, 1980.

80-102
April 3, 1980

Spring Meeting

From GCC to DHB

STILES, WALDO W--APPRECIATION

VOTED, To express appreciation to Waldo W Stiles and his wife for their 28 years of medical missionary work in the South American Division.

From Treasury/GCC to MEK

CITIZENS BANK AND TRUST COMPANY - ACCOUNT
FOR REFUGEE RESETTLEMENT FUND

VOTED, To amend GCC 80-26 by changing the name of the account with the Citizens Bank and Trust Company of Maryland from Vietnamese Refugee Fund to Refugee Resettlement Fund, the action now to read as follows:

To authorize the opening of an account with the Citizens Bank and Trust Company of Maryland, Takoma Park, Maryland, in the name of the General Conference of Seventh-day Adventists, Refugee Resettlement Fund, number 0150781000, and that the said bank be and hereby is, authorized to honor the signatures of K H Emmerson and/or M E Kemmerer and/or G O Bruce, to sign or make any changes and orders for the payment of money for the account which is in the name of the General Conference of Seventh-day Adventists, Refugee Resettlement Fund.

From PREXAD/GCC to RH

REVIEW COMMITTEE FOR DESMOND FORD'S POSITION
PAPER

VOTED, To hold the Review Committee for Desmond Ford's position paper at Glacier View Camp, August 10 (1 pm Sunday) to August 14 (noon) 1980, with attendance as follows:

Alalade, A	Endruweit, Wilson	Harder, F E J
Anderson, R A	Eva, W Duncan	Hardinge, Leslie
Blazen, Ivan	Ferch, A J	Hasel, G F
Blincoe, T H	Figuhr, R R	Heinz, J
Bradford, C E	Follett, Philip	Henri, C D
Cassell, J W	Fowler, John M	Heppenstall, Edward
Cottrell, R F	Fowler, John W	Holbrook, Frank
Cox, J J C	Franz, C O	Holland, K J
Damsteegt, Gerard	Gullon, D P	Hyde, Gordon
Davis, Dean	Guy, Fritz	Japas, Salim
Dederen, R F	Hackett, W J	Johnsson, W G
Douglass, H E	Haldeman, Madelynn	Judd, C D
Duffy, A N	Haloviak, Bert	Kubo, Sakae
Dupertuis, Atilio	Hammill, Richard	Leshner, W R

(Review Committee - contd)

Lohne, Alf
Londis, James
Lowe, H W
McClure, A C
Moore, A L
Murdoch, W G C
Neall, Beatrice
Nigri, M S
Odom, Robert
Olsen, V N
Olson, R W
Palmer, L R
Paul, O H

Paulsen, Jan
Pereyra, Elbio
Pierson, R H
Provonsa, J W
Rock, C B
Roda, Alfonso
Salom, A P
Shea, William
Smoot, J G
Spangler, J R
Steveny, Georges
Strand, K A
Thompson, G Ralph

Thurber, Merwin
Tolhurst, A H
Trenchard, Warren
Vaz, K J
Veloso, Mario
Veltman, Fred
Venden, L D
Vine, K A
Wernick, F W
White, A L
Wilson, Neal C
(Chairman)
Wood, K H
Yost, F D
Zamora, R W
Zurcher, Jean

General Conference Secretary (Secretary)
All NAD Union Presidents
All Division Presidents

It was further

VOTED, To accept the following financial plan for those invited to attend:

1. Those residing in the North American Division and denominationally employed will attend at the expense of the employing organization.
2. Those residing in the North American Division and not denominationally employed will attend at the expense of the General Conference.
3. Those from other divisions: The sending organization will be responsible for the per diem and hotel expense and the first \$600 of transportation expense for each individual. The General Conference will pay for that part of the transportation expense which exceeds \$600 for each individual.

From ITC/GCC to AL

INTERDIVISION TRAVEL

VOTED, To approve the following interdivision travel:

Authorizations

Haylock, T R (Specials)	Euro-Afr Div, Europe, July 1-14, 1980
Carman, Eldon Jr)	
Rice, Bruce) (Med Coll of Georgia)	Trans-Afr Div, Blantyre, Oct 26-31, 1980
	Expenses by LLU School of Dentistry
	Alumni Association
Hubbard, Dean (Union Coll)	Far East Div, June 1980. Expenses by Union College

80-104
April 3, 1980

(Interdivision Travel - contd)

(Specials)

VOP Group:

Richards, H M S, Jr

King's Heralds

Trans-Afr Div, Apr 17-May 10, 1981

Voice of Prophecy will continue salaries.

Travel, lodging and per diem by Division.

Adjustments

Murillo, E

(Lake Union)

Int-Amer Div, Extend visit to end of April
1980.

From FREC/GCC to MEK

EXCHANGE RATE ADJUSTMENTS

VOTED, To approve the following adjustments in fixed rates of
exchange, effective April 1, 1980:

<u>Country</u>		<u>Local Currency</u>	<u>US\$</u>
<u>Euro-Africa Division</u>			
Algeria	Dinar	DA 3.90	.2564103
Angola	Kwanza	Kw 35.00	.0285714
Austria	Schilling	Sch 13.50	.0740741
Belgium	Belgian		
	Franc	Bfr 30.50	.0327869
Cape Verde	Escudo	Esc 35.00	.0285714
France	French		
	Franc	Ffr 4.40	.2272727
Germany	Deutschmark		
	W	DM 1.85	.5405405
Germany	Deutschmark		
	E	DM 1.85	.5405405
Greece	Drachma	Dr 40.00	.025
Guinea Bissau	Peseta	Pes 35.00	.0285714
Hungary	Forint	F 22.00	.0454545
Israel	Shekel	4.10	.2439024
Italy	Lira	Li 880.00	.0011364
Madagascar	Malagasy		
	Franc	FMG 220.00	.0045455
Mauritius	Rupee	Rs 7.80	.1282051
Mozambique	Escudo	M Esc 35.00	.0285714
Portugal	Escudo	Esc 51.00	.0196078
Reunion	French		
	Franc	Ffr 4.40	.2272727
Rumania	Lei	L 13.00	.0769231
Senegal	CFA*	CFA 220.00	.0045455
Spain	Peseta	Pes 72.00	.0138889
Switzerland	Swiss		
	Franc	Sfr 1.75	.5714286

Spring Meeting

80-105
April 3, 1980

(Exchange rates - contd)

<u>Country</u>			<u>Local Currency</u>	<u>US\$</u>
<u>(Euro-Africa Division)</u>				
West Central Africa	CFA*	CFA	220.00	.0045455
Yugoslavia	Dinar	Din	20.50	.0487805
<u>Inter-American Division</u>				
French Guiana	Metropolitan			
	Franc	Fr	4.40	.2272727
Guadeloupe	Metropolitan			
	Franc	Fr	4.40	.2272727
Martinique	Metropolitan			
	Franc	Fr	4.40	.2272727
<u>N Europe-W Africa Division</u>				
Benin	CFA*	CFA	220.00	.0045455
Denmark	Krone	DKr	5.75	.1739130
Finland	Markka	Fmk	3.80	.2631579
Great Britain	English £	£	.4545455	2.20
Iceland	Krona	IKr	420.00	.0023809
Ivory Coast	CFA*	CFA	220.00	.0045455
Netherlands	Guilder	FL	2.00	.50
Norway	Krone	NKr	5.00	.20
Sierra Leone	Leone	Le	1.05	.9523810
Sweden	Krona	SKr	4.30	.2325581
Togo	CFA*	CFA	220.00	.0045455
Upper Volta	CFA*	CFA	220.00	.0045455
<u>South American Division</u>				
Argentina	Peso	m/a	1,740.00	.0005747
Bolivia	Boliviana	\$b	24.50	.0408163
Brazil	Cruzeiro	\$Cr	49.00	.0204082
Peru	Sol	S/	260.00	.0038462
Uruguay	Peso	o/u	8.65	.1156069

*Communaute Financier Africaine (CFA)

From Treasury/80 SM to KHE

AUDITED FINANCIAL REPORT OF THE TREASURER

K H Emmerson, Treasurer, introduced the financial report for the year ended December 31, 1979.

M E Kemmerer, Undertreasurer, presented the following statements:

General Conference Tithe Fund Balance Sheet

General Conference Tithe Fund Statement of Activity and Fund Balance

General Conference Tithe Fund, Notes to Financial Statements

General Conference Specific Purpose Fund Balance Sheet

General Conference Specific Purpose Fund Statement of Activity and Fund Balance

(Treasury Report - cont'd)

(M E Kemmerer - cont'd)

General Conference Specific Purpose Fund, Notes to Financial Statements
General Conference Corporation Current Fund and Plant Fund Balance Sheets
General Conference Corporation Current Fund Statement of Revenues, Expenses and Fund Balance
General Conference Corporation Plant Fund Statement of Changes in Fund Balance
General Conference Corporation Current Fund and Plant Fund, Notes to Financial Statements
General Conference Association of Seventh-day Adventists Balance Sheet
(Mention was made of the North American Conference Corporation of Seventh-day Adventists).

R E Osborn, Assistant Treasurer, presented the following statements:

General Conference Investment Fund Statement of Assets and Liabilities
General Conference Investment Fund Statements of Operations
General Conference Investment Fund Statements of Changes in Net Assets
General Conference Investment Fund Portfolio of Investments (Summary)
General Conference Investment Fund, Notes to Financial Statements
General Conference Income Fund Statements of Assets and Liabilities
General Conference Income Fund Statements of Operations
General Conference Income Fund Statements of Changes in Net Assets
General Conference Income Fund Portfolio of Investments (Summary)
General Conference Income Fund, Notes to Financial Statements
General Conference International Fund Statement of Assets and Liabilities
General Conference International Fund Statement of Operations
General Conference International Fund Statement of Changes in Net Assets
General Conference International Fund Portfolio of Investments
General Conference International Fund, Notes to Financial Statements

W L Murrill, Assistant Treasurer, presented the following statements:

General Conference Retirement Funds Statement of Assets and Liabilities
General Conference Retirement Funds Statement of Changes in Net Assets Available for Plan Benefits
General Conference Retirement Funds, Notes to Financial Statements

Jack E Powers of Maner, Costerisan and Ellis, read the Auditors' opinions for each of the above financial statements following each presentation.

VOTED, To accept the audited financial report for the period ended December 31, 1979, for the General Conference of Seventh-day Adventists,

Spring Meeting

80-107
April 3, 1980

(Treasury Report - contd)

the financial statements for the Investment Fund, Income Fund, International Fund, Retirement Fund, the General Conference Corporation of Seventh-day Adventists, the balance sheet of the General Conference Association and the Auditors' statements included in the report.

(Financial statements are on file with the official minutes. Any General Conference Committee member desiring a copy will receive one on request).

From PREXAD/GCC to KHE-PREXAD

A 2789 DATA PROCESSING CENTER AND INFORMATION
SYSTEM SERVICES

The President's Executive Advisory requested a broad-based Data Processing Study Committee of specialists under the direction of M J Blair to study the needs of the General Conference for a data processing system. This committee has worked over a period of several weeks surveying the various activities of the General Conference and assessing our needs. A preliminary report was presented to the administration on March 19, 1980.

The conclusions of the survey committee are that the General Conference needs a data processing center and information system with the use organized so as to be sensitive to the needs of the components of the General Conference and with the information in the system available to the users on demand. (An organizational chart is on file with the official copy of the minutes).

VOTED, To accept the report of the General Conference Data Processing Study Committee and consider the concepts outlined in the report as our tentative guidelines for the operation of a data processing center which is tentatively being referred to as Information System Services (ISS) with organizational structures as presented. It was further

VOTED, To request the President's Executive Advisory to appoint a search committee for a director of Information System Services.

From PREXAD/GCC to FWW

LOMA LINDA UNIVERSITY--BASIC SCIENCE ALLOWANCES

The Loma Linda University Board of Trustees has recommended that Basic Science teachers on the Loma Linda campus be granted certain allowances which at present they do not receive under the present salary plan.

VOTED, To grant certain allowances for Basic Science teachers on the Loma Linda University campus to supersede the action of July 14, 1966 which denied all benefits granted under the regular denominational wage scale to those who were remunerated under the special plan voted at that

80-108
April 3, 1980

Spring Meeting

(Loma Linda University - contd)

time for Loma Linda University Clinical and Basic Science teachers. As part of that plan, they do not receive denominational retirement service or benefits.

Since the 1966 action was taken, the denominational wage scale and allowances applied to teachers and deans in health-related schools have in some cases risen to where they are equal to or even above the remuneration given to some Basic Science teachers. It has, therefore, been recommended by the President's Executive Advisory that two allowances be granted to Basic Science teachers who are teaching full time on the Loma Linda University campus. Other than these two allowances, the action of July 14, 1966, and any other actions taken on the Loma Linda University wage scale will remain unchanged. The two allowances to be granted under this action are:

1. Educational scholarship allowance to those Basic Science teachers who hold the rank of instructor and assistant professor as long as their remuneration does not exceed the salary and allowances of the deans in the health-related schools.

2. Health Care Assistance in harmony with the NAD policy to all full-time Basic Science teachers on the same basis as the other teachers on the campus who are eligible for perquisites.

The effective date will be determined by the University administration, but in no case shall this arrangement be effective prior to January 1, 1980.

From ADCOM/GCC to JE

GENERAL CALLS

VOTED, To approve the following General call:

Christman, Robert (Gen Conf)--Financial Administrative Assistant,
Department of Radiology, Loma Linda University Medical Center.

From PREXAD/GCC to NCW-SESSION

X 3139 MINISTERIAL ASSOCIATION-STEWARDSHIP AND
DEVELOPMENT DEPARTMENT MERGER

RECOMMENDED, To merge the Ministerial Association and the Stewardship and Development Department into a joint operation with the understanding that this arrangement will be evaluated during the next quinquennium and that no amendment will be made to the General Conference Constitution at this time.

Spring Meeting

80-109
April 3, 1980

From PREXAD/GCC to NCW-SESSION

X 3140 HEALTH AND TEMPERANCE DEPARTMENTS MERGER

RECOMMENDED, To merge the Health Department and the Temperance Department into a joint operation with the understanding that this arrangement will be evaluated during the next quinquennium and that no amendment will be made to the General Conference Constitution at this time.

Adjourned

W J Hackett, Chairman
D H Baasch, Secretary
Martha Horn, Recording Secretary

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS

REPORT ON FINANCIAL STATEMENTS

Year Ended December 31, 1979

C O N T E N T S

	<u>Page</u>
<u>General Conference of Seventh-day Adventists:</u>	
Tithe Fund:	
Auditors' Report	4
Balance Sheet	5
Statement of Activity and Fund Balance	6
Notes to Financial Statements	7-9
Specific Purpose Fund:	
Auditors' Report	10
Balance Sheet	11
Statement of Activity and Fund Balance	12
Notes to Financial Statements	13-15
Retirement Funds:	
Auditors' Report	16
Statement of Assets and Liabilities	17
Statement of Changes in Net Assets Available for Plan Benefits	18
Notes to Financial Statements	19-22
Investment Fund:	
Auditors' Report	23
Statements of Assets and Liabilities	24
Statements of Operations	25
Statements of Changes in Net Assets	26
Portfolio of Investments	27-37
Notes to Financial Statements	38-41
Income Fund:	
Auditors' Report	42
Statements of Assets and Liabilities	43
Statements of Operations	44
Statements of Changes in Net Assets	45
Portfolio of Investments	46-53
Notes to Financial Statements	54-56
International Fund:	
Auditors' Report	57
Statement of Assets and Liabilities	58
Statement of Operations	59
Statement of Changes in Net Assets	60
Portfolio of Investments	61-63
Notes to Financial Statements	64-67

C O N T E N T S

	<u>Page</u>
<u>General Conference Corporation of Seventh-day Adventists:</u>	
Auditors' Report	68
Current Fund:	
Balance Sheet	69
Statement of Revenues, Expenses and Fund Balance	70
Plant Fund:	
Balance Sheet	71
Statement of Changes in Fund Balance	72
Notes to Financial Statement	73-77
 <u>General Conference Association of Seventh-day Adventists:</u>	
Auditors' Report	78
Balance Sheet	79
 <u>North American Conference Corporation of Seventh-day Adventists:</u>	
Statement	80

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS

TITHE FUND

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
 Tithe Fund
 Balance Sheet
 December 31

	<u>1979</u>	<u>1978</u>
ASSETS		
<u>Current Assets:</u>		
Cash and Banks	1 668 349 13	306 281 96
Investments	<u>20 447 200 14</u>	<u>18 785 939 34</u>
	22 115 549 27	19 092 221 30
Accounts Receivable	24 848 606 88	25 767 119 42
Inventories	567 888 32	478 752 30
Prepaid Expense	<u>71 669 02</u>	<u>605 724 17</u>
	25 488 164 22	26 851 595 89
Total Assets	<u>47 603 713 49</u>	<u>45 943 817 19</u>
LIABILITIES		
<u>Current Liabilities:</u>		
Accounts Payable	18 207 565 50	17 677 814 15
Trust Funds	10 079 981 84	9 483 975 43
Deferred Income	<u>138 493 31</u>	<u>125 164 56</u>
Total Liabilities	<u>28 426 040 65</u>	<u>27 286 954 14</u>
FUND BALANCE		
Tithe Fund Oper Cap Reserve Fnd Bal	<u>19 177 672 84</u>	<u>18 656 863 05</u>
Total Liabilities & Fund Balance	<u>47 603 713 49</u>	<u>45 943 817 19</u>

See accompanying notes to financial statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
 Tithe Fund
 Statement of Activity and Fund Balance
 Year Ended December 31

	<u>1979</u>	<u>1978</u>
DIRECT INCOME:		
Overseas	1 509 561 83	1 264 757 44
North America	<u>63 948 497 93</u>	<u>58 261 773 22</u>
Total Income	<u>65 458 059 76</u>	<u>59 526 530 66</u>
DIRECT EXPENSE:		
Appropriations:		
Overseas	31 838 000 00	27 750 090 00
North America	62 362 35	2 832 691 97
General	<u>3 160 864 88</u>	<u>2 877 790 00</u>
	<u>35 061 227 23</u>	<u>33 460 571 97</u>
Provisions:		
Overseas	4 227 965 50	5 065 819 52
North America	2 721 996 84	2 550 589 92
General	2 872 476 45	2 618 267 00
GC Office Operating	<u>10 383 963 08</u>	<u>9 025 633 78</u>
	<u>20 206 401 87</u>	<u>19 260 310 22</u>
Total Expense	<u>55 267 629 10</u>	<u>52 720 882 19</u>
Excess Income over Expense	<u>10 190 430 66</u>	<u>6 805 648 47</u>
TRANSFERS TO OTHER FUNDS:		
Appropriations:		
Overseas	100 000 00	155 000 00
North America	330 000 00	565 000 00
General	<u>6 729 000 00</u>	<u>785 000 00</u>
	<u>7 159 000 00</u>	<u>1 505 000 00</u>
Provisions:		
Overseas	705 091 56	2 439 535 37
North America	<u>1 805 529 31</u>	<u>1 654 978 07</u>
	<u>2 510 620 87</u>	<u>4 094 513 44</u>
Total Transfers	<u>9 669 620 87</u>	<u>5 599 513 44</u>
NET INCREASE TO FUND BALANCE	520 809 79	1 206 135 03
FUND BALANCE:		
At Beginning of Year	<u>18 656 863 05</u>	<u>17 450 728 02</u>
At End of Year	<u>19 177 672 84</u>	<u>18 656 863 05</u>

See accompanying notes to financial statements.

GENERAL CONFERENCE OF SEVENTH DAY ADVENTISTS
Tithe Fund
Notes to Financial Statements

Note 1 - Summary of Accounting Policies:

Basis of accounting - The financial statements of the Fund are prepared on the accrual basis of accounting.

Investments - Investments are recorded at average cost. Income from investments is recorded directly in the Specific Purpose Fund in accordance with denominational policy governing fund classification of expenditures. (See Note 2))

Foreign currency translation - The cost of investments is recorded in U.S. dollars at the exchange rate prevailing on the date of purchase. The current value at the financial statement date represents the foreign currency market price multiplied by the exchange rate on December 31.

Inventories - Inventories of office and maintenance supplies and items for re-sale are recorded at the lower of cost (generally weighted average) or market.

Property, equipment and depreciation - Property and equipment owned directly by the General Conference is recorded in the General Conference Corporation of Seventh-day Adventist Plant Fund.

Trust Funds - Specific donations from individuals or organizations for designated projects and funds not fully at the disposition of the Executive Committee are classified as "Trust Funds". Ingathering donations, which represent the largest amount, are accumulated until the close of the campaign in January of each year at which time they are transferred to the Specific Purpose Fund.

Retirement Plan - The General Conference has a non-contributory defined benefit retirement plan covering substantially all employees. Contributions are based on a percentage of tithe income, subject to change from time to time to meet the demands on the Retirement Plan. (See Note 7.)

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Tithe Fund
Notes To Financial Statements

Note 2 - Purpose, Name and Use:

Resources available to the General Conference from the constituent members in accordance with the Biblical principle of tithing are accounted for within the Tithe Fund. The Tithe is to be used for the work of the ministry and Bible teaching, including the carrying forward of the denominational administration in the care of the church and of field missionary operations. The Tithe is not to be expended upon other lines of work such as church or institutional debt-paying or building operations.

Note 3 - Investments:

Investments consist of the following:

	<u>1979</u>	<u>1978</u>
Bank Certificates of Deposit:		
U.S.	20 000 00	2 311 845 80
Canadian	1 243 589 74	1 000 000 00
Bankers' Acceptances & re-purchase Agreemts	3 708 081 65	4 140 158 72
Savings and Loan Associations	40 000 00	40 000 00
Commercial Paper	<u>15 435 528 75</u>	<u>11 293 934 82</u>
	<u>20 447 200 14</u>	<u>18 785 939 34</u>

Cost, as translated to U.S. dollars, approximates current value at the balance sheet date.

Note 4 - Trust Funds:

	<u>1979</u>	<u>1978</u>
Trust Funds are summarized as follows:		
Ingathering	7 285 880 04	7 409 946 75
SAWS	746 806 45	
Benghazi Hospital	690 359 50	690 359 50
All other (27 accounts ranging from \$586.00 to \$268,619.60 in 1979)	<u>1 356 935 85</u>	<u>1 383 669 18</u>
	<u>10 079 981 84</u>	<u>9 483 975 43</u>

Note 5 - Related Party Transactions:

Essentially all transactions, other than the investment of funds and the purchase of goods and services, are with related funds and organizations.

Note 6 - Income Tax Status:

The General Conference and its affiliated organizations are exempt from federal, state and local income taxes under provisions of Section 501 (c) (3) of the Internal Revenue Code.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Tithe Fund
Notes to Financial Statements

Note 7 - Retirement Plan:

On the basis of an actuarial evaluation completed in 1979 on the Retirement Plan as it pertains to Church participants, pension expense in accordance with generally accepted accounting principles should have been approximately \$650,000.00 higher in 1979 than the amount funded in accordance with denominational policy. (See Note 3 to Retirement Funds financial statement for actuarial information.)

Note 8 - Commitments and Contingencies:

See Notes to Financial Statements of the General Conference Corporation of Seventh-day Adventists for a description of certain litigation in which the General Conference is a party.



MANER, COSTERISAN & ELLIS, P.C.

Certified Public Accountants

Walter P. Maner, Jr.
Floyd L. Costerisan
Leon A. Ellis
Jack E. Powers
Roger R. Promer
Lawrence C. Kowalk
Gary W. Brya
Henry W. Wolcott IV
Jerome V. Wittkoski
Daniel L. Popoff

February 22, 1980

To the Members of the Executive Committee
General Conference of Seventh-day Adventists
Washington, D.C.

We have examined the balance sheets of the General Conference of Seventh-day Adventists Tithe Fund as of December 31, 1979 and 1978 and the related statements of activity and fund balance for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our report dated February 23, 1979, our opinion on the 1978 financial statements was qualified as being subject to the effects, if any, of the measurement of pension expense because an actuarial evaluation of the General Conference Retirement Funds covering non-hospital employees had not been performed. An actuarial evaluation of the Plan completed in 1979 reveals that the General Conference's accounting policy regarding pension cost has not resulted in a measurement of expense in conformity with generally accepted accounting principles. Accordingly, our present opinion on the 1978 financial statements, as presented herein, is different from that expressed in our previous report.

In our opinion, except for the effects on the financial statements of the matter referred to in the preceding paragraph, the financial statements mentioned present fairly the financial position of the General Conference of Seventh-day Adventists Tithe Fund at December 31, 1979 and 1978 and the activity for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

In addition to the funds enumerated in the foregoing table of contents, there are other funds and/or subsidiary organizations which are owned or controlled by the General Conference. The terms of our engagement and the opinions expressed apply only to the specific funds mentioned.

Maner, Costerisan & Ellis PC

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS

SPECIFIC PURPOSE FUND

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Specific Purpose Fund
Balance Sheet
December 31

	<u>1979</u>	<u>1978</u>
ASSETS		
<u>Current Assets:</u>		
Cash and Banks	102 345 31	386 170 10
Investments	<u>60 013 722 91</u>	<u>54 611 568 55</u>
	60 116 068 22	54 997 738 65
Accounts Receivable	7 490 044 01	7 434 834 68
Notes & Loans Receivable (Current Maturities of)	<u>335 380 23</u>	<u>178 261 90</u>
Total Current Assets	67 941 492 46	62 610 835 23
<u>Other Assets:</u>		
Long Term Receivables, less Current Maturities	<u>8 336 218 98</u>	<u>8 531 106 31</u>
Total Assets	<u><u>76 277 711 44</u></u>	<u><u>71 141 941 54</u></u>
LIABILITIES		
<u>Current Liabilities:</u>		
Accounts Payable	14 011 784 00	14 682 356 51
FUND BALANCE		
Fund Balance (incl all Sub-Funds)	<u>62 265 927 44</u>	<u>56 459 585 03</u>
Total Liabilities & Fund Balance	<u><u>76 277 711 44</u></u>	<u><u>71 141 941 54</u></u>

See accompanying notes to financial statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Specific Purpose Fund
Statement of Activity and Fund Balance
Years Ended December 31

	<u>Total 1978</u>	<u>Total 1979</u>	<u>SP Oper Capital</u>	<u>Investment in Long Term Receivables</u>	<u>Securities Fluctuation Reserve</u>	<u>General</u>	<u>Ingathering</u>	<u>Special Appropriations</u>	<u>Tithe Special Appropriations</u>	<u>Other</u>
Income:	62 010 230 00	70 554 874 28				46 964 004 13	15 828 617 32			7 762 252 83
Expense:	(67 476 958 93)	(74 418 152 74)				(37 183 947 61)	(12 914 743 45)	(4 972 000 00)	(4 989 521 15)	(14 357 940 53)
Excess Income (Expense)	<u>(5 466 728 93)</u>	<u>(3 863 278 46)</u>				<u>9 780 056 52</u>	<u>2 913 873 87</u>	<u>(4 972 000 00)</u>	<u>(4 989 521 15)</u>	<u>(6 595 687 70)</u>
Transfers:										
From Tithe Fund	5 599 513 44	9 669 620 87							6 560 000 00	3 109 620 87
From Other Funds	18 407 250 23	18 298 002 52	1 841 097 01		2 215 526 17	194 887 33		6 826 000 00		7 220 492 01
To Other Funds	<u>(18 407 250 23)</u>	<u>(18 298 002 52)</u>		<u>(194 887 33)</u>		<u>(9 974 943 85)</u>	<u>(3 166 005 32)</u>	<u>(1 894 400 00)</u>	<u>(1 688 037 10)</u>	<u>(1 379 728 92)</u>
Net Transfers	<u>5 599 513 44</u>	<u>9 669 620 87</u>	<u>1 841 097 01</u>	<u>(194 887 33)</u>	<u>2 215 526 17</u>	<u>(9 780 056 52)</u>	<u>(3 166 005 32)</u>	<u>4 931 600 00</u>	<u>4 871 962 90</u>	<u>8 950 383 96</u>
Net Increase (De- crease) to Fund Balance	132 784 51	5 806 342 41	1 841 097 01	194 887 33	2 215 526 17		(252 131 45)	(40 400 00)	(117 558 25)	2 354 696 26
Fund Balance (Deficit):										
At Begin of Yr	<u>56 326 800 52</u>	<u>56 459 585 03</u>	<u>15 122 834 08</u>	<u>8 531 106 31</u>	<u>12 146 060 43</u>	<u>-</u>	<u>279 935 67</u>	<u>212 881 23</u>	<u>-</u>	<u>20 166 767 31</u>
At End of Yr	<u>56 459 585 03</u>	<u>62 265 927 44</u>	<u>16 963 931 09</u>	<u>8 336 218 98</u>	<u>14 361 586 60</u>	<u>-</u>	<u>27 804 22</u>	<u>172 481 23</u>	<u>(117 558 25)</u>	<u>22 521 463 57</u>

See accompanying notes to financial statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Specific Purpose Fund
Notes to Financial Statements

Note 1 - Summary of Accounting Policies:

Basis of accounting: The financial statements of the Fund are prepared on the accrual basis of accounting.

Investments: Investments are recorded at the lower of aggregate cost or current value with cost being determined by the average method. The difference between current value and cost is reflected in the statement of changes in Fund balance. Realized gain or loss on investments represents the difference between the proceeds received and the cost of investments sold. Income from investments recorded in the Tithe Fund is recorded directly in the Specific Purpose Fund in accordance with denominational policy governing Fund classification of expenditures. (See Note 2)

Property, equipment and depreciation: Property and equipment owned directly by the General Conference is recorded in the General Conference Corporation of Seventh-day Adventists Plant Fund.

Gifts and Bequests: Income from matured trusts and estates in which the General Conference is a beneficiary is recorded at the time of receipt. Amounts remaining under the control of the trustee or executor, including the General Conference Trust Services, are not reflected as assets/donations in the Specific Purpose Fund.

Note 2 - Purpose, Name and Use:

Resources available to the General Conference from sources other than tithe are accounted for within the Specific Purpose Fund. Similarly, expenditures which do not meet the criteria to be paid from the tithe income are recorded in the Specific Purpose Fund.

Note 3 - Investments:

Investments consist of the following:

	<u>1979</u>			<u>1978</u>
	<u>Average Cost</u>	<u>Current Value</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Current Value</u>
U.S. Government & Agencies Obligations				3 685 687 50
Foreign (Canadian)	984 509 81	645 069 45	(339 440 36)	782 075 00
General Conference				
Unitized Funds	66 152 435 41	59 342 923 46	(6 809 511 95)	50 108 295 05
Other	25 730 00	25 730 00	-	35 511 00
	<u>67 162 675 22</u>	<u>60 013 722 91</u>	<u>(7 148 952 31)</u>	<u>54 611 568 55</u>

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Specific Purpose Fund
Notes to Financial Statements

Note 4 - Long Term Receivables:

Details of Long Term Receivables follow:

	1979			1978
	<u>Current</u>	<u>Long Term</u>	<u>Total</u>	<u>Total</u>
Loma Linda University:				
Long Term Advance Account				
Funds are advanced, as needed, from the long term advance account to facilitate principal payments on the security agreement. Interest at 8% is payable semi-annually, unsecured		4 887 643 34	4 887 643 34	4 650 781 60
Security Agreement:				
Part A - Interest @ 6% plus principal amounts received on trust deeds payable monthly collateralized by real estate deeds	98 896 77	797 800 88	896 697 65	995 594 42
Part B - Payable \$550,000 on 6-30-82 and \$770,000 on 6-30-87; interest at 6% payable monthly; unsecured		1 320 000 00	1 320 000 00	1 320 000 00
Foundation Loan:	34 870 53			
Interest at 6½% plus principal payments received on trust deeds payable monthly, collateralized by real estate trust deeds		521 804 76	556 675 29	591 545 82
	133 767 30	7 527 248 98	7 661 016 28	7 557 921 84
Ephesus SDA Church (NY):				
Payable \$7,920 per month, incl interest @ 8½%	72 327 30	231 794 68	304 121 98	370 228 59
Other:				
Doctors in residency, payment deferred	4 468 26	223 793 28	228 261 54	344 388 03
Doctors & dentists in repayment status	79 193 67	194 681 80	273 875 47	245 499 88
All others	45 623 70	158 700 24	204 323 94	191 329 87
	<u>335 380 23</u>	<u>8 336 218 98</u>	<u>8 671 599 21</u>	<u>8 709 368 21</u>



MANER, COSTERISAN & ELLIS, P.C.
Certified Public Accountants

Walter P. Maner, Jr.
Floyd L. Costerisan
Leon A. Ellis
Jack E. Powers
Roger R. Promer
Lawrence C. Kowalk
Gary W. Brya
Henry W. Wolcott IV
Jerome V. Wittkoski
Daniel L. Popoff

February 22, 1980

To the Members of the Executive Committee
General Conference of Seventh-day Adventists
Washington, D.C.

We have examined the balance sheets of the General Conference of Seventh-day Adventists Specific Purpose Fund as of December 31, 1979 and 1978, and the related statements of activity and fund balance for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements mentioned present fairly the financial position of the General Conference of Seventh-day Adventists Specific Purpose Fund at December 31, 1979 and 1978 and the activity for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Maner, Costerisan & Ellis PC

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Specific Purpose Fund
Notes to Financial Statements

Note 5 - Related Party Transactions:

Essentially all transactions, other than certain investments, ingathering contributions from non-members and the purchase of goods and services, are with related funds and organizations.

Note 6 - Income Tax Status:

The General Conference and its affiliated organizations are exempt from federal, state and local income taxes under provisions of Section 501 (c) (3) of the Internal Revenue Code.

Note 7 - Commitments:

The General Conference Specific Purpose Fund is committed to the General Conference Corporation and to the Retirement Funds in the event certain notes receivable (approximate balance \$350,000.00 at December 31, 1979) from Riverside Hospital, and accrued interest, are forgiven in accordance with the terms of an agreement entered into in 1977. (See Note 3 to the financial statements of the General Conference Corporation of Seventh-day Adventists for additional details of the agreement.)

The Specific Purpose Fund is also committed to provide certain subsidies in connection with Loma Linda Foods (a division of the General Conference Corporation) amounting to \$50,000.00 per year for the years 1980-1983 plus an amount equivalent to interest on certain Loma Linda Foods debt aggregating approximately \$3,412,700.00.

Note 8 - Contingencies:

See Note 8 to the financial statements of the General Conference Corporation of Seventh-day Adventists for a description of certain litigation in which the General Conference is a party.



MANER, COSTERISAN & ELLIS, P.C.
Certified Public Accountants

Walter P. Maner, Jr
Floyd L. Costerisan
Leon A. Ellis
Jack E. Powers
Roger R. Promer
Lawrence C. Kowalk
Gary W. Brya
Henry W. Wolcott IV
Jerome V. Wittkoski
Daniel L. Popoff

February 22, 1980

To the Members of the Executive Committee
General Conference of Seventh-day Adventists
Washington, D.C.

We have examined the statements of assets and liabilities of the General Conference of Seventh-day Adventists Retirement Funds as of December 31, 1979 and 1978 and the related statements of changes in net assets available for plan benefits for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our report dated February 23, 1979, our opinion on the 1978 financial statements was qualified because of the omission of certain actuarial information. An actuarial evaluation of the Plan was completed in 1979 and pertinent information therefrom is included in Note 3 to the financial statements. Accordingly, our present opinion on the 1978 financial statements, as presented herein, is different from that expressed in our previous report.

In our opinion, the financial statements mentioned present fairly the assets and liabilities of the General Conference of Seventh-day Adventists Retirement Funds as of December 31, 1979 and 1978 and the changes in net assets available for plan benefits for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Maner, Costerisan & Ellis PC

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS

RETIREMENT FUNDS

ANNUAL FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 1979

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Retirement Funds
Statement of Assets and Liabilities
December 31

ASSETS	<u>1979</u>	<u>1978</u>
Cash	193 623 82	258 578 91
Investments	77 660 255 95	65 652 354 41
Contributions Receivable	5 059 844 29	4 024 981 42
Notes Receivable	355 741 81	328 650 44
Accrued Interest Receivable	<u>423 986 39</u>	<u>4 803 14</u>
	<u>83 693 452 26</u>	<u>70 269 368 32</u>
LIABILITIES AND NET ASSETS AVAILABLE FOR PLAN BENEFITS		
Benefits and Accounts Payable	1 311 063 89	39 306 39
Net Assets Available for Plan Benefits	<u>82 382 388 37</u>	<u>70 230 061 93</u>
	<u>83 693 452 26</u>	<u>70 269 368 32</u>

See accompanying notes to financial statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Retirement Funds
Statement of Changes in Net Assets Available for Plan Benefits
Years Ended December 31

	<u>1979</u>	<u>1978</u>
<u>Additions:</u>		
Contributions from Participating Organizations	36 100 046 16	32 187 140 20
Interest and Dividend Income	6 326 510 55	4 466 773 17
Gain on Sale of Investments	899 415 60	213 984 72
Miscellaneous	<u>692 38</u>	<u>17 136 81</u>
Total Additions	<u>43 326 664 69</u>	<u>36 885 034 90</u>
<u>Deductions:</u>		
Basic Benefits	25 767 487 55	22 984 126 03
Medical and Other Benefits	3 986 943 27	2 860 497 18
Administrative Expense & Exchange Variance	<u>254 251 05</u>	<u>237 692 56</u>
	<u>30 008 681 87</u>	<u>26 082 315 77</u>
	13 317 982 82	10 802 719 13
Unrealized Depreciation in Aggregate Current Value of Investments	<u>(1 165 656 38)</u>	<u>(1 606 584 04)</u>
Net Additions	12 152 326 44	9 196 135 09
<u>Net Assets Available for Plan Benefits:</u>		
At Beginning of Year	<u>70 230 061 93</u>	<u>61 033 926 84</u>
At End of Year	<u>82 382 388 37</u>	<u>70 230 061 93</u>

See accompanying notes to financial statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Retirement Funds
Notes to Financial Statements

Note 1 - Summary of Accounting Policies:

Basis of accounting: The financial statement of the Funds are prepared on the accrual basis of accounting.

Investments: Investments are recorded at the lower of aggregate cost or current value with cost being determined by the average method. The difference between current value and cost is reflected in the statement of changes in net assets available for plan benefits. Realized gain or loss on investments represents the difference between the proceeds received and the cost of investments sold.

Note 2 - Significant Provisions of the Plan:

The Retirement Plan of the General Conference of Seventh-day Adventists is a non-contributory defined benefit plan which covers substantially all employees of the General Conference, General Conference institutions and all Conference organizations in the North American Division and which provides retirement, disability and survivor benefits. The participating organizations have agreed to contribute such amounts as necessary to provide assets sufficient to meet the benefits to be paid to plan members.

Contributions on behalf of hospital employees include amortization of past service liability over forty years. Contributions on behalf of other ("Church") employees, who constitute a majority of plan participants are based on a percentage of tithe income or a percentage of basic remuneration subject to change from time to time as determined by the North American Division Committee on Administration. Denominational policy requires, in general, assets, at original cost, equivalent to three times the amount of the latest complete year's plan benefits and expenses.

Note 3 - Benefits

Under the Plan, employees with 15 or more years of full-time service are eligible for benefits beginning at normal retirement age (65) or at age 60 if the employee has thirty-two years of service with the denomination. Basic retirement benefits range from 18% to 48% of the regular 100% salary level for 15 to 40 or more years of service, respectively. The family rate for eligible workers is 150% of the single rate. The Retirement Plan Committee may grant an additional allowance of 10 to 35 percent above the regular benefit on the basis of major responsibility in Conference or institutional leadership.

In addition to retirement benefits, participants are eligible for medical assistance in an amount equivalent to three-fourths of such expenses. If hospitalization is required, the Plan will pay up to 90% of the cost, including doctors and related expenses, on expenses of up to \$7,500 annually per family. Catastrophic health-care coverage paying 100% of hospital, doctor and related costs is provided for any expense above \$7,500 annually per family.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Retirement Funds
Notes to Financial Statements

Note 3 - Benefits, continued:

The Plan also provides funeral and child allowances.

Actuarial evaluations for both the church and hospital sub-funds reflect the following as of June 30, 1979:

	<u>Church</u>	<u>Hospital</u>
Estimated unfunded accrued liability for current retirees and beneficiaries and active participants	401 421 041	102 906 828
Estimated assets	<u>52 250 000</u>	<u>22 000 000</u>
Unfunded accrued liability	<u>349 171 041</u>	<u>80 906 828</u>

Calculations were not made to determine the present value of vested benefits.

The more significant assumptions underlying the actuarial computations are as follows:

Actuarial cost method	Unit Credit with unfunded past service liability amortized over 30 years
Assumed rate of return on investments	5½%
Mortality	1971 Male Group Annuity Mortality Table set back 6 years for females
Turnover	Hospital Sub-Fund

<u>Age</u>	<u>Annual Non-vested Terminations per 1,000 Active Employees</u>
25	300
35	200
45	100
55	10
60	-

Church Sub-Fund - Turnover rates for the Church Sub-Fund are one-half those of the Hospital Sub-Fund

Annual rate of increase:

Pension factor	3% compounded
Benefit rate factor	1% compounded

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Retirement Funds
Notes to Financial Statements

Note 4 - Investments:

Investments at December 31 consist of the following:

	<u>1979</u>			<u>1978</u>
	<u>Average Cost</u>	<u>Current Value</u>	<u>Unrealized (Depreciation)</u>	<u>Current Value</u>
Bank Certificates and Deposits	10 079 324 05	10 079 324 05	-	434 782 61
Commercial Paper	10 577 881 25	10 577 881 25	-	1 457 889 72
US Government Securities	4 411 331 13	4 300 625 00	(110 706 13)	-
Corporate Debt Securities	3 320 569 25	2 951 250 00	(369 319 25)	-
Common Stocks	588 252 84	533 672 52	(54 580 32)	-
General Conference Unitized Funds	53 883 387 32	47 905 708 56	(5 977 678 76)	62 309 682 08
Other (A)	<u>1 311 794 57</u>	<u>1 311 794 57</u>	<u>-</u>	<u>1 450 000 00</u>
	<u>84 172 540 41</u>	<u>77 660 255 95</u>	<u>(6 512 284 46)</u>	<u>65 652 354 41</u>

(A) Other investments consist of units in two real estate limited partnerships. There is presently no market quotation available for these investments. In the opinion of the management, the market value of the underlying real estate should, upon ultimate disposition, result in a gain.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
Retirement Funds
Notes to Financial Statements

Note 5 - Related Party Transactions:

The Plan reimburses the General Conference Tithe Fund for administrative and general expenses. In the opinion of management such charges, amounting to approximately \$168,000.00 in 1979 and \$164,000.00 in 1978, are reasonable for the services rendered.

Note 6 - Tax Status/ERISA:

Action has been initiated by the General Conference to structure a separate "qualified" retirement trust for church operated hospitals in the United States. This action was prompted by a ruling by the U.S. Department of Health, Education and Welfare that contributions to the fund by participating hospitals are ineligible for reimbursement under the Medicare rules and regulations because the Plan assets are not in a Trust Fund. Based upon subsequent meetings of HEW and General Conference officials, HEW has notified intermediaries to suspend its instructions regarding the ineligibility of contributions to the fund until further notice. Further, HEW has indicated that, assuming the terms of the hospital trust fund meet Medicare requirements, it is anticipated the provisions of the Plan will be applied retroactively. The Trust and new Hospital Retirement Plan documents were submitted to the Internal Revenue Service in December 1979 for their approval.

In the opinion of management, the Church sub-fund is not subject to provisions of the Internal Revenue Code pertaining to tax exemption nor have any reports been filed under provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Note 7 - Reorganization of Plan:

It is anticipated that the present Plan will be divided into separate Church and Hospital Plans effective January 1, 1981. (See Note 6.) Net assets available for Plan benefits at December 31, 1979 are:

Church	\$54,792,350.31
Hospital	<u>27,590,038.06</u>
	<u>\$82,382,388.37</u>

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS

INVESTMENT FUND



MANER, COSTERISAN & ELLIS, P.C.
Certified Public Accountants

Walter P. Maner, Jr.
Floyd L. Costerisan
Leon A. Ellis
Jack E. Powers
Roger R. Promer
Lawrence C. Kowalk
Gary W. Brya
Henry W. Wolcott IV
Jerome V. Wittkoski
Daniel L. Popoff

February 22, 1980

To the Members of the Executive Committee
General Conference of Seventh-day Adventists
Washington, D.C.

We have examined the statements of assets and liabilities of the General Conference of Seventh-day Adventists Investment Fund as of December 31, 1979 and 1978 including the portfolio of investments as of December 31, 1979 and the related statements of operations and changes in net assets for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Securities owned at December 31, 1979 and 1978 were counted by us or confirmed to us by the custodian. As to securities purchased but not received, we carried out other appropriate auditing procedures.

As discussed in Note 1 to the financial statements, securities amounting to \$36,100,562.70 (39.6% of net assets) and \$30,682,788.68 (32.8% of net assets) at December 31, 1979 and 1978, respectively, have been valued at fair value as determined by the investment and securities committee. The determination of fair value involves subjective judgement which is not susceptible to substantiation by auditing procedures.

In our opinion, subject to the possible effect on the financial statements of the valuation of securities determined by the investment and securities committee as described in the preceding paragraph, the financial statements mentioned present fairly the net assets of the General Conference of Seventh-day Adventists Investment Fund at December 31, 1979 and 1978 and the results of its operations and changes in its net assets for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Maner, Costerisan & Ellis PC

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Statements of Assets and Liabilities
December 31

	<u>ASSETS</u>	<u>1979</u>	<u>1978</u>
Investments (Carried on books at Cost of \$107,909,896.43 in 1979 and \$109,771,024.06 in 1978)		92 792 570 56	95 214 535 81
Accrued Interest and Dividends on Investments		525 263 19	581 059 28
Cash		<u>253 530 25</u>	<u>8 279 83</u>
Total Assets		<u>93 571 364 00</u>	<u>95 803 874 92</u>
	<u>LIABILITIES</u>		
Note Payable		2 000 000 00	2 000 000 00
Deferred Income		368 197 17	181 503 99
Accounts Payable		<u>-0-</u>	<u>30 060 96</u>
Total Liabilities		<u>2 368 197 17</u>	<u>2 211 564 95</u>
NET ASSETS		<u>91 203 166 83</u>	<u>93 592 309 97</u>
Units of Fund Outstanding		1 226 131 63	1 248 183 76
Net Assets Per Unit		74.3829	74.9828

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Statements of Operations
Years Ended December 31

INVESTMENT INCOME AND EXPENSES

	<u>1979</u>	<u>1978</u>
INCOME:		
Dividends	1 856 879 21	1 955 722 81
Interest	<u>5 259 253 86</u>	<u>4 544 729 98</u>
Total Income	<u>7 116 133 07</u>	<u>6 500 452 79</u>
EXPENSES:		
Counseling Fees	45 203 88	50 298 71
Interest	<u>170 000 00</u>	<u>170 000 00</u>
Total Expenses	<u>215 203 88</u>	<u>220 298 71</u>
NET INVESTMENT INCOME	<u>6 900 929 19</u>	<u>6 280 154 08</u>

REALIZED GAIN ON SALE OF INVESTMENTS

Proceeds from Sales	12 174 332 58	7 936 801 68
Cost of Investments Sold	<u>11 268 110 39</u>	<u>7 220 366 74</u>
NET REALIZED GAIN ON SALE OF INVESTMENTS	<u>906 222 19</u>	<u>716 434 94</u>

UNREALIZED DEPRECIATION OF INVESTMENTS

NET UNREALIZED DEPRECIATION:		
At Beginning of Year	14 556 488 25	12 924 877 56
At End of Year:		
Bonds	5 823 370 98	4 468 113 74
Equities	<u>9 293 954 89</u>	<u>10 088 374 51</u>
	<u>15 117 325 87</u>	<u>14 556 488 25</u>
UNREALIZED DEPRECIATION FOR THE YEAR	<u>560 837 62</u>	<u>1 631 610 69</u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Statements of Changes in Net Assets
Years Ended December 31

	<u>1979</u>	<u>1978</u>
FROM INVESTMENT ACTIVITIES:		
Net Investment Income	6 900 929 19	6 280 154 08
Distributions to Unitholders	<u>6 884 578 39</u>	<u>6 286 946 63</u>
Increase (Decrease) in Undistributed Net Investment Income	<u>16 350 80</u>	<u>(6 792 55)</u>
Net Realized Gain on Sale of Investments	906 222 19	716 434 94
Distributions to Unitholders	<u>911 940 93</u>	<u>517 941 04</u>
Increase (Decrease) in Undistributed Gain on Sale of Investments	<u>(5 718 74)</u>	<u>198 493 90</u>
Increase in Unrealized Depreciation of Investments	<u>(560 837 62)</u>	<u>(1 631 610 69)</u>
Decrease in Net Assets Resulting from Investment Activities	<u>(550 205 56)</u>	<u>(1 439 909 34)</u>
FROM UNITS TRANSACTIONS:		
Net Proceeds from Sale of Units	4 685 176 70	3 627 277 03
Net Asset Value of Units Issued to Unitholders in Reinvestment of Net Investment Income and Realized Gain on Sale of Investments	<u>7 371 055 86</u> <u>12 056 232 56</u>	<u>6 623 986 01</u> <u>10 251 263 04</u>
Cost of Units Redeemed	<u>(13 895 170 14)</u>	<u>(1 004 405 50)</u>
Increase (Decrease) in Net Assets Resulting from Units Transactions	<u>(1 838 937 58)</u>	<u>9 246 857 54</u>
INCREASE (DECREASE) IN NET ASSETS	(2 389 143 14)	7 806 948 20
NET ASSETS:		
At Beginning of Year	<u>93 592 309 97</u>	<u>85 785 361 77</u>
At End of Year	<u>91 203 166 83</u>	<u>93 592 309 97</u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments - Summary
December 31, 1979

<u>% of Total Portfolio</u>	<u>% of Group</u>		<u>Cost</u>	<u>Current Value</u>
8.81	100.00	Short-Term Investments	<u>8 178 272 97</u>	<u>8 178 272 97</u>
17.92		Bonds (Not Convertible)		
	51.16	U.S. Govt & Agencies		8 509 197 45
	5.74	Industrials		955 258 25
	27.25	Public Utilities		4 533 002 50
	13.77	Banks & Finance		2 289 657 50
	<u>2.08</u>	Canadian		<u>345 640 00</u>
	100.00		<u>21 343 071 78</u>	<u>16 632 755 70</u>
2.20	100.00	Convertible Bonds	<u>3 158 054 90</u>	<u>2 045 000 00</u>
38.91	100.00	Notes Receivable	<u>36 100 562 70</u>	<u>36 100 562 70</u>
0.34		Preferred Stocks		
	11.81	Public Utilities		37 000 00
	<u>88.19</u>	Convertible Industrials		<u>276 250 00</u>
	100.00		<u>601 400 26</u>	<u>313 250 00</u>
31.82		Common Stocks		
		<u>Technological</u>		
	10.47	Drugs & Medical		3 092 650 00
	0.27	Electronic Instrumentation		79 062 50
	9.48	Office Equipment		2 797 795 47
	2.38	Photographic		702 062 50
	0.36	Technological Miscellaneous		107 500 00
		<u>Cyclical</u>		
	0.28	Air Transport		82 875 00
	4.82	Automotive		1 422 000 00
	6.43	Building Supplies		1 898 072 13
	9.36	Chemicals		2 764 914 65
	4.03	Machinery		1 189 775 00
	2.27	Metals & Mining		668 875 00
		<u>Consumers & Services</u>		
	7.70	Banks & Finance		2 274 677 32
	0.78	Education & Entertainment		229 250 00
	11.76	Foods, Beverages & Soaps		3 471 450 00
	0.83	Oil Services		245 500 00
	4.32	Oil		1 276 125 00
	2.38	Paper & Containers		703 203 39
	10.11	Public Utilities		2 985 168 55
	5.23	Retail Trade		1 542 937 50
	0.37	Rail & Miscellaneous		108 375 00
	6.30	Telephone		1 860 772 68
	<u>0.07</u>	Toiletries & Cosmetics		<u>19 687 50</u>
	100.00		<u>38 528 533 82</u>	<u>29 522 729 19</u>
100.00		Totals	<u>107 909 896 43</u>	<u>92 792 570 56</u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments
December 31, 1979

<u>Short-Term Investments</u>	<u>Par/ Shares</u>	<u>Current Value</u>
Deposits (Pacific Union Income Fund)		1 300 000 00
Bankers' Acceptances - 12% - 14.20% due 1/22/80 - 3/7/80	2 024 000	1 962 200 85
Repurchase Agreements - 11 3/8% due 1/2/80	2 230 000	2 230 000 00
Commercial Paper - 13 1/8% - 13.80% due 1/4/80 - 2/14-80	<u>2 725 000</u>	<u>2 686 072 12</u>
Total Short-Term Investments	<u>6 979 000</u>	<u>8 178 272 97</u>

<u>U. S. Treasury</u>	<u>Principal Amount</u>	<u>Current Value</u>
U. S. Treasury Notes		
7 1/2% 3/31/80	1 150M	1 136 343 75
7 3/8% 2/15/81	500M	478 906 25
8 1/8% 8/15/82	500M	469 531 25
10 3/4% 11/15/89	500M	512 812 50
7 1/4% 8/15/92	500M	393 750 00
10 3/8% 11/15/09	500M	512 656 25
		<u>3 504 000 00</u>

<u>Federal Agency Obligations</u>		
Federal Land Banks		
7.95% 10/21/85	500M	439 375 00
Federal Home Loan		
8.10% 11/25/85	500M	445 625 00
GNMA Pass-Through		
8% Pool 13878	814.0M	663 446 17
8% Pool 19654	841.2M	685 595 96
8% Pool 19569	908.5M	740 431 59
8% Pool 22242	961.7M	783 827 37
7 1/2% Pool 12154	733.6M	575 884 62
7 1/2% Pool 15826	854.7M	671 011 74
		<u>5 005 197 45</u>

Total U. S. Government & Agencies	<u>8 509 197 45</u>
-----------------------------------	---------------------

See accompanying notes to financial statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Corporate Bonds</u>	<u>Principal Amount</u>	<u>Current Value</u>
<u>Industrial</u>		
Cenco, Inc. 8% 4/16/93	16.6M	7 802 00
Gulf Oil Corp. 6 5/8% 6/15/93	425M	313 968 75
Lykes Brothers Steamship 8.30% 1/15/91	112M	93 800 00
Spiegel, Inc. 5% 4/1/87	150M	88 125 00
Standard Oil of California 5 3/4% 8/1/92	450M	306 562 50
Union Tank Car Co. 5% 8/1/86	200M	145 000 00
Total Industrials		955 258 25
<u>Public Utilities</u>		
American Tel & Tel 4 5/8% 2/1/94	150M	88 125 00
5 5/8% 8/1/95	600M	384 750 00
4 3/8% 5/1/99	300M	149 250 00
7% 2/15/01	500M	348 750 00
Appalachian Power 6% 3/1/96	200M	108 000 00
California Electric Power 5 1/8% 5/1/90	120M	78 150 00
Central Illinois Electric 5% 7/1/90	100M	63 000 00
Central Maine Power 5 1/4% 11/1/90	100M	61 000 00
Commonwealth Edison 4 1/4% 3/1/87	100M	67 000 00
8 3/4% 3/1/05	300M	222 000 00
Consolidated Edison of N. Y. 4 3/8% 12/1/92	350M	171 500 00
Florida Power & Light 4 1/8% 4/1/88	100M	64 000 00
General Telephone of California 4 1/8% 3/1/88	100M	62 250 00
Idaho Power Co. 5 1/4% 4/1/96	150M	80 250 00
Kansas Gas & Electric 5 5/8% 5/1/96	300M	165 000 00
Laclede Gas Co. 5 3/4% 4/15/91	300M	201 000 00

See accompanying notes to financial statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Public Utilities (Cont.)</u>	<u>Principal Amount</u>	<u>Current Value</u>
Louisiana Power Co.		
5% 4/1/90	100M	58 375 00
5 3/4% 3/1/96	100M	52 250 00
Michigan Consolidated Gas		
5 1/8% 6/1/86	139M	101 817 50
National Fuel Gas		
5 1/8% 4/1/85	200M	155 250 00
New Jersey Power		
4 7/8% 7/1/90	100M	59 375 00
Northwest Natural Gas		
5 3/4% 3/1/91	100M	64 375 00
Pacific Tel & Tel		
4 5/8% 11/1/90	200M	117 250 00
Pennsylvania Electric		
5% 8/1/89	100M	54 125 00
Potomac Electric Power		
5% 12/15/95	200M	104 500 00
Public Service Electric & Gas		
5 1/8% 6/1/89	107M	71 422 50
Puget Sound Power & Light		
4 5/8% 11/1/93	100M	50 625 00
Savannah Electric		
4 5/8% 4/1/94	100M	47 625 00
Southern Bell Telephone		
8 1/8% 5/1/17	500M	373 750 00
Southern Electric Generating		
5 1/4% 6/1/92	165M	96 937 50
Southern New England Telephone		
4 1/8% 3/1/91	100M	57 875 00
Southwestern Electric Power		
4 3/8% 4/1/93	100M	54 000 00
Southwestern Public Service		
4 5/8% 2/1/95	125M	65 312 50
Tennessee Gas Transmission		
5 1/4% 9/1/85	100M	76 750 00
Texas Electric Service		
5 1/8% 2/1/96	100M	56 000 00
Utah Power & Light		
4 7/8% 9/1/90	100M	67 500 00
4 1/2% 4/1/93	100M	54 250 00
Virginia Electric Power		
4 5/8% 9/1/90	100M	59 000 00
Washington Gas Light		
4 7/8% 5/1/86	290M	206 987 50
Washington Water Power		
4 5/8% 9/1/94	100M	50 250 00
Wisconsin Electric		
5% 11/15/90	100M	63 375 00
Total Public Utilities		<u>4 533 002 50</u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Banks & Finance</u>	<u>Principal Amount</u>	<u>Current Value</u>
Beneficial Corp. 8% 6/15/01	250M	215 312 50
Chrysler Financial 7 3/8% 5/15/86	300M	176 250 00
C.I.T. Financial 4 1/2% 9/1/84	400M	306 000 00
Family Finance 4 3/4% 5/15/90	200M	104 000 00
GMAC 4 1/2% 11/1/85	340M	248 200 00
4 5/8% 6/15/86	500M	352 500 00
4 7/8% 12/1/87	300M	201 000 00
Morgan Guaranty Trust 5% 2/1/92	225M	133 875 00
Inter-American Development Bank 8% 3/1/85	500M	440 000 00
State Loan & Finance 5.40% 7/15/80	116M	<u>112 520 00</u>
Total Banks & Finance		<u>2 289 657 50</u>
<u>Canadian Bonds</u>		
British Columbia Hydro 5 7/8% 1/2/92	200M	130 120 00
International Bank for Recon. & Develop. 5 1/4% 3/15/90	300M	<u>215 520 00</u>
Total Canadian Bonds		<u>345 640 00</u>
Total Bonds (Not Convertible)		<u><u>16 632 755 70</u></u>
<u>Convertible Bonds</u>		
ARA Services Inc. 4 5/8% 6/15/96	350M	197 750 00
Chase Manhattan 4 7/8% 5/1/93	750M	547 500 00
General Tel & Electronics 4% 3/15/90	800M	484 000 00
McGraw Hill, Inc. 3 7/8% 5/1/92	350M	222 250 00
J. P. Morgan & Co., Inc. 4 3/4% 11/1/98	400M	262 000 00
U. S. Steel Corp. 5 3/4% 7/1/01	600M	<u>331 500 00</u>
Total Convertible Bonds		<u>2 045 000 00</u>
See accompanying notes to financial statements.		<u><u> </u></u>

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments (Cont.)
December 31, 1979

Notes Receivable are summarized as follows:

Intra-Denominational Loans (Unsecured)	33 302 664 25
Employee Home Loans	<u>2 797 898 45</u>
Total Principal Balance	<u><u>36 100 562 70</u></u>

Intra-Denominational Loans:

<u>Borrower</u>	<u>** Terms</u>	<u>Interest Rate</u>	<u>Balance 12/31/79</u>
Southern Publishing Assn.:			
Operating	Maturity 12/31/80	9 1/2%	200 000 00
Equipment	Maturity 12/31/80	12%	225 000 00
Inventory Financing	Maturity 12/31/80	12%	<u>500 000 00</u>
			<u>925 000 00</u>
Inter-American Division:			
Montemorelos University	Maturity 12/31/81	8 1/2%	500 000 00
Montemorelos University #2	Maturity 6/30/80	8 1/2%	900 000 00
Antillian College, Library	* Maturity 12/31/83	8 1/2%	160 000 00
Special Short-Term	Maturity 3/31/80	12%	<u>350 000 00</u>
			<u>1 910 000 00</u>
Northern Europe-West Africa Div.:			
Nigeria Housing	* 5 yrs.from last draw	8 1/2%	190 000 00
South American Division:			
Brazil Pub. House Equipment	* 8 yrs.from last draw	8 1/2%	470 885 48
Trans-Africa Division:			
Sentinel Pub. Assn.	Maturity 12/31/80	8 1/2%	12 500 00
Atlantic Union Conference	Maturity 6/30/80	9 1/2%	765 000 00
Northern Union Conference:			
North Dakota Conference	* Maturity 6/30/90	8 1/2%	1 110 121 53
Andrews University:			
Independent Operations	* Maturity 9/30/83	8 1/2%	375 000 00
Shopping Center	* Maturity 8/31/95	8 1/2%	1 346 913 27
Bank/Professional Bldg.	* 20 yrs.from last draw	8 1/2%	750 000 00
Capital Improvement	* Maturity 12/31/93	8 1/2%	<u>434 400 15</u>
			<u>2 906 313 42</u>
Gen. Conf. Corporation:			
LLU Faculty Med. Bldg.	* Until amortized	8 1/2%	6 251 945 11
Harris Pine Mills	Maturity 2/28/82		1 000 000 00

* Principal amortized according to terms of notes.

** Interest paid quarterly on all notes.

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments (Cont.)
December 31, 1979

Intra-Denominational Loans (Cont.):

<u>Borrower</u>	<u>** Terms</u>	<u>Interest Rate</u>	<u>Balance 12/31/79</u>
Loma Linda University:			
Power Plant	* Maturity 12/31/04	8%	850 000 00
School of Dentistry	* Maturity 12/31/04	8%	3 550 000 00
Tunnel Power Plant	* Maturity 12/31/82	8 1/2%	205 238 32
School of Dentistry #2	* Maturity 6/30/03	8 1/2%	1 472 202 40
			<u>6 077 440 72</u>
Oakwood College, Science Bldg.	* 5 yrs.from last draw	9 1/2%	850 000 00
Pacific Press Publishing Assn.:			
Oshawa Bldg.	* Maturity 12/31/83	8 1/2%	85 714 32
Web Press	* Maturity 6/30/81	8 1/2%	150 000 00
Calgary Bldg.	* Maturity 12/31/84	8 1/2%	121 818 81
Mountain View Bldg.	* Maturity 6/30/82	8 1/2%	176 000 00
Equipment	* Maturity 6/30/83	8 1/2%	1 050 000 00
Mexican Plant	* Maturity 3/31/87	8 1/2%	477 614 66
Operating	Maturity 12/31/80	10%	340 000 00
Bank Line	Maturity 6/30/80	11%	750 000 00
			<u>3 151 147 79</u>
Review & Herald Publishing Assn.:			
Web Press	* Maturity 9/30/83	8%	281 250 00
Computer	* Maturity 12/31/81	8 1/2%	120 000 00
Building	* Maturity 12/31/81	8 1/2%	200 000 00
Binding Line	* Maturity 3/31/80	8 1/2%	25 000 00
Third-Floor Project	* Maturity 12/31/84	8 1/2%	400 000 00
			<u>1 026 250 00</u>
SDA Radio-TV-Film Center	* Maturity 9/30/99	8 1/2%	5 750 000 00
Barnhart Properties, Inc.	* Maturity 7/01/85	9% Disc.	264 987 35
Ben Johnson	Maturity 5/10/90 Annual Payments	10% Disc.	532 500 00
Perkins Cake & Steak, Inc.	* Maturity 7/05/88	10% Disc.	108 572 85
Total Intra-Denominational Loans			<u><u>33 302 664 25</u></u>

* Principal amortized according to terms of notes.

** Interest paid quarterly on all notes.

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments (Cont.)
December 31, 1979

Employee Home Loans:

Loans average \$39 969 97 and require monthly payments, including interest at 8 1/2% to 9 1/2% (70 loans with balances ranging from \$3 500 00 to \$59 843 49). The loans are collateralized by real estate first mortgages or first trust deeds.

2 797 898 45

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Preferred Stocks</u>	<u>Par/ Shares</u>	<u>Current Value</u>
Public Utilities		
Washington Gas Light \$5.00 Pfd.	1,000	37 000 00
Convertible Industrials		
City Investing \$2.00 Pfd.	10,000	276 250 00
Total Preferred Stocks		<u>313 250 00</u>
<u>Common Stocks</u>		
<u>Technological</u>		
Drugs & Medical		
American Home Products	2,000	54 500 00
Block Drugs	16,000	196 000 00
Johnson & Johnson	11,800	935 150 00
Eli Lilly & Co.	10,000	597 500 00
Merck & Co.	13,500	975 375 00
Schering Plough	11,000	334 125 00
		<u>3 092 650 00</u>
Electronic Instrumentation		
Johnson Controls, Inc.	2,500	79 062 50
Office Equipment		
Control Data	20,000	1 085 000 00
International Business Machines	5,500	354 062 50
Sperry Corporation	* 3,531	178 357 97
Xerox Corporation	19,000	1 180 375 00
		<u>2 797 795 47</u>
Photographic		
Eastman Kodak	12,500	601 562 50
Minnesota Mining & Manufacturing	2,000	100 500 00
		<u>702 062 50</u>
Technological Miscellaneous		
United Technologies	2,500	107 500 00
<u>Cyclical</u>		
Air Transport		
Northwest Airlines	3,000	82 875 00
Automotive		
Ford Motor Company	21,000	672 000 00
General Motors Corporation	15,000	750 000 00
		<u>1 422 000 00</u>

* Plus a fractional share.

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Common Stocks (Cont.)</u>	<u>Par/ Shares</u>	<u>Current Value</u>
<u>Cyclical (Cont.)</u>		
Building Materials		
Boise Cascade	25,500	863 812 50
Georgia-Pacific	20 807	548 784 63
Owens Corning Fiberglas	4,000	114 000 00
Weyerhaeuser	11,700	371 475 00
		<u>1 898 072 13</u>
Chemicals		
Dow Chemical	21,000	674 625 00
E. I. duPont deNemours	30,000	1 211 250 00
Monsanto	10,000	596 250 00
Union Carbide	* 6,733	282 789 65
		<u>2 764 914 65</u>
Machinery		
Black & Decker Mfg. Co.	15,000	345 000 00
Caterpillar Tractor	12,600	680 400 00
Harris Corporation	5,000	164 375 00
		<u>1 189 775 00</u>
Metals & Mining		
Aluminum Company of America	9,000	493 875 00
U. S. Steel Corp.	10,000	175 000 00
		<u>668 875 00</u>
<u>Consumers & Services</u>		
Banks & Finance		
American Security Corp.	* 8,404	235 333 57
Citicorp	7,000	166 250 00
Continental Illinois Corp.	5,000	145 000 00
Household Finance Corp.	40,100	726 812 50
Riggs National Bank	22,000	803 000 00
Suburban Bancorporation	11,250	198 281 25
		<u>2 274 677 32</u>
Education & Entertainment		
Dun & Bradstreet, Inc.	4,000	175 500 00
A. C. Nielsen Co. Class B	2,000	53 750 00
		<u>229 250 00</u>
Foods, Beverages & Soap		
Campbell Soup	4,300	129 000 00
Carnation Co.	24,000	600 000 00
Consolidated Foods	50,000	1 300 000 00
Colgate Palmolive	3,000	43 125 00
General Mills	8,500	212 500 00
Kellogg Co.	20,000	377 500 00
Procter & Gamble	10,900	809 325 00
		<u>3 471 450 00</u>

* Plus a fractional share.

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Common Stocks (Cont.)</u>	<u>Par/ Shares</u>	<u>Current Value</u>
<u>Consumers & Services (Cont.)</u>		
<u>Oil</u>		
Cities Service Co.	3,000	250 500 00
Conco, Inc.	8,000	378 000 00
Exxon Corp.	2,000	110 250 00
Getty Oil Corp.	4,000	295 000 00
Gulf Oil Corp.	7,000	242 375 00
		<u>1 276 125 00</u>
<u>Oil Services</u>		
Baker International Corp.	3,000	160 500 00
Halliburton Co.	1,000	85 000 00
		<u>245 500 00</u>
<u>Paper & Containers</u>		
International Paper	* 10,946	405 003 39
Union Camp	7,100	298 200 00
		<u>703 203 39</u>
<u>Public Utilities</u>		
Columbus & Southern Ohio Electric	11,000	232 375 00
Pacific Gas & Electric	37,203	855 669 00
Public Service Electric & Gas	* 6,550	126 103 13
Southern California Edison	* 40,724	997 740 01
Southern Co.	* 55,067	633 281 41
Toledo Edison	8,000	140 000 00
		<u>2,985 168 55</u>
<u>Retail Trade</u>		
Federated Department Stores	15,000	414 375 00
K mart	8,000	190 000 00
J. C. Penney Co.	12,500	326 562 50
Sears, Roebuck & Co.	34,000	612 000 00
		<u>1 542 937 50</u>
<u>Rail & Miscellaneous</u>		
Union Pacific Corp.	1,500	108 375 00
<u>Telephone</u>		
American Tel & Tel Co.	* 28,554	1 488 383 14
Continental Telephone	* 4,179	67 389 54
General Telephone & Electronics	8,000	226 000 00
United Telecommunications	4,000	79 000 00
		<u>1 860 772 68</u>
<u>Toiletries & Cosmetics</u>		
Avon Products, Inc.	500	19 687 50
 Total Common Stocks		 <u>29 522 729 19</u>

* Plus a fractional share.
See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Notes to Financial Statements

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Valuation of investments - Investments in securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price; securities representing capital stock of open-end investment companies are valued at net asset value as reported by such companies; commercial paper and similar short-term items are stated at amortized cost which approximates market value; and investments in notes from affiliated organizations and individuals are valued at face value which, in the opinion of the Investment and Securities Committee, approximates fair value.

The realized gain or loss on investments represents the difference between the proceeds received and the cost (average method) of investments sold.

Other - As is common in the industry, security transactions are accounted for on the date the transactions are entered into (the trade date) rather than the settlement date. Dividend income and distributions to unitholders are recorded on the ex-dividend (ex-distribution) date.

NOTE 2 - PURPOSE, NAME, USE AND INVESTMENT POLICY

A fund shall be established and maintained at the General Conference for the purpose of pooling denominational funds available for investing in bonds, equities and other suitable investment media. It shall be known as the General Conference Investment Fund, and shall exclusively serve all segments of the denomination, including the General Conference office, field organizations (divisions, unions and local conferences), institutions, and services. It shall not accept funds from any individuals or non-denominationally owned organizations or institutions.

Investment shall primarily be made by the Fund in governmental bills, notes and bonds; corporate bonds and debentures; preferred stocks; common stocks; and warrants; however, the Fund shall not be restricted to the foregoing if conditions indicate the use of additional types of investment. First mortgages/trust deeds and intra-denominational loans in limited amounts may also be used. A flexible investment diversification pattern shall be followed, but equity investment (preferred stocks, common stocks and warrants) shall not exceed approximately 75% at any time. The assets of the Fund shall be invested to provide a moderate, regular and relatively stable income and reasonable opportunity for the enhancement of capital value.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Notes to Financial Statements (Cont.)

NOTE 3 - UNITS

	<u>1979</u>	<u>1978</u>
Changes in Units Outstanding are Summarized as Follows:		
Units Sold	61 719 40	47 237 80
Units Issued to Unitholders in Reinvestment of Net Investment Income and Realized Gain From Investment Transactions	<u>102 560 85</u> <u>164 280 25</u>	<u>87 915 32</u> <u>135 153 12</u>
Units Redeemed	<u>186 332 38</u>	<u>(12 259 14)</u>
Net Increase (Decrease) in Units	(22 052 13)	122 893 98
Units Outstanding:		
At Beginning of Year	<u>1 248 183 76</u>	<u>1 125 289 78</u>
At End of Year	<u><u>1 226 131 63</u></u>	<u><u>1 248 183 76</u></u>

Inter-fund Unitholdings at December 31, were as Follows:

Retirement Plan	511 041 23	607 661 16
Specific Purpose Fund	617 655 00	532 120 93
Corporation - Current Fund	9 650 64	7 216 41
Corporation - Non-owned Funds	<u>21 053 05</u>	<u>24 054 00</u>
	<u>1 159 399 92</u>	<u>1 171 052 50</u>
	<u>94.56%</u>	<u>93.82%</u>

NOTE 4 - INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Advisor

Lionel D. Edie & Co. (advisor) provides the Fund with investment management, research, statistical and advisory services. The contract with the advisor provides for a fee payable at the end of each quarter computed on the current value of the portfolio of bonds and equity securities.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Notes to Financial Statements (Cont.)

NOTE 4 - INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES (Concluded)

Administrative Services

In accordance with denominational policy, the General Conference Tithe Fund absorbs personnel and other administrative costs pertaining to the Investment Fund.

NOTE 5 - REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION/TAX STATUS

In the opinion of management, the Fund is not subject to provisions of the Investment Company Act of 1940 and the rules and regulations thereunder nor to the provision of the Internal Revenue Code.

NOTE 6 - NOTE PAYABLE

The note, which is payable in U. S. dollars to the Far Eastern Division of Seventh-day Adventists on behalf of the Japan Union Mission, bears interest at 8 1/2%.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INVESTMENT FUND
Notes to Financial Statements (Concluded)

NOTE 7 - SUPPLEMENTAL INFORMATION

Selected Data on the Average Unit Outstanding for Each of the Past Five Years as Follows:

	Years Ended December 31				
	1979	1978	1977	(Unaudited)	
				1976	1975
Investment Income	5.9323*	5.3296*	4.7689*	4.5139	4.2325
Expenses	.0386*	.0423*	.0601*	.0466	.0435
Net Investment Income	5.8937	5.2873	4.7088	4.4673	4.1890
Distributions from Net Investment Income	(5.8798)	(5.2929)	(4.5928)	(4.4448)	(4.1795)
Net Realized Gain from Sale of Investments	.7740	.6032	.5536	1.6087	.8344
Distribution from Net Realized Gain from Sale of Investments	(.7788)	(.4361)	(.7762)	(1.5106)	(1.0546)
Net Increase (Decrease) in Unrealized Appreciation (Depreciation)	(.6090)	(1.4127)	(6.2692)	9.8722	14.2376
Net Increase (Decrease) in Net Asset Value	(.5999)	(1.2512)	(6.3758)	9.9928	14.0269
Net Asset Value:					
At Beginning of Year	74.9828	76.2340	82.6098	72.6170	58.5901
At End of Year	74.3829	74.9828	76.2340	82.6098	72.6170

Average Number of Units

Used in Computation 1 170 895 60 1 187 797 92 1 024 398 08 888 690 03 809 019 82

*Interest Income and Expense of Equal Amounts on Note Payable Excluded from Calculation.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS

INCOME FUND



MANER, COSTERISAN & ELLIS, P.C.
Certified Public Accountants

Walter P. Maner, Jr.
Floyd L. Costerisan
Leon A. Ellis
Jack E. Powers
Roger R. Promer
Lawrence C. Kowalk
Gary W. Brya
Henry W. Wolcott IV
Jerome V. Wittkoski
Daniel L. Popoff

February 22, 1980

To the Members of the Executive Committee
General Conference of Seventh-day Adventists
Washington, D.C.

We have examined the statements of assets and liabilities of the General Conference of Seventh-day Adventists Income Fund as of December 31, 1979 and 1978 including the portfolio of investments as of December 31, 1979 and the related statements of operations and changes in net assets for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Securities owned at December 31, 1979 and 1978 were counted by us or confirmed to us by the custodian. As to securities purchased but not yet received, we carried out other appropriate auditing procedures.

In our opinion, the financial statements mentioned present fairly the net assets of the General Conference of Seventh-day Adventists Income Fund at December 31, 1979 and 1978 and the results of its operations and changes in its net assets for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Maner, Costerisan & Ellis PC

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Statements of Assets and Liabilities
December 31

	<u>ASSETS</u>	<u>1979</u>	<u>1978</u>
Investments (Carried on books at Cost of \$29,030,306.86 in 1979 and \$32,276,204.00 in 1978)		24 384 741 12	29 276 229 04
Accrued Dividends and Interest on Investments		371 734 54	391 378 92
Cash		76 519 05	359 181 34
Accounts Receivable and Other		<u>85 64</u>	<u>2 552 36</u>
NET ASSETS		<u>24 833 080 35</u>	<u>30 029 341 66</u>
Units of Fund Outstanding		319 331 98	363 239 82
Net Assets Per Unit		77.7657	82.6708

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Statements of Operations
Years Ended December 31

INVESTMENT INCOME AND EXPENSES

	<u>1979</u>	<u>1978</u>
INCOME:		
Dividends	586 004 75	551 231 28
Interest	1 919 761 36	1 666 692 85
Bond Discount	<u>63 688 86</u>	<u>61 234 14</u>
Total Income	2 569 454 97	2 279 158 27
EXPENSES:		
Bond Premium Expense	<u>7 653 00</u>	<u>8 253 75</u>
NET INVESTMENT INCOME	<u>2 561 801 97</u>	<u>2 270 904 52</u>

REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS

Proceeds From Sales	1 435 432 99	298 753 50
Cost of Investments Sold	<u>1 347 086 72</u>	<u>299 661 45</u>
NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS	<u>88 346 27</u>	<u>(907 95)</u>

UNREALIZED DEPRECIATION OF INVESTMENTS

NET UNREALIZED DEPRECIATION - At Beginning of Year	3 059 124 10	1 267 310 93
NET UNREALIZED DEPRECIATION - At End of Year:		
Bonds	4 214 134 43	2 258 158 32
Equities	<u>431 431 31</u>	<u>800 965 78</u>
	<u>4 645 565 74</u>	<u>3 059 124 10</u>
UNREALIZED DEPRECIATION FOR THE YEAR	<u>1 586 441 64</u>	<u>1 791 813 17</u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Statements of Changes in Net Assets
Years Ended December 31

	<u>1979</u>	<u>1978</u>
FROM INVESTMENT ACTIVITIES:		
Net Investment Income	2 561 801 97	2 270 904 52
Distributions to Unitholders	<u>2 572 308 75</u>	<u>2 261 823 49</u>
Increase (Decrease) in Undistributed Net Investment Income	(10 506 78)	9 081 03
Net Realized Gain (Loss) on Sale of Investments	88 346 27	(907 95)
Increase in Unrealized Depreciation of Investments	(1 586 441 64)	(1 791 813 17)
Other	<u>-0-</u>	<u>3 110 90</u>
Decrease in Net Assets Resulting from Investment Activities	<u>(1 508 602 15)</u>	<u>(1 780 529 19)</u>
FROM UNITS TRANSACTIONS:		
Net Proceeds From Sale of Units	2 686 974 37	4 323 089 84
Net Asset Value of Units Issued to Unitholders in Reinvestment of Net Investment Income	<u>1 942 678 24</u>	<u>2 043 891 68</u>
Cost of Units Redeemed	<u>4 629 652 61</u> <u>(8 317 311 77)</u>	<u>6 366 981 52</u> <u>(763 412 13)</u>
Increase (Decrease) in Net Assets Resulting From Units Transactions	<u>(3 687 659 16)</u>	<u>5 603 569 39</u>
INCREASE (DECREASE) IN NET ASSETS	(5 196 261 31)	3 823 040 20
NET ASSETS:		
At Beginning of Year	<u>30 029 341 66</u>	<u>26 206 301 46</u>
At End of Year	<u>24 833 080 35</u>	<u>30 029 341 66</u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Portfolio of Investments - Summary
December 31, 1979

<u>% of Total Portfolio</u>	<u>% of Group</u>		<u>Cost</u>	<u>Current Value</u>
2.32	100.00	Short-Term Investments	565 858 13	<u>565 858 13</u>
58.19		Bonds		
	6.52	U. S. Treasury		924 969 25
	16.28	U. S. Gov't Agencies		2 310 187 62
	25.70	Industrials		3 647 125 00
	23.11	Public Utilities		3 278 900 00
	<u>28.39</u>	Banks & Finance		<u>4 027 667 56</u>
	100.00		17 148 349 76	<u>14 188 849 43</u>
10.80	100.00	Convertible Bonds	3 780 653 32	<u>2 634 350 00</u>
3.06		Preferred Stocks		
	8.85	Finance		66 000 00
	<u>91.15</u>	Convertible Preferred		<u>680 125 00</u>
	100.00		1 013 575 78	<u>746 125 00</u>
25.63		Common Stocks		
		<u>Cyclical</u>		
	10.40	Automotive		650 000 00
		<u>Consumers & Services</u>		
	3.54	Banks & Finance		221 044 32
	0.72	Chemicals		45 357 19
	1.21	Natural Gas Transmission		75 500 00
	41.82	Oil		2 613 302 50
	0.66	Paper & Containers		41 112 50
	16.24	Public Utilities		1 014 895 59
	2.50	Rail & Miscellaneous		156 000 00
	22.56	Telephone		1 410 158 96
	<u>0.35</u>	Tire & Rubber		<u>22 187 50</u>
	100.00		6 413 539 09	<u>6 249 558 56</u>
		Unamortized Premiums	<u>108 330 78</u>	
100.00		Totals	<u>29 030 306 86</u>	<u>24 384 741 12</u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Portfolio of Investments
December 31, 1979

	<u>Par/ Shares</u>	<u>Current Value</u>
<u>Short-Term Investments</u>		
Repurchase Agreements - 11 3/8% due 1/2/80	375 000	375 000 00
Commercial Paper - 13.15% - 13.80% due 1/23/80 - 1/30/80	194 000	190 858 13
Total Short-Term Investments	569 000	565 858 13

	<u>Principal Amount</u>	<u>Current Value</u>
<u>U. S. Treasury</u>		
U. S. Treasury Notes		
7 3/8% 2/15/81	200M	191 563 00
8 1/8% 8/15/82	300M	281 718 75
8% 2/15/83	200M	185 625 00
8% 8/15/86	300M	266 062 50
		924 969 25

<u>Federal Agency Obligations</u>		
Federal Home Loan Mortgage		
9 1/4% 8/1/08	276.9M	238 833 11
Federal Home Loan		
8 1/8% 5/28/85	300M	268 500 00
8.10% 11/25/85	500M	445 625 00
7.875% 2/25/97	300M	240 000 00
Federal Land Banks		
7.95% 10/21/85	300M	263 625 00
7.95% 4/22/91	300M	247 125 00
GNMA Pass-Through		
8% Pool 17941	467.7M	381 479 51
Washington Metro Transit Authority		
7 3/4% 7/1/83-13	300M	225 000 00
		2 310 187 62
Total U. S. Government & Agencies		3 235 156 87

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Corporate Bonds</u>	<u>Principal Amount</u>	<u>Current Value</u>
<u>Industrials</u>		
Caterpillar Tractor 8 3/8% 11/1/82	275M	255 062 50
Cities Service 7.65% 11/15/01	250M	172 812 50
Crown Zellerbach 9 1/4% 3/15/05	200M	170 000 00
duPont deNemours 8% 11/15/81	300M	279 750 00
Firestone Tire & Rubber 8 1/2% 12/1/83	300M	252 375 00
FMC Corporation 7 1/2% 10/1/01	100M	78 000 00
Halliburton Co. 7.95% 12/1/95	100M	77 750 00
ICI North American 8 7/8% 1/15/03	100M	87 500 00
Inland Steel 9 1/2% 9/1/00	250M	202 500 00
Kellogg & Co. 8 5/8% 10/1/85	300M	270 000 00
Monsanto Co. 8 3/4% 5/15/08	200M	156 000 00
Owens-Corning 9 1/2% 1/1/00	300M	264 750 00
Pfizer, Inc. 8 1/2% 4/15/99	300M	230 625 00
Procter & Gamble 7% 5/15/02	150M	105 937 50
Shell Oil Co. 8 3/4% 5/15/05	300M	243 750 00
Western Auto 7.85% 1/15/96	200M	137 500 00
Western Electric 7 1/2% 6/15/96	250M	187 500 00
Woolworth, F. W. 9% 6/1/99	250M	203 437 50
Xerox Corporation 8.20% 11/1/82	300M	271 875 00
Total Industrials		<u>3 647 125 00</u>

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Utilities</u>	<u>Principal Amount</u>	<u>Current Value</u>
American Tel & Tel 7% 2/15/01	300M	209 250 00
Carolina Power & Light 9 1/4% 6/1/08	100M	78 250 00
Chesapeake, Potomac & Virginia 8 5/8% 4/1/09	300M	233 625 00
Commonwealth Edison 8 3/4% 3/1/05	200M	148 000 00
Consolidated Edison 9 3/8% 9/15/00	200M	156 000 00
Gulf Power Co. 9% 9/1/08	100M	77 125 00
Kansas Power & Light 8 3/4% 2/1/08	300M	229 500 00
Minnesota Power & Light 8.35% 9/1/07	100M	71 125 00
Mountain States Telephone 7 3/8% 11/1/11	300M	207 000 00
Natural Gas Pipe Line 4 1/2% 9/1/84	50M	38 750 00
New England Telephone 8% 11/15/03	300M	221 625 00
New Jersey Bell Telephone 8 3/4% 6/1/18	100M	80 250 00
Ohio Edison 8 3/8% 6/1/01	300M	215 250 00
Pacific Tel & Tel 9 1/2% 6/15/11	250M	199 375 00
Pacific Gas & Electric 9 3/8% 2/1/11	200M	162 500 00
Southern Bell Telephone 8 1/8% 5/1/17	300M	224 250 00
Southern California Edison 9 5/8% 11/1/03	100M	82 625 00
Southern New England Telephone 9 5/8% 12/1/10	100M	83 625 00
Tenneco, Inc. 8 1/4% 10/1/91	296M	247 900 00
Transcontinental Gas Pipeline 6 3/4% 5/1/88	100M	74 000 00
Virginia Electric Power 9 5/8% 7/1/08	300M	238 875 00
Total Utilities		<u>3 278 900 00</u>

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Banks & Finance</u>	<u>Principal Amount</u>	<u>Current Value</u>
American Savings & Loan of California 8 1/2% 4/15/84	400M	358 500 00
American Savings & Loan of Utah 8 5/8% 4/15/85	200M	177 000 00
Bank of America 9% Pass-Through	255.2M	211 854 98
Beneficial Corp. 8.40% 5/15/08	200M	170 250 00
6 3/4% 8/1/94	400M	275 000 00
Chrysler Financial Corp. 7 3/8% 5/15/86	200M	117 500 00
C. I. T. Financial 8.80% 3/15/93	200M	140 500 00
9 1/2% 6/1/95	137M	116 450 00
Commercial Credit 8 3/4% 3/15/88	200M	153 250 00
John Deere Credit 9.35% 10/31/03	100M	83 000 00
First Federal Savings & Loan of Chicago 8.70% 5/1/86	400M	349 000 00
First Federal Savings & Loan of Wisconsin 8 3/4% 8/15/83	100M	91 500 00
Ford Motor Credit 9 1/8% 6/1/01	250M	200 000 00
General Motors Credit 8.70% 6/1/83	300M	273 375 00
Glendale Federal Savings & Loan 9 1/8% Pass-Through	253.9M	211 399 90
Houston First Savings 8 7/8% 8/1/84	300M	270 750 00
Inter-American Development Bank 8% 3/1/85	300M	264 000 00
Montgomery Ward Credit 8 7/8% 3/15/03	200M	154 000 00
U. S. Trust Co. 8 1/2% 11/1/01	100M	85 000 00
Washington Mutual Savings 9% Pass-Through	179.7M	151 400 18
Wells Fargo Bank 4 1/2% 9/15/89	50M	28 687 50
Wells Fargo Co. 7 3/8% 11/15/97	200M	<u>145 250 00</u>
Total Banks & Finance		<u>4 027 667 56</u>

Total Bonds (Not Convertible)

14 188 849 43

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Convertible Bonds</u>	<u>Principal Amount</u>	<u>Current Value</u>
American Airlines 4 1/4% 7/1/92	450M	189 000 00
Citicorp 5 3/4% 6/30/00	200M	135 500 00
Ford Motor Credit 4 1/2% 11/15/96	600M	342 000 00
General Telephone & Electronics 4% 3/15/90	600M	363 600 00
W. T. Grant 4 3/4% 4/15/96	400M	48 000 00
J. P. Morgan & Co. 4 3/4% 11/1/98	600M	393 000 00
Pfizer, Inc. 4% 2/15/97	360M	315 000 00
Pittston Co. 9.20% 7/1/04	240M	228 000 00
RCA Corp. 4 1/2% 8/1/92	500M	288 750 00
U. S. Steel Corp. 5 3/4% 7/1/01	600M	<u>331 500 00</u>
Total Convertible Bonds		<u><u>2 634 350 00</u></u>

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Preferred Stocks</u>	<u>Par/ Shares</u>	<u>Current Value</u>
Finance		
Kentucky Finance \$1.40 Pfd.	6,000	<u>66 000 00</u>
Convertible Preferred		
City Investing \$2.00 Pfd.	1,000	27 625 00
Consolidated Foods \$4.50 Pfd.	2,000	123 000 00
FMC Corp. \$2.25 Pfd.	6,000	198 750 00
Internat'l Tel & Tel \$5.00 Pfd. Series 0	7,000	<u>330 750 00</u>
		<u>680 125 00</u>
 Total Preferred Stocks		 <u>746 125 00</u>
 <u>Common Stocks</u>		
<u>Cyclical</u>		
Automotive		
General Motors Corporation	13,000	<u>650 000 00</u>
<u>Consumers & Services</u>		
Banks & Finance		
American Security Corp.	* 7,894	<u>221 044 32</u>
Chemicals		
Union Carbide Corp.	* 1,079	<u>45 357 19</u>
Natural Gas Transmission		
Columbia Gas System	2,000	<u>75 500 00</u>
Oil		
Exxon Corp.	15,000	826 875 00
Mobil Corp.	15,000	825 000 00
Standard Oil of California	11,000	620 125 00
Texaco, Inc.	11,820	<u>341 302 50</u>
		<u>2 613 302 50</u>
Paper & Containers		
Diamond International	1,100	<u>41 112 50</u>

* Plus a fractional share.

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Common Stocks (Cont.)</u>	<u>Par/ Shares</u>	<u>Current Value</u>
<u>Consumers & Services</u>		
Public Utilities		
American Electric Power	* 7,284	130 213 37
Delmarva Power & Light	3,022	38 152 75
Detroit Edison	* 7,069	61 854 07
Potomac Electric Power	*12,849	147 774 03
Southern California Edison	* 5,551	136 007 55
Southern Co.	*22,273	256 143 82
Washington Gas Light	11,000	244 750 00
		<u>1 014 895 59</u>
Rails & Miscellaneous		
Santa Fe Industries	3,000	<u>156 000 00</u>
Telephone		
American Tel & Tel	*21,633	1 127 658 96
General Telephone & Electronics	10,000	<u>282 500 00</u>
		<u>1 410 158 96</u>
Tire & Rubber		
Firestone Tire & Rubber	2,500	<u>22 187 50</u>
Total Common Stocks		<u><u>6 249 558 56</u></u>

* Plus a fractional share.

See Accompanying Notes to Financial Statement.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Notes to Financial Statements

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Valuation of Investments - Investments in securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the year; securities traded in the over-the-counter market and listed securities for which no sale was reported on the last business day are valued at the last reported bid price; commercial paper and similar short-term items are stated at amortized cost which approximates market value.

The realized gain or loss on investments represents the difference between the proceeds received and the cost (average method) of investments sold.

Premiums and discounts on bonds - Premiums and discounts on bonds purchased are amortized/accreted on a straight-line basis over the remaining life to maturity.

Other - As is common in the industry, security transactions are accounted for on the date the transactions are entered into (the trade date) rather than the settlement date. Dividend income and distributions to unitholders are recorded on the ex-dividend (ex-distribution) date.

NOTE 2 - PURPOSE, NAME, USE AND INVESTMENT POLICY

A fund shall be established and maintained at the General Conference for the purpose of pooling denominational funds available for investing in bonds, equities and other suitable investment media. It shall be known as the General Conference Income Fund, and shall exclusively serve all segments of the denomination, including the General Conference office, field organizations (divisions, unions and local conferences), institutions and services. It shall not accept funds from any individual or non-denominationally owned organizations or institutions.

The General Conference Income Fund may be used for the investment of the cash corpus life income agreements written by denominational organizations and institutions, and for any other funds requiring a relatively high current investment income while preserving capital; enhancement of capital shall be of a minor and secondary consideration. A flexible investment diversification policy shall be followed as determined by the Investment and Securities Committee of the General Conference.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Notes to Financial Statements (Cont.)

NOTE 3 - UNITS

	<u>1979</u>	<u>1978</u>
Changes in Units Outstanding are Summarized as Follows:		
Units Sold	32 613 12	50 706 43
Units Issued to Unitholders in Reinvestment of Net Investment Income and Realized Gain from Investment Transactions	<u>23 497 87</u> 56 110 99	<u>23 944 51</u> 74 650 94
Units Redeemed	<u>100 018 83</u>	<u>8 931 82</u>
Net Increase (Decrease) in Units	(43 907 84)	65 719 12
Units Outstanding:		
At Beginning of Year	<u>363 239 82</u>	<u>297 520 70</u>
At End of Year	<u>319 331 98</u>	<u>363 239 82</u>
Inter-fund Unitholdings at December 31, are as Follows:		
Retirement Funds	127 215 21	202 556 97
Specific Purposes Fund	119 055 37	90 591 40
Corporation - Plant Fund	10 259 06	11 602 36
Corporation - Non-owned Funds	<u>19 577 94</u>	<u>12 701 62</u>
	<u>276 107 58</u>	<u>317 452 35</u>
	<u>86.46%</u>	<u>87.39%</u>

NOTE 4 - TRANSACTIONS WITH AFFILIATES

Administrative Services

In accordance with denominational policy, the General Conference Tithe Fund absorbs personnel and other administrative costs pertaining to the Income Fund.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INCOME FUND
Notes to Financial Statements (Concluded)

NOTE 5 - REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION/TAX STATUS

In the opinion of management, The Fund is not subject to provisions of the Investment Company Act of 1940 and the rules and regulations thereunder nor to the provisions of the Internal Revenue Code.

NOTE 6 - SUPPLEMENTAL INFORMATION

Selected data on the average unit outstanding for each of the past five years as follows:

	Years Ended December 31				
	1979	1978	1977	(Unaudited)	
				1976	1975
Investment Income	7.4408	7.1882	6.4506	6.4004	6.4314
Expenses	.0222	.0260	.0601	.0705	.0569
Net Investment Income	7.4186	7.1622	6.3905	6.3299	6.3745
Distributions From Net Investment Income	(7.4713)	(7.1335)	(6.3891)	(6.3129)	(6.3901)
Net Increase (Decrease) in Unrealized Appreciation (Depreciation)	(4.8524)	(5.4402)	(4.5061)	11.8757	10.7552
Net Increase (Decrease) in Net Asset Value	(4.9051)	(5.4115)	(4.5047)	11.8927	10.7396
Net Asset Value:					
Beginning of Year	82.6708	88.0823	92.5870	80.6943	69.9547
End of Year	77.7657	82.6708	88.0823	92.5870	80.6943
Average Number of Units in Earnings-per-unit Computation	344 292 40	317 071 10	281 561 63	245 706 68	216 506 19

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS

INTERNATIONAL FUND



MANER, COSTERISAN & ELLIS, P.C.
Certified Public Accountants

Walter P. Maner, Jr.
Floyd L. Costerisan
Leon A. Ellis
Jack E. Powers
Roger R. Promer
Lawrence C. Kowalk
Gary W. Brya
Henry W. Wolcott IV
Jerome V. Wittkoski
Daniel L. Popoff

February 22, 1980

To the Members of the Executive Committee
General Conference of Seventh-day Adventists
Washington, D.C.

We have examined the statements of assets and liabilities of the General Conference of Seventh-day Adventists International Fund as of December 31, 1979 and 1978 including the portfolio of investments as of December 31, 1979 and the related statements of operations and changes in net assets for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, including confirmation by correspondence with the custodian of the investments.

In our opinion, the financial statements mentioned present fairly the net assets of the General Conference of Seventh-day Adventists International Fund at December 31, 1979 and 1978 and the results of its operations and changes in net assets for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Maner, Costerisan & Ellis PC

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INTERNATIONAL FUND
Statement of Assets and Liabilities
December 31

	<u>1979</u>	<u>1978</u>
Investments (Carried on books at Cost of \$7,085,141.89 in 1979 and \$6,039,092.20 in 1978)	7 665 045 50	5 651 602 53
Accrued Interest and Dividends on Investments	86 606 96	70 480 17
Cash	<u>35 924 82</u>	<u>7 050 65</u>
NET ASSETS	<u>7 787 577 28</u>	<u>5 729 133 35</u>
Units of Fund Outstanding	85 553 40	73 799 52
Net Assets Per Unit	91.0259	77.6310

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INTERNATIONAL FUND
Statement of Operations
Years Ended December 31

INVESTMENT INCOME AND EXPENSES

	<u>1979</u>	<u>1978</u>
INCOME:		
Dividends	141 834 60	104 655 40
Interest	143 355 33	88 123 44
Total Income	<u>285 189 93</u>	<u>192 778 84</u>
EXPENSES:		
Bank Safekeeping Fee	14 324 68	12 863 31
Counseling Fees	21 685 48	17 074 66
Total Expenses	<u>36 010 16</u>	<u>29 937 97</u>
NET INVESTMENT INCOME	<u>249 179 77</u>	<u>162 840 87</u>

REALIZED GAIN ON SALE OF INVESTMENTS

Proceeds From Sales	1 605 467 16	1 177 778 11
Cost of Investments Sold	<u>1 513 596 28</u>	<u>1 136 843 97</u>
NET REALIZED GAIN ON SALE OF INVESTMENTS	<u>91 870 88</u>	<u>40 934 14</u>

UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS

NET UNREALIZED APPRECIATION (DEPRECIATION)		
At Beginning of Year	<u>(387 489 67)</u>	<u>1 031 587 72</u>
At End of Year:		
Bonds Gain	228 655 53	161 887 86
Equities Gain (Loss)	351 248 08	(549 377 53)
	<u>579 903 61</u>	<u>(387 489 67)</u>
UNREALIZED APPRECIATION FOR THE YEAR	<u>967 393 28</u>	<u>644 098 05</u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INTERNATIONAL FUND
Statement of Changes in Net Assets
Years Ended December 31

	<u>1979</u>	<u>1978</u>
FROM INVESTMENT ACTIVITIES:		
Net Investment Income	249 179 77	162 840 87
Distributions to Unitholders	<u>249 179 77</u>	<u>162 840 87</u>
	-0-	-0-
Net Realized Gain on Sale of Investments	91 870 88	40 934 14
Decrease in Unrealized Depreciation of Investments	<u>967 393 28</u>	<u>644 098 05</u>
Increase in Net Assets Resulting from Investment Activities	<u>1 059 264 16</u>	<u>685 032 19</u>
FROM UNITS TRANSACTIONS:		
Net Proceeds from Sale of Units	750 000 00	750 000 00
Net Asset Value of Units Issued to Unitholders in Reinvestment of Net Investment Income	<u>249 179 77</u>	<u>162 840 87</u>
Increase in Net Assets Resulting from Units Transactions	<u>999 179 77</u>	<u>912 840 87</u>
INCREASE IN NET ASSETS	2 058 443 93	1 597 873 06
NET ASSETS:		
At Beginning of Year	<u>5 729 133 35</u>	<u>4 131 260 29</u>
At End of Year	<u><u>7 787 577 28</u></u>	<u><u>5 729 133 35</u></u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INTERNATIONAL FUND
Portfolio of Investments
December 31, 1979

	<u>Principal Amount</u>	<u>Cost</u>	<u>Current Value</u>
<u>Bonds</u>			
Australie 6.60%	Y 30 000M	128 451 93	104 100 00
Finlande 6.70%	Y 30 000M	130 435 34	108 300 00
France State Bonds 7%	FF 75M	67 179 16	120 156 00
Canon Cv. 4 3/4%	DM 100M	55 845 02	58 000 00
Fujitsu Cv. 4 1/4%	DM 100M	55 695 11	75 220 00
Japan Discount 5.40%	Y 35 000M	147 905 78	123 550 00
Japan Discount 5.50%	Y 35 000M	143 084 67	119 350 00
Alusuisse International 4 3/4%	100M	106 714 93	86 500 00
Ito-Yokado Cv. 5 3/4%	200M	210 163 48	185 000 00
Izumiya Cv. 3 1/2%	DM 100M	57 075 48	45 860 00
Jusco Co.. Ltd. 6%	100M	98 703 41	95 500 00
Komatsu Ltd. Cv. 7 1/4%	100M	101 514 35	123 250 00
New Zealand 6.80%	Y 20 000M	83 354 17	72 600 00
Casio Computer 3.50%	DM 100M	51 057 64	50 630 00
Rand Selection Cv. 6 1/2%	250M	285 683 50	600 000 00
Matsushita Electric 4.40%	Y 30 000M	140 522 28	128 400 00
Westland-Utrecht 9%	FL 500M	<u>252 224 22</u>	<u>247 850 00</u>
Total Bonds		<u>2 115 610 47</u>	<u>2 344 266 00</u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INTERNATIONAL FUND
Portfolio of Investments (Cont.)
December 31, 1979

<u>Common Stocks</u>	<u>Par/ Shares</u>	<u>Cost</u>	<u>Current Value</u>
Hoffmann LaRoche	4	205 705 87	183 647 00
Hoffmann LaRoche 1/10	40	200 629 52	167 924 00
Sandoz Overseas	250	70 405 05	81 917 50
B. S. R. Ltd.	90 000	320 914 51	62 100 00
Hirose Electric	11 000	74 579 06	52 470 00
Sony Corp - ADR	18 750	175 446 11	142 875 00
Sony Corp - Japanese	12 500	139 071 97	98 250 00
TDK Electronics	12 100	60 210 03	93 896 00
Kershaw & Sons	10 000	285 776 64	217 100 00
M. A. N. AG	1 000	123 374 92	105 890 00
Anglo American Gold	1 000	56 129 96	73 600 00
Consolidated Gold Fields	40 000	315 106 65	342 800 00
DeBeers Consolidated Mines	30 000	206 019 55	283 800 00
Gold Fields of South Africa	1 000	51 007 71	58 970 00
Hitachi Maxell	12 000	93 519 47	79 680 00
Mannesmann AG	2 000	165 222 16	144 880 00
Rio Tinto-Zinc	25 000	155 878 84	182 500 00
Thiess Holdings	40 000	214 960 67	306 400 00
Utah Mining Australia	30 000	110 376 29	128 100 00
Western Mining	20 000	75 940 10	78 000 00
Hang Seng Bank	7 000	116 417 46	177 520 00
Hitachi Credit	5 750	55 499 92	37 720 00

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INTERNATIONAL FUND
Portfolio of Investments (Concluded)
December 31, 1979

<u>Common Stocks (Cont.)</u>	<u>Par/ Shares</u>	<u>Cost</u>	<u>Current Value</u>
British Petroleum Ltd.	25 000	125 892 91	192 500 00
Gulf Oil of Canada	5 000	185 972 74	476 150 00
Royal Dutch Petroleum	3 000	177 892 53	233 010 00
Sasol Ltd.	30 000	78 962 01	97 200 00
Schlumberger Ltd.	2 000	102 546 98	187 500 00
Superior Oil	2 300	285 034 32	303 600 00
Shell Transport & Trading	30 000	236 859 92	216 300 00
Chieftain Development	4 000	114 985 01	109 080 00
China Light & Power	40 000	138 060 40	175 600 00
Great Universal Stores	30 000	<u>251 132 14</u>	<u>229 800 00</u>
Total Stocks		<u>4 969 531 42</u>	<u>5 320 779 50</u>
TOTALS		<u><u>7 085 141 89</u></u>	<u><u>7 665 045 50</u></u>

See Accompanying Notes to Financial Statements.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INTERNATIONAL FUND
Notes to Financial Statements

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Valuation of investments - Investments in securities traded on a national (or international) securities exchange are valued at the last reported sales price on the last business day of the year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price.

The realized gain or loss on investments represents the difference between the proceeds received and the cost (average method) of investments sold.

Foreign currency translation - The cost of investments is recorded in U.S. dollars at the exchange rate prevailing on the date of purchase. The current value at the financial statement date represents the foreign currency market price multiplied by the current exchange rate.

Other - As is common in the industry, security transactions are accounted for on the date the transactions are entered into (the trade date) rather than the settlement date. Dividend income and distributions to unitholders are recorded on the ex-dividend (ex-distribution) date.

NOTE 2 - PURPOSE, NAME, USE AND INVESTMENT POLICY

A fund shall be established and maintained at the General Conference for the purpose of pooling denominational funds available for investing in bonds, equities and other suitable investment media. It shall be known as the General Conference International Fund and shall serve overseas-based denominational organizations, as well as the General Conference. It shall not accept funds from any individual or non-denominationally owned organizations or institutions.

Investment shall primarily be made by the Fund in foreign bonds and preferred and common stocks; however, the Fund shall not be restricted to the foregoing if conditions indicate the use of additional types of investments. A flexible investment diversification pattern shall be followed to provide a moderate, regular and relatively stable income and reasonable opportunity for enhancement of capital value.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INTERNATIONAL FUND
Notes to Financial Statements (Cont.)

NOTE 3 - UNITS

	<u>1979</u>	<u>1978</u>
Changes in Units Outstanding are Summarized as Follows:		
Units Sold	9 016 40	9 420 96
Units Issued to Unitholders in Reinvestment of Net Investment Income	<u>2 737 48</u>	<u>2 097 63</u>
	11 753 88	11 518 59
Units Redeemed	<u>-0-</u>	<u>-0-</u>
	11 753 88	11 518 59
Net Increase in Units	11 753 88	11 518 59
Units Outstanding:		
At Beginning of Year	<u>73 799 52</u>	<u>62 280 93</u>
At End of Year	<u>85 553 40</u>	<u>73 799 52</u>
Inter-fund Unitholdings at December 31, are as Follows:		
Specific Purpose Fund	<u>45 498 36</u>	<u>35 026 14</u>
	<u>53.18%</u>	<u>47.46%</u>

NOTE 4 - INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Investment Advisor

E. F. Iselin S.A. (advisor) provides the Fund with investment management, research, statistical and advisory services. The contract with the advisor provides for a fee applied to the current value of all assets under supervision payable at the end of each quarter computed as follows:

3/8 of 1% on the first 5 000 000 00

1/4 of 1% on the excess over 5 000 000 00

Administrative Services

In accordance with denominational policy, the General Conference Tithe Fund absorbs personnel and other administrative costs pertaining to the International Fund.

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INTERNATIONAL FUND
Notes to Financial Statements (Cont.)

NOTE 5 - REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION/TAX STATUS

In the opinion of management, the Fund is not subject to provisions of the Investment Company Act of 1940 and the rules and regulations thereunder nor to the provisions of the Internal Revenue Code.

NOTE 6 - CALCULATION OF PERFORMANCE

	<u>1979</u>	<u>1978</u>
Unit Value, December 31	91.0259	77.6310
Plus - Year-end Payout	<u>3.0088</u>	<u>2.2711</u>
Unit Value, December 31, Including Payouts	94.0347	79.9021
Unit Value, January 1	77.6310	66.3327
Performance for the Year:		
Dollar Increase	16.4037	13.5694
Percent Increase	21.1303%	20.4566%

GENERAL CONFERENCE OF SEVENTH-DAY ADVENTISTS
INTERNATIONAL FUND
Notes to Financial Statements (Concluded)

NOTE 7 - SUPPLEMENTAL INFORMATION

Selected data on the average unit outstanding for each of the past five years as follows:

	Year Ended December 31				
	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>(Unaudited)</u>	
				<u>1976</u>	<u>1975</u>
Investment Income	3.7108	2.9819	2.4879	2.5717	2.6676
Expenses	<u>.4686</u>	<u>.4631</u>	<u>.3449</u>	<u>.3551</u>	<u>.4384</u>
Net Investment Income	3.2422	2.5188	2.1430	2.2166	2.2292
Distributions From Net Investment Income	(3.2422)	(2.5188)	(2.1430)	(2.2166)	(2.2292)
Net Realized Gain (Loss) From Sale of Securities	1.1954	.6332	(1.3527)	(1.6486)	(1.1878)
Net Increase (Decrease) in Unrealized Appreciation (Depreciation)	<u>12.1995</u>	<u>10.6651</u>	<u>7.1507</u>	<u>(4.4593)</u>	<u>12.0056</u>
Net Increase (Decrease) in Net Asset Value	13.3949	11.2983	5.7980	(6.1079)	10.8178
Net Asset Value:					
Beginning of Year	<u>77.6310</u>	<u>66.3327</u>	<u>60.5347</u>	<u>66.6426</u>	<u>55.8248</u>
End of Year	<u>91.0259</u>	<u>77.6310</u>	<u>66.3327</u>	<u>60.5347</u>	<u>66.6426</u>
Average Number of Units in Earnings-per-unit Computation	76 854 34	64 649 39	56 546 26	48 067 62	45 151 98

GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS

CURRENT FUND and PLANT FUND



MANER, COSTERISAN & ELLIS, P.C.
Certified Public Accountants

Walter P. Maner, Jr.
Floyd L. Costerisan
Leon A. Ellis
Jack E. Powers
Roger R. Promer
Lawrence C. Kowalk
Gary W. Brya
Henry W. Wolcott IV
Jerome V. Wittkoski
Daniel L. Popoff

February 22, 1980

To the Members of the Board of Trustees
General Conference Corporation of
Seventh-day Adventists
Washington, D.C.

We have examined the balance sheets of the General Conference Corporation of Seventh-day Adventists Current Fund and Plant Fund as of December 31, 1979 and 1978, and the related statements of revenues, expenses and fund balance of the Current Fund and changes in fund balance of the Plant Fund for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our report dated February 23, 1979, our opinion on the 1978 financial statements was qualified as being subject to the determination of the reasonableness of the carrying value of an investment and the outcome of certain litigation. As discussed in Note 5 to the financial statements the carrying value of the investment has been adjusted retroactively to reflect the fair value of the stock at the date it was received as a gift and as disclosed in Note 8 the litigation is no longer considered material. Accordingly, our present opinion on the 1978 financial statements, as presented herein, is different from that expressed in our previous report.

In our opinion, the financial statements mentioned present fairly the financial position of the General Conference Corporation of Seventh-day Adventists Current Fund and Plant Fund at December 31, 1979 and 1978 and the results of operations and changes in fund balances for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

In addition to the Current and Plant Funds included in the accompanying financial statements there are other funds and/or subsidiary organizations which are owned or controlled by the Corporation. The Corporation also acts in a fiduciary capacity in connection with its Trust Services. The terms of our engagement and the opinion expressed applies only to the specific funds mentioned.

Maner, Costerisan & Ellis PC

GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS
Current Fund
Balance Sheet
December 31

	<u>1979</u>	<u>1978</u>
ASSETS		
<u>Current Assets:</u>		
Cash and Banks	560 35	24 636 20
Investments	736 482 75	558 158 46
Notes and Loans Receivable, Current Maturity	264 899 48	-
Due From Tithe Fund	8 379 83	17 075 97
Prepaid Expenses	<u>17 417 06</u>	<u>19 559 38</u>
Total Current Assets	<u>1 027 739 47</u>	<u>619 430 01</u>
<u>Other Assets:</u>		
Notes and Loans Receivable, Less Current Maturity	268 373 89	658 929 47
Real Estate Investments	8 103 565 63	1 341 364 24
Investments in Affiliated Organizations	<u>4 252 460 77</u>	<u>4 252 460 77</u>
Total Other Assets	<u>12 624 400 29</u>	<u>6 252 754 48</u>
Total Assets	<u><u>13 652 139 76</u></u>	<u><u>6 872 184 49</u></u>
LIABILITIES		
<u>Current Liabilities:</u>		
Accounts Payable	7 973 98	3 435 45
Deposit	25 000 00	-
Due to Plant Fund	80 030 73	51 120 56
Notes and Loans Payable, Current Maturity	<u>49 123 00</u>	<u>-</u>
Total Current Liabilities	162 127 71	54 556 01
<u>Other Liabilities:</u>		
Notes and Loans Payable, Less Current Maturity	<u>6 202 822 11</u>	<u>-</u>
Total Liabilities	6 364 949 82	54 556 01
FUND BALANCE		
Unrestricted Fund Balance	<u>7 287 189 94</u>	<u>6 817 628 48</u>
Total Liabilities and Fund Balance	<u><u>13 652 139 76</u></u>	<u><u>6 872 184 49</u></u>

See accompanying notes to financial statements.

GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS
Current Fund
Statement of Revenues, Expenses and Fund Balance
Years Ended December 31

	<u>1979</u>	<u>1978</u>
<u>Operating Revenue:</u>		
Rental Income	611 957 24	559 630 00
<u>Operating Expenses:</u>		
Depreciation	332 673 09	262 934 13
Maintenance	221 352 25	186 353 76
Rental of Space and Equipment	35 192 42	27 030 81
Insurance	16 667 21	30 994 28
Legal	18 722 24	16 194 92
Taxes	19 539 93	22 385 49
Salaries	8 339 40	7 789 80
Utilities	8 382 74	5 427 19
General	5 667 85	395 04
Total Operating Expenses	666 537 13	559 505 42
Excess (Deficiency) of Operating Revenue Over Expenses	(54 579 89)	124 58
<u>Non-Operating Revenues (Expenses):</u>		
Income From Investments and Notes	101 086 46	94 756 15
Lease - Income	320 874 00	-
Interest and Depreciation	(297 819 11)	-
Other	-	494 00
Capital Donation	400 000 00	-
<u>Excess of Revenues and Capital Donation Over Expenses:</u>	469 561 46	95 374 73
<u>Fund Balance:</u>		
At Beginning of Year as Previously Reported		2 939 792 98
Adjustment		3 782 460 77
At Beginning of Year as Restated	6 817 628 48	6 722 253 75
At End of Year	7 287 189 94	6 817 628 48

See accompanying notes to financial statements.

GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS
Plant Fund
Balance Sheet
December 31

	<u>1979</u>			<u>1978</u>
	<u>Unexpended</u>	<u>Net Invest in Plant</u>	<u>Total</u>	<u>Total</u>
ASSETS				
<u>Current Assets:</u>				
Cash	1 788 43		1 788 43	6 472 69
Investments	817 959 55		817 959 55	969 106 39
Due From Current Fund	<u>80 030 73</u>		<u>80 030 73</u>	<u>51 120 56</u>
Total Current Assets	<u>899 778 71</u>		<u>899 778 71</u>	<u>1 026 699 64</u>
<u>Property & Equipment:</u>				
Land		825 943 00	825 943 00	553 942 36
Land Improvements		99 572 68	99 572 68	96 692 24
Bldgs & Improvements		8 002 087 38	8 002 087 38	7 888 459 93
Equipment		<u>2 634 761 97</u>	<u>2 634 761 97</u>	<u>2 419 539 21</u>
		11 562 365 03	11 562 365 03	10 958 633 74
Less: Accum Deprec		<u>3 127 155 62</u>	<u>3 127 155 62</u>	<u>2 965 353 70</u>
Net Property and Equip		<u>8 435 209 41</u>	<u>8 435 209 41</u>	<u>7 993 280 04</u>
Total Assets	<u>899 778 71</u>	<u>8 435 209 41</u>	<u>9 334 988 12</u>	<u>9 019 979 68</u>
LIABILITIES				
<u>Current Liabilities:</u>				
Accounts Payable	<u>14 830 04</u>		<u>14 830 04</u>	<u>10 191 15</u>
FUND BALANCE				
Fund Balance	<u>884 948 67</u>	<u>8 435 209 41</u>	<u>9 320 158 08</u>	<u>9 009 788 53</u>
Total Liabilities & Fund Balance	<u>899 778 71</u>	<u>8 435 209 41</u>	<u>9 334 988 12</u>	<u>9 019 979 68</u>

See accompanying notes to financial statements.

GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS
Plant Fund
Statement of Changes in Fund Balance
Years Ended December 31

	1979			1978
	<u>Unexpended</u>	<u>Net Invest in Plant</u>	<u>Total</u>	<u>Total</u>
<u>Additions (Deductions):</u>				
Income From Investments	84 272 40		84 272 40	74 762 40
Capital Donations	149 151 30		149 151 30	426 478 14
Sale of Equipment	141 371 08	(14 418 49)	126 952 59	19 782 63
Acquisition of Property and Equipment	(789 020 95)	789 020 95		
Depreciation	332 673 09	(332 673 09)		
Unrealized Dep in Aggregate Current Value of Invest	(45 006 74)		(45 006 74)	(57 582 67)
Other - Geoscience	(5 000 00)		(5 000 00)	(1 253 00)
Net Additions - (Deductions)	(131 559 82)	441 929 37	310 369 55	462 187 50
<u>Fund Balance:</u>				
At Beginning of Year	1 016 508 49	7 993 280 04	9 009 788 53	8 547 601 03
At End of Year	<u>884 948 67</u>	<u>8 435 209 41</u>	<u>9 320 158 08</u>	<u>9 009 788 53</u>

See accompanying notes to financial statements.

GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS
Current Fund and Plant Fund
Notes to Financial Statements

Note 1 - Summary of Accounting Policies:

Basis of accounting: The financial statements of the Funds are prepared on the accrual basis of accounting.

Property, equipment and depreciation: Property and equipment owned directly by the General Conference is recorded at cost in the Plant Fund. Depreciation is computed over the estimated useful lives on the straight-line method.

Investments: Investments are recorded at the lower of aggregate cost or current value with cost being determined by the average method. The difference between current value and cost is reflected in the statement of changes in fund balance. Realized gain or loss on investments represents the difference between the proceeds received and the cost of investments sold.

Real estate investments: Investments in real estate are recorded at cost. (See above regarding depreciation policy.)

Investments in affiliated organizations: Investments in affiliated organizations are carried at original cost or, in the case of certain securities obtained by gift, at the fair value at date of gift. (See note 5)

Note 2 - Investments:

Investments consist of the following:

	<u>1979</u>		<u>1978</u>	
	<u>Avg Cost</u>	<u>Current Value</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Current Value</u>
<u>Current Fund:</u>				
Passbook Savings	20 233 95	20 233 95		26 866 38
Gen Conf Unitized Fnds	<u>716 248 80</u>	<u>717 842 59</u>	<u>1 593 79</u>	<u>541 106 63</u>
	<u>736 482 75</u>	<u>738 076 54</u>	<u>1 593 79</u>	<u>567 973 01</u>
<u>Plant Fund:</u>				
Passbook Savings	20 156 57	20 156 57		9 930 01
Gen Conf Unitized Fnds	<u>915 870 34</u>	<u>797 802 98</u>	<u>(118 067 36)</u>	<u>959 176 38</u>
	<u>936 026 91</u>	<u>817 959 55</u>	<u>(118 067 36)</u>	<u>969 106 39</u>

GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS
Current Fund and Plant Fund
Notes to Financial Statements

Note 3 - Notes and Loans Receivable:

Notes and loans receivable consist of the following:

	<u>1979</u>	<u>1978</u>
Riverside Hospital (A division of the General Conference Corporation of Seventh-Day Adventists)	348 840 10	598 929 47
Chiscano - payable \$1 125.00 per month including interest at 9%, collateralized by real estate	124 433 27	
South American Division SDA - interest at 7% payable currently, principal due upon maturity of a certain trust	<u>60 000 00</u>	<u>60 000 00</u>
Total	533 273 37	658 929 47
Current Maturity	<u>264 899 48</u>	-
Long Term	<u>268 373 89</u>	<u>658 929 47</u>

In 1977 an agreement was reached between the General Conference of Seventh-Day Adventists and the General Conference Corporation of Seventh-Day Adventists ("Conference") and the Hospital which included the following provisions:

The rights to the Hospital and its assets and operations were transferred to the Southern Adventist Health and Hospital System, Incorporated ("System") for a term beginning February 1, 1977 and ending June 30, 1982. If it is agreed by the parties that the operation of Hospital by System during the period has been successful and at System's option, the following shall occur:

Conference will transfer Hospital, including all assets and liabilities pertaining thereto, to System and will forgive the note (balance \$598 929 47 at December 31, 1978) and accrued interest after applying the proceeds of certain bonds which are owned by Hospital and are presently being collected by Conference. Hospital or System will repay in forty-eight monthly payments including interest at 8% beginning July 31, 1982, the balance of \$280 500 00 on a note owed to the General Conference Retirement Funds. Accrued interest on this note through June 30, 1982 will be forgiven.

In the event System does not exercise its option Conference will re-assume operation of Hospital and all liabilities related thereto. System agrees that it will return Hospital to Conference with no greater liabilities against Hospital than existed at the time the agreement was entered into and that operating losses, if any, will be absorbed by System.

GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS
Current Fund and Plant Fund
Notes to Financial Statements

Note 3 - Notes and Loans Receivable, cont'd:

In the event System exercises its option to acquire Hospital and the amounts owed are forgiven, such amounts forgiven, including accrued interest, are to be reimbursed to the Corporation Current Fund by the General Conference Specific Purpose Fund. In 1979 and 1978 the Specific Purpose Fund appropriated \$250,000.00 and \$500,000.00, respectively, to apply against the note. An additional \$159,000.00 was appropriated in January, 1980.

Note 4 - Real Estate Investments:

Real Estate investments consist of:

	<u>1979</u>	<u>1978</u>
Rental property (Loma Linda, California)		
Cost (Land \$518,575.39)	6 793 575 39	
Less: Accumulated depreciation	<u>31 374 00</u>	
Net book value	6 762 201 39	
Other real estate, including property with a carrying value of \$529 500 00 which, at 12/31/79, is subject to an option to sell for approximately \$1,500,000.00	<u>1 341 364 24</u> <u>8 103 565 63</u>	<u>1 341 364 24</u> <u>1 341 364 24</u>

The California rental property has been leased for a period of 30 years (to December 31, 2009) for \$53,479.00 per month, or \$641,748.00 per year. In addition, the lessee pays taxes, insurance, utilities and other operating expenses.

The lease is accounted for as an operating lease.

In connection with this property the Corporation received a Capital Donation of \$400,000.00 from Loma Linda University. (The amount of \$400,000.00 had been appropriated to the University by the Specific Purpose Fund in 1978.)

GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS
Current Fund and Plant Fund
Notes to Financial Statements

Note 5 - Investments in Affiliated Organizations:

Investments consist of:

Harris Pine Mills	4 157 460 77
Gencon Agency, Inc	<u>95 000 00</u>
	<u>4 252 460 77</u>

The above investments represent 100% of the outstanding stock of the organizations.

The companies' books (unaudited) reflect stockholder's equity as follows:

<u>Company</u>	<u>Date</u>	<u>Stockholder's Equity</u>
Harris Pine Mills	12-31-78	16 461 132 00
Gencon Agency, Inc	12-31-79	184 280 00

Prior to 1979, the investment in Harris Pine Mills was carried at \$375 000 00. Upon further investigation, it was determined that this did not represent the fair value of the stock at the date it was received as a gift. Accordingly, the financial statements for 1978 have been adjusted retroactively.

Note 6 - Notes and Loans Payable:

In connection with the construction of the rental property referred to in Note 4, the Corporation borrowed \$6,275,000.00 from the General Conference Investment Fund. The balance of \$6,251,945.11 (current maturity \$49,123.00) is payable \$144,750.00 quarterly including interest at 8 1/2% through June 30, 1984 at which time the interest rate is subject to renegotiation. Final maturity, 2009.

Note 7 - Related Party Transactions:

Property and equipment is rented to other funds and/or affiliated organizations of the General Conference.

Note 8 - Commitments and Contingencies:

Construction Project - The Corporation has entered into a contract of approximately \$1,525,000.00 for the construction of a warehouse facility for SAWS.

Loan Guarantees - The General Conference is contingently liable on loans of other funds and/or affiliated organizations amounting to approximately \$9,200,000.00 at December 31, 1979.

GENERAL CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS
Current Fund and Plant Fund
Notes to Financial Statements

Note 8 - Commitments and Contingencies, con't:

Litigation - The General Conference is a defendant in a case involving personal injuries resulting from a plane crash in which plaintiffs are seeking \$1,000,000.00 damages. The liability is being vigorously contested. However, the ultimate outcome cannot be reasonably estimated at the present time.

The Pacific Press Publishing Association (an affiliate of the General Conference) is a defendant in certain litigation arising out of allegations of sex discrimination in employment. The ultimate outcome cannot be reasonably estimated at the present time. In the event the plaintiffs should prevail it is estimated the liability could approximate \$450,000.00. While the General Conference is not a defendant in the case, it is possible that the General Conference would provide financial assistance to Pacific Press in the event of an unfavorable outcome.

Damages, if any, assessed against the General Conference would be paid from the Specific Purpose Fund.

GENERAL CONFERENCE ASSOCIATION
OF
SEVENTH-DAY ADVENTISTS



MANER, COSTERISAN & ELLIS, P.C.
Certified Public Accountants

Walter P. Maner, Jr.
Floyd L. Costerisan
Leon A. Ellis
Jack E. Powers
Roger R. Promer
Lawrence C. Kowalk
Gary W. Brya
Henry W. Wolcott IV
Jerome V. Wittkoski
Daniel L. Popoff

February 22, 1980

To the Members of the Board of Trustees
General Conference Association of
Seventh-day Adventists
Washington, D.C.

We have examined the balance sheet of the General Conference Association of Seventh-day Adventists as of December 31, 1979. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements mentioned present fairly the financial position of the General Conference Association of Seventh-day Adventists at December 31, 1979, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Maner, Costerisan & Ellis PC

GENERAL CONFERENCE ASSOCIATION OF SEVENTH-DAY ADVENTISTS

Balance Sheet

December 31, 1979

ASSETS

Due from General Conference Corporation
of Seventh-day Adventists

916 05

FUND BALANCE

At Beginning of Year
Deduct filing fees

926 05
10 00

At End of Year

916 05

NORTH AMERICAN CONFERENCE CORPORATION
OF SEVENTH-DAY ADVENTISTS

The North American Conference Corporation of Seventh-day Adventists, organized under the laws of the District of Columbia, has no known assets or liabilities. The Corporation is being continued in order to care for wills, legacies, or bequests which may have been written in favor of this organization; and to adjust property interests which may still exist in the name of the North American Conference Corporation of Seventh-day Adventists.


Treasurer


Secretary

Minutes of Meeting

GENERAL CONFERENCE COMMITTEE

April 10, 1980, 10:00 a.m.

MEMBERS PRESENT

M S Nigri, D H Baasch, W Melvin Adams, G P Babcock, W S Banfield, J W Bothe, W P Bradley, C L Brooks, G O Bruce, D R Christman, S L DeShay, N R Dower, G O Engen, C O Franz, E G Gomez, J H Hancock, R L Hilde, D B Hills, C B Hirsch, J N Hunt, D S Johnson, George C Johnson, F L Jones, M E Kemmerer, G E Knowles, W R Leshner, N W Litchfield, M E Loewen, Alice Lowe, P M Mabena, E H Mack, C D Martin, J W McFarland, S F Monnier, A J Patzer, R L Pelton, Elbio Pereyra, Leo Ranzolin, R L Reynolds, M C Sawvel, W C Scales, A E Schmidt, H D Singleton, Clark Smith, P G Smith, W M Starks, G Ralph Thompson, L R Van Dolson, A V Wallenkampf, F C Webster, Bruce M Wickwire, R A Wilcox, W H Wilson, K H Wood.

DEVOTIONAL MESSAGE

M S Nigri read portions of the two messages from E G White to the 1913 General Conference Session, part of which appears below:

"It is the privilege of our representative men in attendance at the General Conference to cherish a spirit of hopefulness and courage. . . . Bear an uplifting testimony. Turn your eyes away from that which is dark and discouraging, and behold Jesus, our great Leader, under whose watchful supervision the cause of present truth, to which we are giving our lives and our all, is destined to triumph gloriously. . . . Wait before Him with humility of heart. Pray most earnestly for an understanding of the times in which we live, for a fuller conception of His purpose, and for increased efficiency in soulsaving."--SM, Book 2, pp 399,400.

K H Wood offered prayer.

INTRODUCTIONS

D S Johnson presented his son George C Johnson, President of the Pakistan Union.

S L DeShay introduced Pastor and Mrs P M Mabena. P M Mabena is the president of the Southern Union, South Africa.

MINUTES of the Spring Meeting held April 3, 1980 were approved, with one amendment.

80-112
April 10, 1980

From AU/NAD Administration/ADCOM/GCC to JWB

GRAHAM, ROY E--FURLOUGH

VOTED, To authorize Roy E Graham of Andrews University to take a two-month furlough during July and August 1980, in England, Northern Europe-West Africa Division, in harmony with the policy.

From Administration/ADCOM/GCC to WLM DHB

WILCOX, ROGER A--RETIREMENT, APPRECIATION

RECOMMENDED, To authorize Retirement Plan benefits to Roger A Wilcox after more than 44 years of faithful denominational service, benefits to begin July 1, 1980; and further, to express appreciation to him and to his wife for their dedicated service not only in North America but also in the South American Division and the Middle East Division, chiefly in the administrative area of church work.

From Administration/ADCOM/GCC to WLM DHB

HANCOCK, JOHN H--RETIREMENT, APPRECIATION

RECOMMENDED, To authorize Retirement Plan benefits to John H Hancock after more than 41 years of denominational service, benefits to begin July 1, 1980; and further, to express appreciation to him and to his wife for their dedicated service in the youth work of the church.

From Personnel/ADCOM/GCC to WLM DHB

EVA, GLORIA--RETIREMENT, APPRECIATION

RECOMMENDED, To authorize Retirement Plan benefits to Gloria Eva (Mrs W D Eva) after twenty years of denominational service in the Trans-Africa and Northern Europe-West Africa Divisions as well as in the General Conference office, benefits to begin April 1, 1980; and further, to express our appreciation for her dedicated service.

From Administration/ADCOM/GCC to WLM DHB

FRANZ, CLYDE O--RETIREMENT, APPRECIATION

RECOMMENDED, To authorize Retirement Plan benefits to Clyde O Franz after nearly 48 years of denominational service, benefits to begin July 1, 1980; and further, to express appreciation to him and to his wife for their devotion to the work of God in the Treasury and Secretariat areas of administration in the Inter-American Division and in the General Conference Secretariat where he served as an associate secretary from 1966 to 1970, and as Secretary since 1970.

From Administration/ADCOM/GCC to WLM DHB

WICKWIRE, BRUCE M--RETIREMENT, APPRECIATION

Oct. 1 RECOMMENDED, To authorize Retirement Plan benefits to Bruce M Wickwire after more than 38 years of denominational service, benefits to begin ~~July 1~~, 1980; and further, to express appreciation to him and to his wife for their faithful service in the Far Eastern and Northern Europe-West Africa Divisions as well as on the General Conference staff as director of the Publishing Department.

From FWW/ADCOM/PRADCO/GCC to FWW AHR

A 3143 STUDENT LOANS FOR LLU MEDICAL/DENTAL DEFERRED
APPOINTEES--STUDY COMMITTEE

VOTED, To appoint the following Student Loans for LLU Medical/Dental Deferred Appointees Study Committee:

Wernick, F W (Chairman)
Baasch, D H (Secretary)
Battle, M T
Blacker, W J
Bruce, G O
DeShay, S L
Gibb, A Edwin

Hadley, Gordon
Klooster, Judson
Murrill, W L
Osborn, R E
Pelton, R L
Shaffner, Marlowe
Thompson, G Ralph

From CA/GCC to Secretariat

COMMITTEE ON APPOINTEES

VOTED, To approve the following:

Appointments

Brutus, Adrien (W Springfield, Mass)--Pathologist, Montemorelos Univ, Mexico, Inter-American Division, national returning
Chaw Kok Wai, Peggy (Redlands, Calif)--Dietitian, Bangkok Adventist Hosp, SE Asia Union, Far Eastern Division, national returning
Culmore, Douglas Wayne (Calgary, Alberta)--Director of Youth Department, Ecuador Mission, South American Division
Golles, Dee Eugene (LLU D-80)--Reassigned from Hong Kong Adv Hosp to Adv Med Center, Okinawa, Japan Union, Far Eastern Division
King, Eldeen (Montreal, Que)--Ministerial intern, East Caribbean Conf, Inter-American Division, national returning
Nelson, Benjamin Edgar (Loma Linda, Calif)--Dentist, SDA Health Center, Blantyre, Malawi, Trans-Africa Division

80-114
April 10, 1980

(Appointees - contd)

Calls and Transfers Between Divisions

Aivaliotou, Friedericke (Euro-Afr Div)--Bible worker, Cyprus, Afro-Mideast Division, national returning
Alzola, N D (Far East Div)--To record acceptance of open call for secretary-treasurer, Uganda Field, Afro-Mideast Division
Biaggi, Oreste (So Amer Div)--Nurse-anesthetist/Lab technician, Montemorelos Univ, Mexico, Inter-American Division; 2 years, Sustentation Overseas Service basis
Teixeira, Sergio D (Brazil Coll)--Pastor, Portugal, Euro-Africa Division, national returning
Treiyer-Lista, Alberto (So Amer Div/Euro-Afr Div)--Principal, Lukanga Adv Secondary school, Trans-Africa Division
Weeks, Helena (N Eur-W Afr)--Nurse/Midwife, Songa Hospital, Zaire, Trans-Africa Division

Permanent Returns

Ahlrs, Lloyd, Songa Adv Sec School, Zaire, Trans-Africa Div; wife's health, effective June 1980
Baxter, William E, Jr, Guadalajara, Mexico, Inter-American Division; retirement, effective June 1980
Couty, Jean Roger, Kivoga Coll, Burundi, Trans-Africa Division to Euro-Africa Division; education, effective May 31, 1980
Ekkens, David Bruce, ASWA, N Europe-W Africa Division; education, effective July 1, 1980
Koorennny, Ralph, Afro-Mideast Division; family considerations, effective September 1, 1980
Marivoet, Jean Pierre, Upper Volta, N Eur-W Afr Div to Euro-Africa Division; child's health, effective April 28, 1980
Moon, Aaron F, Bella Vista Hosp school, P Rico, Inter-American Div; personal, effective July 1, 1980
Richert, Donal E Yele School, N Europe-W Africa Division; personal, effective August 1, 1980
Schwantes, Siegfried, Montemorelos Univ, Mexico, Inter-American Div; retirement, effective June 1, 1980
Smith, Howard C, Montemorelos Univ, Mexico, Inter-American Div; retirement, effective August 1, 1980
Watters, Armand, Newbold, N Europe-W Africa Div to Australasian Division; personal, effective July 31, 1980.

From BOFC/GCC to FLJ

GRANIX FOOD FACTORY--FINANCIAL PLAN APPROVED

VOTED, To approve the financial plan presented for the expansion of Granix Food Factory in Buenos Aires, Argentina, in harmony with the recommendation of the South American Division. Details of the plan are on file with the minutes of this meeting.

From ITC/GCC to AL

INTERDIVISION TRAVEL

VOTED, To approve the following interdivision travel:

Authorizations

(Specials)

Mulinari, Norberto
(Texas Conf)

Int-Amer Div, Puerto Rico, dates to be
arranged. Travel and entertainment
by East Puerto Rico Conference

Vandeman, G E)
Jones, David)
Niera, Dave)
(It Is Written)

Eur-Afr Div, Germany, approx 1 week first
part of May. All expenses by It Is
Written.

From GCC to DHB

SCHWANTES, SIEGFRIED--APPRECIATION

VOTED, To express appreciation to Siegfried Schwantes for 42 years
of service in the South American, Afro-Mideast and Inter-American Divisions
largely in the field of education.

From GCC to DHB

BAXTER, WILLIAM E--APPRECIATION

VOTED, To express appreciation to William E Baxter for approximately
30 years of mission service largely in the Inter-American Division, and for
his pioneering work in missionary aviation.

From Treasury/GCC to MEK

CONTRACTUAL AGREEMENT WITH GINN AND COMPANY--
SDA ELEMENTARY READING SERIES

Because of the need for a new elementary reading series, and after
negotiations, a contract has now been prepared which meets with the ap-
proval of the Department of Education, the Treasury and the Legal Service
of the General Conference. It is therefore

VOTED, 1. To grant permission to the Department of Education and
the Treasury to sign a contractual agreement with Ginn and Co., for the
development of a new Seventh-day Adventist Elementary Reading Series,
grades K-8.

80-116
April 10, 1980

(Ginn and Co - contd)

2. To assign the recommended three editors to the North American Division Office of Education for the time needed to fulfill the contract.

3. To agree that negotiations for the printing of the books are to involve our denominational publishing houses.

4. To record our understanding that this will require some increase in the annual appropriations of funds for the North American Division textbook development program over the next three-year period.

A copy of the contract is on file with the minutes of this meeting.

From ADCOM/GCC to JE

GENERAL CALLS

VOTED, To approve the following General calls:

Coy, Gerald W (Kentucky-Tennessee)--Asst professor, Industrial
Education, Andrews University
Irving, Russell D (White Mem Med Center, Inc)--Chief accountant,
General Conference Risk Management Service, West Coast
McDaniel, Dean (Ontario)--Director of Development, Andrews University.

Adjourned

M S Nigri, Chairman
D H Baasch, Secretary
Martha Horn, Recording Secretary

MAY 2 1980



Ginn and Company
Educational Publishers
191 Spring Street
Lexington, Massachusetts 02173
Telephone: (617) 861-1670
Cable: EGINN
Telex: 923499

April 29, 1980

MAY 1 1980

Dr. George P. Babcock
Associate Director
Department of Education
General Conference of Seventh Day
Adventists
6840 Eastern Avenue, N.W.
Washington, D.C. 20012

Dear George:

Enclosed please find a signed and executed copy of our letter of agreement. I am glad we were able to reach you in Dallas. I am sorry for the foul-up in getting the contracts to you sooner. Everybody at Ginn is satisfied with the agreement and it appears that we shall have a working relationship for some time to come.

I think that's great!

Sincerely,

Richard R. Lamontagne
Controller
Ginn and Company

RRL:s
Attachment

April 18, 1980

Dr. George P. Babcock
Associate Director
Department of Education
General Conference of Seventh Day Adventists
6840 Eastern Avenue, N.W.
Washington, D. C. 20012

Dear Dr. Babcock:

This letter will serve to set forth the agreement between Ginn and Company (referred to herein as Ginn) and The Seventh Day Adventists (referred to herein as SDA) concerning the leasing by Ginn to SDA of film of Ginn's Reading 720 Rainbow series of texts (levels 1-15, with levels 14 and 15 being the Capstone books), with SDA having the rights, subject to its acting consistent with the other provisions in this letter, to reproduce as many different textbooks from the film as are included in the Ginn series and to distribute the copies to SDA schools for use by their students and teachers. SDA may exercise the reproduction right through 1993 and may distribute the copies reproduced through 1999.

Ginn recognizes that SDA plans to substitute some stories and graphics. SDA will inform Ginn of the portions of the texts which SDA plans to retain and Ginn will use its best efforts to obtain any necessary permissions (world rights) from copyright owners. In the case of each permission, SDA agrees to reimburse Ginn for such permissions fees within 30 days after Ginn notifies SDA of the amount. SDA will itself obtain, and pay for, any necessary permissions (world rights) for the stories and graphics it elects to substitute and SDA agrees that it will not reproduce or distribute such stories or graphics without having obtained any necessary permissions.

It is agreed that SDA may make substitutions of stories and graphics which SDA believes are appropriate to meet its standards, subject to Ginn's approval, which will not be unreasonably withheld. It is agreed that SDA definitely will retain the scope and skills sequence of reading 720. SDA may eliminate, or more fully define, terms "glided" and "unglided", with the possibility of using the more generally understood terms of "long" and "short" vowel sounds.

Except as specifically noted in this letter, all expenses in connection with the SDA reading program are the responsibility of SDA, e.g., editorial and other developmental costs, plate costs, and printing, binding and distribution costs.

Ginn agrees to designate one editorial person to reasonably assist SDA in preparing SDA's text and in particular to assist in effectively integrating the Ginn skill strands. Ginn and SDA agree to coordinate reasonably with each other concerning the availability of such assistance, SDA's estimate being that a total of approximately one person-year will be needed over a three year period. Ginn will bill SDA for the individual's or individuals' services on a per diem basis, the rate to be based on 1/260th of the person's annual rate of pay, plus benefits, at Ginn. Ginn will bill SDA within 15 days of the end of each quarter for the services during that quarter. Related expenses, e.g.,

travel and associated meals and lodging, will be billed at the same time. SDA agrees to pay Ginn within 15 days after receipt of each bill.

The designated editorial person also will act as Ginn's liaison for the project on all matters.

Ginn agrees that it will, through 1987, provide in-service program training and consultation, within the continental United States, to assist SDA in installing and implementing its reading program. In the year of introduction of the SDA reading program, this will include up to 30 days of Ginn-personnel time. In order that there be effective training of enough people within that 30 day limitation, SDA agrees to schedule regional meetings at which the training may take place. After the year in which the introduction occurs, Ginn agrees that it will provide, within the continental United States, up to 15 days of Ginn-personnel time per year of in-service program training and consultation services.

For the services noted in the preceeding paragraph, Ginn will provide the instructor or consultant at Ginn's expense and SDA will reimburse Ginn for travel and travel-related expenses. Ginn will use its reasonable efforts to have Jewel Holt serve as the Ginn employee who provides the instructor/consultant services.

If SDA desires in-service training and consultant services in amounts greater than described above, Ginn will make reasonable efforts to accomodate SDA's desires but there would be a per diem charge in addition to reimbursement of travel and travel-related expenses. As for in-service training and consultant services by Ginn outside of the continental United States, Ginn agrees to discuss such scheduling possibilities with SDA on a case-by-case basis.

Insofar as all of the in-service training and consultation services are concerned, SDA agrees that, by each April 30 of a relevant year, it will provide Ginn with a schedule, for the following school year, of the dates and locations for which SDA desires the services. Within a reasonable time after receiving the schedule, Ginn will wither confirm availability or will confer with SDA so as to reach a mutually agreeable schedule.

SDA agrees to pay Ginn 15% of the selling price for each SDA reading textbook reproduced under this agreement and distributed. Provided, however, for purposes of calculating the payments called for, SDA will use for each book distributed, either (a) the actual selling price of the book, or (b) a substitute dollar figure of not less than 80% of the then-current Ginn catalog price for its comparable textbook, whichever is higher. Ginn agrees to keep SDA informed of its catalog prices. Generally, Ginn has been changing catalog prices no more than once per year.

SDA agrees to make the payments called for by the preceeding paragraph by no later than each December 15, with respect to the distribution activities for the prior December 1 - November 30 period, and to include a detailed accounting statement with the payment.

SDA agrees to print and bind its reading program with a quality at least equal to Ginn's current production standards, which Ginn will separately provide.

SDA agrees that it will not, without the written consent of Ginn, use Ginn's name, or the names of Ginn's authors, in connection with the promotion or sale of the SDA reading program. Similarly, Ginn agrees that it will not, without the written consent of SDA, use SDA's name in connection with the promotion or sale of Ginn's reading programs. SDA may use the Ginn name on the acknowledgement pages of its texts in the same fashion as Scott Foresman's name is used on SDA's present reading texts.

As a condition of this agreement, SDA agrees that each of its publications under this agreement will bear appropriate notices of copyright in conformance with the standards of U.S. copyright law and the Universal Copyright Convention.

During the period of this agreement, and within the U.S., Ginn will make available to SDA the Reading 720 components which Ginn generally makes available for users of its Reading 720 textbooks. The prices will be the Ginn catalog prices applicable at the time. Ginn will do the same with respect to outside the U.S. where it has the rights to do so and, where another has the distribution rights, Ginn will assist SDA in obtaining the components.

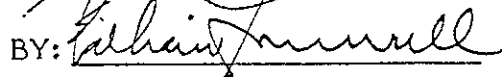
Sincerely,




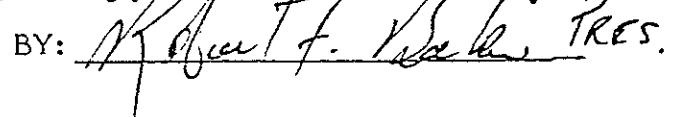
Richard R. Lamontagne
Controller
Ginn and Company

AGREED:

The Seventh Day Adventists


BY: 

Ginn and Company, a Xerox Publishing
Group Company


BY:  PRES.

DATE: April 23, 1980

DATE: April 29, 1980

BORROWING AND DISTRIBUTION OF FUNDS COMMITTEE

April 7, 1980

MEMBERS PRESENT: M E Kemmerer, F L Jones, J W Bothe, G O Bruce, N R Dower,
C O Franz, H D Johnson, W L Murrill

PRAYER: N R Dower

CENTRAL UNION CONFERENCE--Kansas Conference--Midland School

VOTED, On recommendation of the Central Union and the Kansas Conference, to approve the borrowing of \$700,000 (\$200,000 additional to the previous approval) in connection with the building of a school. The total cost of this project is estimated at \$1,392,000. It is understood that this loan will be paid in eight years from appropriations and pledges.

PACIFIC UNION CONFERENCE--Southern California Conference--Glendale Academy
Religious Life Center

VOTED, On recommendation of the Pacific Union and the Southern California Conference, to approve the borrowing of \$300,000 in connection with the building of this religious center. The total cost of this project is estimated at \$1,614,000. It is understood that this loan will be paid in seven and a half years from appropriations and pledges.

SOUTH AMERICAN DIVISION--Alimentos Granix Food Factory

VOTED, On recommendation of the South American Division, to approve the borrowing of \$3,245,500 for the purchase of equipment. The first stage of this project is estimated at \$10,630,782. It is understood that this loan will be paid in eight years.

M E Kemmerer, Chairman
F L Jones, Secretary