

REPORT 1.2

OCTOBER 2022



North New Zealand

CONFERENCE ANNUAL REPORT

YEAR TWO 2020 – 2024 QUINQUENNIAL

CONFERENCE ANNUAL REPORT

This report covers the North New Zealand Conference Executive Committee's first year's achievements for the 2021 – 2024 Quinquennium.

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VISION



These three words as agreed by the Executive Committee have given the Conference its focus during the second year of the quadrennium.



GOAL 1 – CONNECT – WITH CHRIST AND OTHERS



GOAL 2 – GROW – IN FAITH, HOPE AND LOVE

- A growing, caring ministry within the church and within community
- As church, who are our needy and how are we ministering to them?
- Faith, hope and love overflowing into the community.



GOAL 3 – GROW AND MULTIPLY - THROUGH RETAINING, RECLAIMING, AND REAPING

- As church, focus on retaining, reclaiming and reaping. Who is missing, who is God leading us to?
- Churches finding creative ways of outreach/evangelism, in order to multiply changed lives for His kingdom

Led by the Spirit as we unite in prayer, we aim to see growth and multiplication, so we look forward to the fruit of 2023.

MISSION

Based on the Vision 2022 was a year to develop prayer

Achievements include:

Prayer

Weekly prayer focuses in the Plugin and a quarterly prayer programme streamed on a Friday evening. These two focuses on prayer allowed churches to unite in focused prayer. To hear about the activities and needs and successes of the Conference and unite in prayer together asking for God to lead in lives and our mission as churches.

Post Covid Church

As lockdowns ended and restrictions were lifted in the early part of 2022 and these continued to ease, it was exciting to have all churches able to open and operate fully on their sites.

Innovations from Covid times have seen blended programmes, services and meetings continue allowing many to access church when not able to physically attend. Many churches continue to live stream and engage with members and others through media. Sadly, we note a decline in overall attendance and many, especially youth, not reconnecting immediately with church. Supporting reengagement will be a vision for the future.

Ministry Development

The Conference implemented a development programme for ministers that provides goals setting that involves local churches. We are excited that together with the pastor a local church can set its goals and we can see these at the Conference. It also allows for targeted support in growing our ministers as they identify the direction of the churches they serve.

Annual Performance Reviews

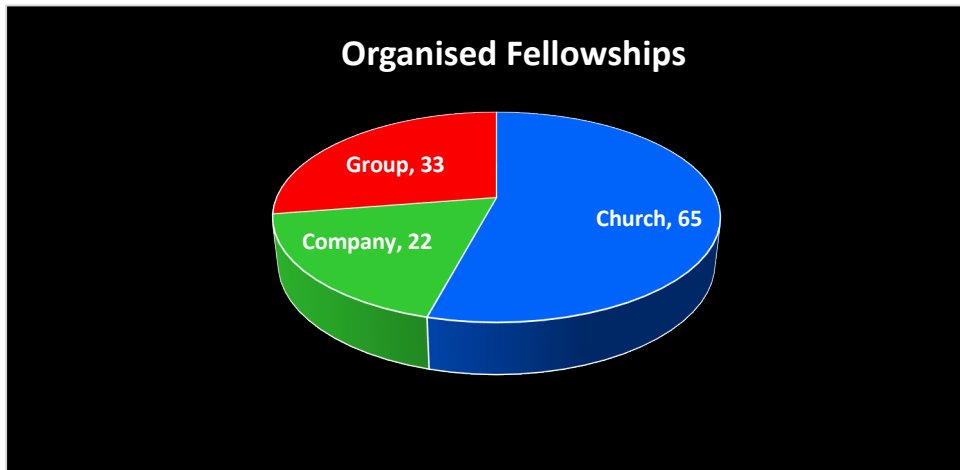
Each pastor has an annual review with the Conference President. This included not just information from MD, the church and pastoral goals but also feedback from selected leaders and members of churches. This has allowed the Conference to affirm performance and have critical conversations.

Health and Safety Review

A Health and Safety audit for churches was introduced and it was pleasing to see the work being done to ensure our churches are compliant. While compliance is not a reason to do things sometimes it is the nudge, we need to remember that we are living in times and a society where offering a safe physical and emotional environment is critical to empowering people in their spiritual journey. Emphasis in this area will continue in 2023, especially in the area of social and emotional wellbeing and safety.

CHURCH HEALTH AND GROWTH

GROUPS AND STATUS



CHANGE OF STATUS

Over the second year of the quadrennium two companies have reached the milestone of seeking to become churches. Te Kao and Auckland International. This is in process and will see a change to our organised groups for 2023.

NEW COMMUNITIES

The Fields church planted in 2021 is growing well as a faith community.

Returning to church has been a priority for most churches. While a number of churches are looking to plant no new church plants have been notified for 2022.

MEMBERSHIP

Our membership at the end of September 2022 was 11,505, an increase of 146 members. The Executive Committee knows that this figure is highly inaccurate especially as Covid has taken it's toll on our actual active membership. In 2023 we will continue to request that churches to review their membership lists and update them to better reflect the church's actual membership. Churches who have done this work in 2022 have found significant numbers missing and also members to follow up and encourage a return to church engagement.

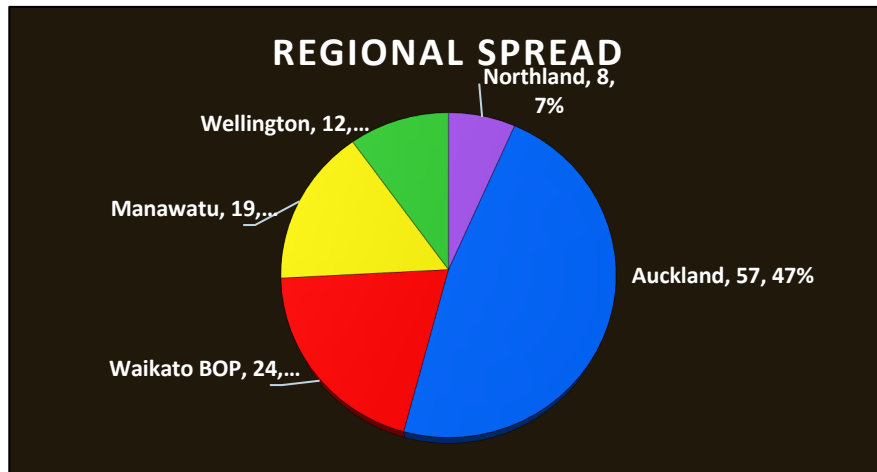
BAPTISMS AND PROFESSIONS OF FAITH

We continue to see membership growth. We welcome the 102 people who, having chosen to follow Jesus and belong to the Seventh-day Adventist church been baptised or professed their faith in the last 9 months.

Our condolences go to the families of the 22 members who have passed away over the last year, especially those who did so in lockdown and restrictions.

REGIONAL SPREAD

Auckland continues to be the hub for half of our membership accommodated by 57 churches. A fifth of our membership is in the Waikato and Bay of Plenty with 24 organised churches. Northland is our smallest region with 7% of our membership.



ATTENDANCE

One of the goals was to understand who we have in our churches each Sabbath.

Our baseline for reporting for attendance was 69% prior to the last lockdowns. Post lockdowns we are averaging 65% reporting. Our average attendance was 5035 which includes visitors and children compared to 5392 in 2021. We would aim to see an improvement in both the reporting and the average attendance as we reach out to those who have not returned since Covid.

More of our church clerks have trained for online membership processing with the global Adventist Church Membership System (ACMS) we have real potential to understand our people better. We can now record our children and others who are church attendees and not members which will give us a better view of exactly who is in our churches. Our clerks remain a wonderful and valued team of dedicated members who support us in knowing who our people are and helping us care for them as church. Thank you for your service.

FINANCE

AUDIT REPORT AND OPINION

Looking at past two years, it felt we were hit with the perfect storm. Sometimes God doesn't command the storm but allows it. For we know that peace is not found in the absence of the storm, rather it is found in the presence of God. This certainly has been the case as we glanced at the North New Zealand Conference "the Conference" financial year 1 July 2021 to 30 June 2022 and witnessed how God has blessed and provided for His work. We recognize that if the work be of God, He Himself will provide the means for its accomplishment. He will reward honest, simple reliance upon Him.

The Conference June 2022 financial statements have been audited by the General Conference Audit Services "GCAS". The audit opinion given was an Unmodified Opinion, which is the cleanest audit opinion. According to the Conference Audit Report, the GCAS auditors reported: "In our opinion, as auditors of the General Conference of Seventh-day Adventists, the accompanying financial statements present fairly, in all material respects, the financial position of North New Zealand Conference of the Seventh-day Adventist Church as at 30 June 2021 and 2020, and of its financial performance and its cash flows for the years then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board as applicable to not-for-profit organisations adopted by the Seventh-day Adventist denomination." ([GCAS Audit Reports, NNZC June 2022 – Audit Opinion P. 1](#))

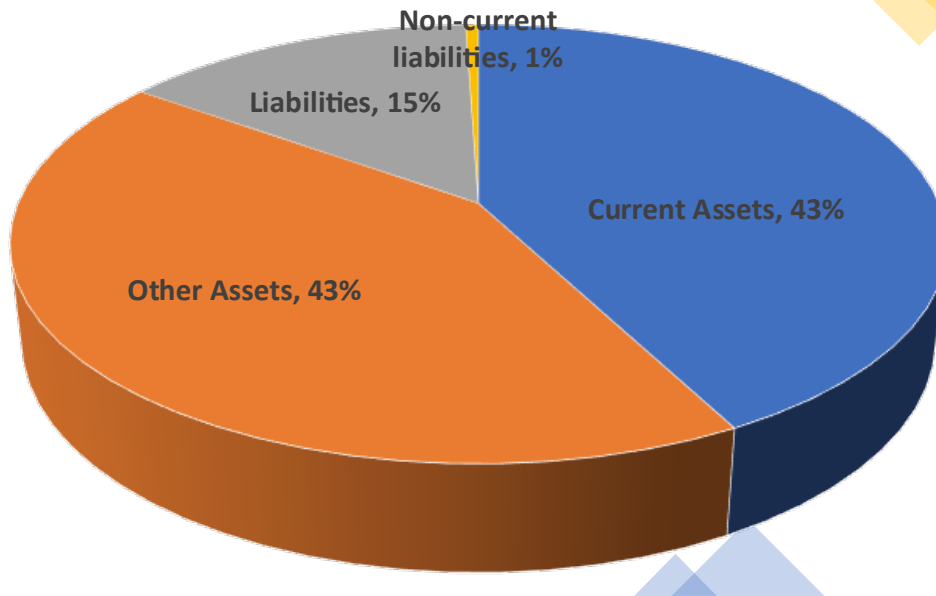
In addition to our financial statements audit, the Conference also get audited on policy compliance with the core Working Policy of the General Conference of Seventh-day Adventists Church. According to the Conference Policy Compliance Report, the GCAS auditors reported: "In connection with our audit, as internal auditors of the General Conference of Seventh-day Adventists, nothing came to our attention that caused us to believe that the Plan failed to comply with the Working Policy of the General Conference of Seventh-day Adventists, insofar as it relates to those policies designated as "core" policies." ([GCAS Report to Governance, NNZC June 2022 Report P. 6](#))



Statement of Financial Position June 2022

	2022	2021
Current assets	14,450,732	12,247,015
Other assets	14,717,157	14,940,064
Total Assets	29,167,889	27,187,079
Current liabilities	5,036,888	5,458,727
Non-current liabilities	181,774	207,142
Total Liabilities	5,218,662	5,665,869
Total Equity	23,949,227	21,521,210

Statement of Financial Position June 2022



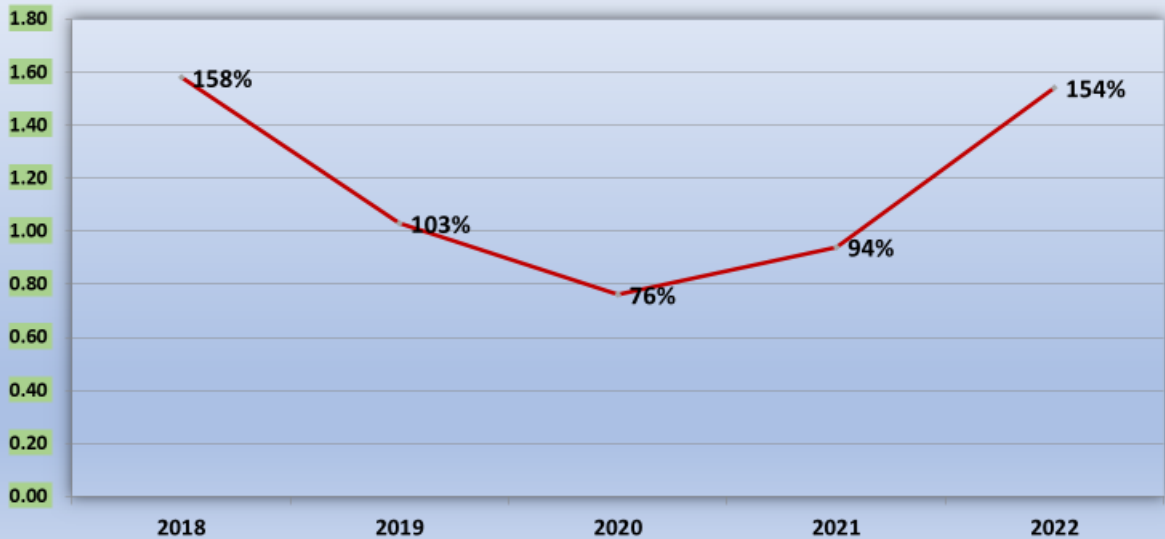
FINANCIAL TRENDS

We are happy to report that the state of the Conference finances at the end of June 2022 is much stronger than it was a year ago. Several areas on our financial statement show positive trends year after year, for which we can only give God the glory. We reported a significant increase in our current assets of about 18% increase compared to the prior year. This also improved both our current and liquidity ratios. With the slight decrease in our total liabilities, we managed to report an 11% increase in our total equity compared to the prior year. Our total liquid asset to commitments increased by 10% and our total liquid asset to current liabilities increased by 68%.

Working Capital and Liquidity June 2022

Working capital	2022	2021
Current assets	14,450,732	12,247,015
Current liabilities	5,036,888	5,458,727
Total working capital	9,413,844	6,788,288
Recommended working capital:		
25% of operating expenses	3,462,505	3,997,413
Reserves	1,371,248	1,318,175
Allocated equity	1,094,604	1,692,332
Non-current provisions	177,774	203,142
Recommended minimum working capital	6,106,131	7,211,062
(Shortfall) of minimum recommended	3,307,713	-422,774
Percent of recommended working capital	154.17%	94.14%
Total liquid assets to commitments	155.32%	106.31%
Total liquid assets to current liabilities	236.84%	168.89%

Working Capital Movement 2018 - 2022

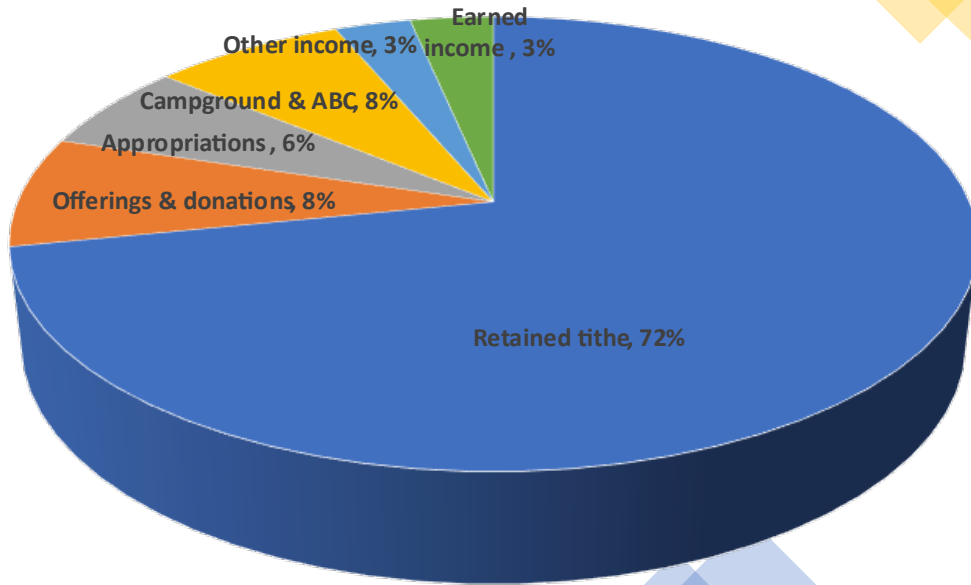


Perhaps one of the most significant positive trends was the increase of our recommended working capital percentage to 154% at June 2022, representing an increase of 60% compared to the prior year. This is about 1.5 times the recommended working capital.

Statement of Comprehensive Revenue and Expense June 2022

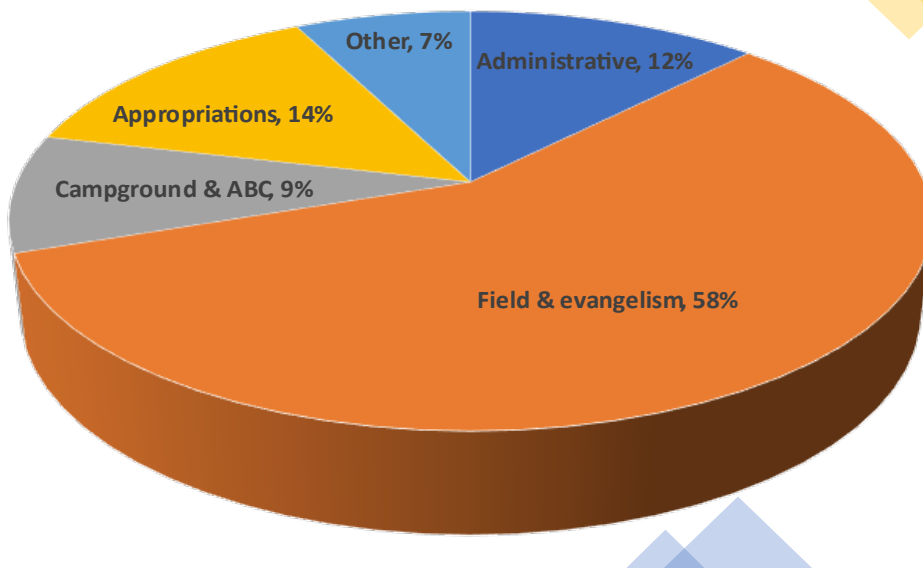
Revenue	2022	2021
Retained title	11,695,841	10,892,248
Offerings & donations	1,283,335	1,422,736
Appropriations	1,023,511	1,655,843
Campground & ABC	1,243,286	1,569,754
Earned income	493,345	480,677
Other income	541,230	504,282
Total revenue	16,280,548	16,525,540
Expense		
Administrative	1,690,968	1,689,516
Field & evangelism	7,954,927	8,618,153
Campground & ABC	1,258,053	1,358,192
Appropriations	1,927,458	3,232,079
Other	1,021,125	1,092,456
Total Expense	13,852,531	15,990,396
Total income	2,428,017	535,144

Income July 2021 to June 2022



Tithe remains the main source of income for the Conference representing 72% of our total income. The Conference benefits from other sources of income, which includes appropriation from other church entities, offerings and donations and investment income. Being part of the worldwide church means some of the offerings we give are used by the church in other parts of New Zealand, the New Zealand Pacific Union, and the world. Because of increase of income, mainly because of increase of tithe, and reduction of our overall costs, we managed to increase our net blessings to \$2.4M compared to the prior year.

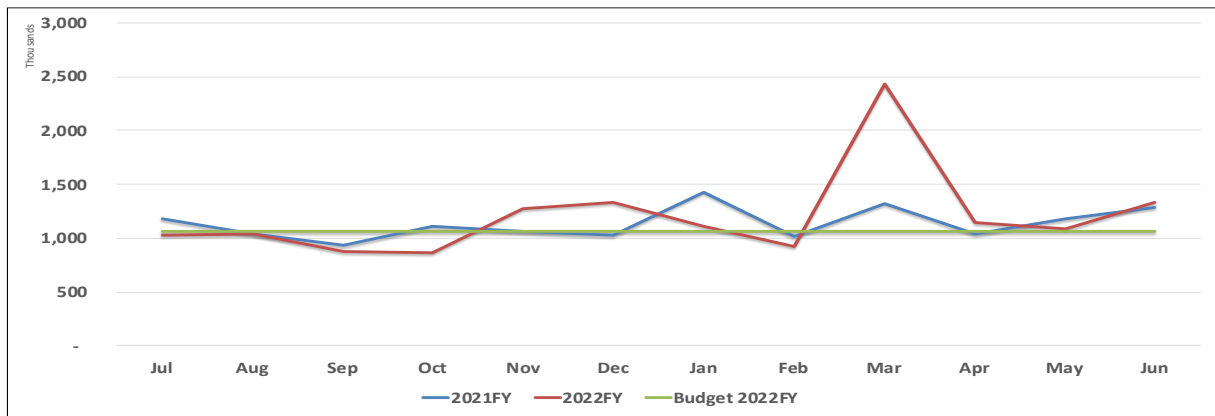
Expenses July 2021 to June 2022



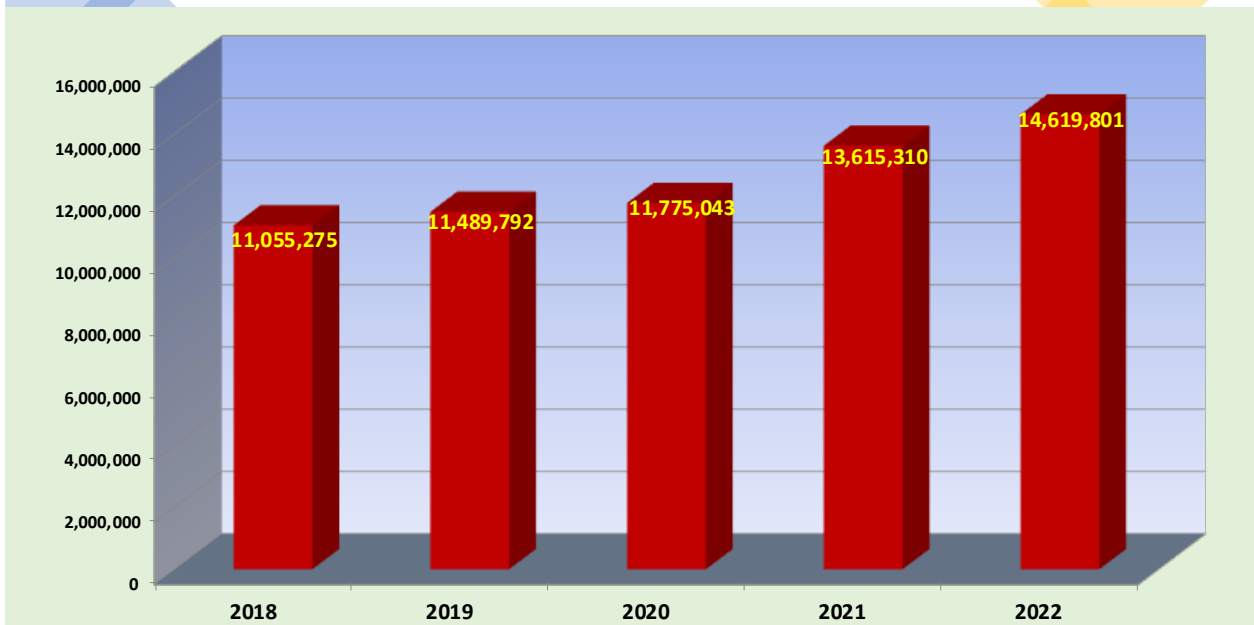
We continue to prioritize and allocate most of our Conference resources to our frontline work in field and evangelism. We also support several outreach initiatives in New Zealand like Hope Channel, Education System, ADRA and Local Churches' initiatives in form of direct appropriations to these

entities. Overall, the percentage of expenditure for most areas in 2022 has dropped compared to 2021, representing an overall drop of around 13% compared to the prior year. It is interesting to note that total expenditure of \$13.85M, including Tui Ridge and our Adventist Book Centre but excluding Bethesda. We are also committed to keep our Conference administrative cost to the minimum and focus on supporting outreach and mission initiatives. We were pleased to see that number of our local churches are make use of the Conference evangelism grants made available to them in support of their evangelism and outreach initiatives and we continue to encourage all our churches to make use of these evangelism funds.

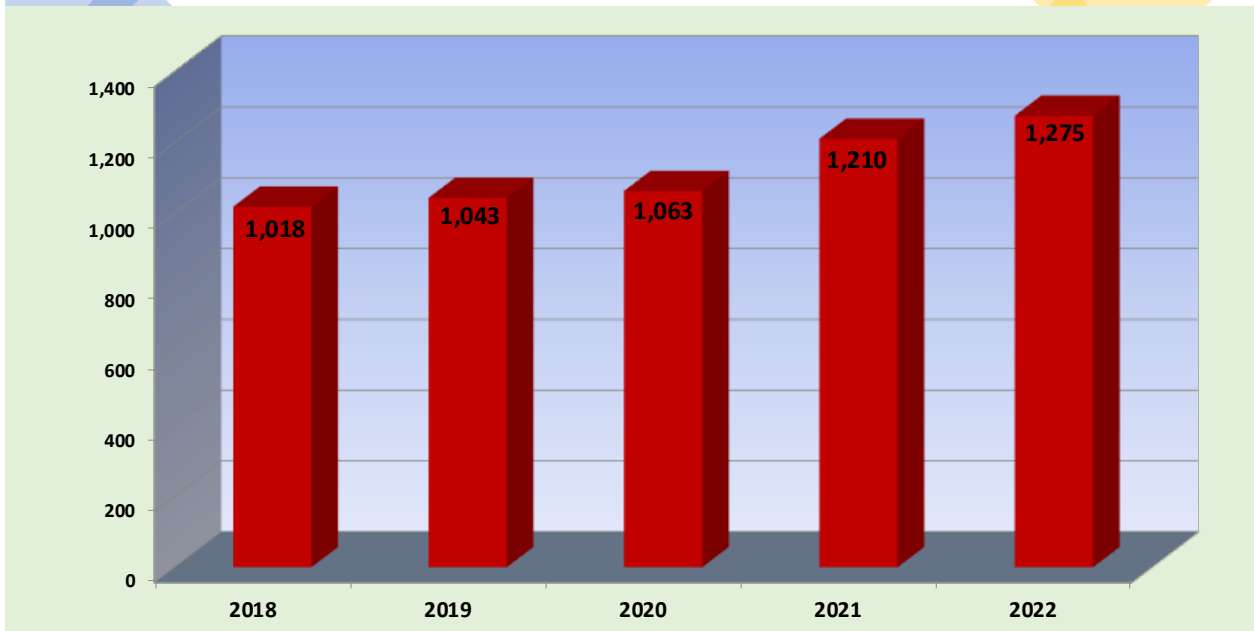
Tithe July 2021 to June 2022



NNZC Gross Tithe 2018 - 2022



NNZC Tithe Per Member 2018 - 2022



TITHE ANALYSIS

We praise God for the commitment of our church members and the way they continue to honor God and putting Him first in their lives through their tithes and offerings of gratitude. Tithe remains the main source of income for the Conference. Among the positive trends, the increase of the Conference gross tithes from \$13.16M end of June 2021 to \$14.19M for the end of June 2022. 80% of the gross tithe is retained at the Conference and the remaining 20%, tithe percentage, is remitted to the Union and the World Church. While our tithe per member have slightly improved compared to the prior year, are still around 41% below average with the assumption that only 50% of our members are income earners and their level of income earned is the New Zealand minimum wage.

LOOKING AHEAD

Looking at the start of the current financial year, the first quarter shows that we are on budget for our reported tithe, and we are hopeful that the positive trends of 2022 will continue, despite the current high uncertainty and possible global economic recession. Our Executive Committee approved the budget for 2023, which follows a conservative approach while keeping a focus on the church's mission. We believe God has undoubtedly brought the Conference through some challenging financial times, to a position that we didn't even dare to dream about at this time last year. It is something that has eased the picture for the 2023 budget, though some challenges remain especially that we are still operating on a deficit budget and Tui Ridge Park continue to be challenged with slow bookings and operating at full capacity. We continue to prioritize spiritual growth and outreach in our resources allocation and recognize that these two priorities must guide our spending decisions, both large and small.

OUTREACH PRIORITY

We continue to encourage our church ministers and church members that amid uncertainty, the outreach stays stronger. All local church leaders and members must remain faithful in their support of God's mission with their means. We must mobilize all the resources He provides to accomplish the work that He has set before us. The goal is to embrace the objective of aligning church resources to make the greatest impact to achieve God's mission. We will work tirelessly to ensure that resources are aligned to make God's mission our number-one priority. When we make God's mission our number-one priority, He will send tokens of blessing to encourage our efforts.

THANK YOU

We wish to thank each church member for faithfully returning their tithes and offerings and for their commitments to support our church work in the North Island and beyond. We also wish to sincerely thank all the local church treasurers and their assistants who faithfully count, receipt, bank and report the weekly tithes and offerings received. This is very much a behind the scenes role in the local church but without your tireless efforts, God's money would not flow to where it belongs.

For a full statement of the financials please contact NNZConf@adventist.org.nz

OPERATIONAL

STAFFING

The Conference is fully staffed. There are no outstanding or current employment matters or obligations. We continue to balance financial responsibility and our staffing needs. With a deficit budget meeting needs, let alone expectations and being responsible for the financial health of the Conference is a continuing delicate balance.

RISK MANAGEMENT

The Executive Committee has approved a Risk Framework for the Conference and receives regular reports and updates as risks arise. At this point we have no matters under investigation.

ENTITIES

ABC

The world is a very interesting place in which to live, and over the past 12 months the ABC has had opportunity to reflect many times not only on its place in our world today, but also how success is to be measured.

The ABC has achieved a small surplus in 2021 and continues to be "God's shop". We have been reminded again and again that the primary purpose of the shop is to enable individuals and church groups to connect with God and to share the gospel of Jesus. One such initiative was being invited by the Gisborne church to participate in their connection activity with their community. This was a definite highlight and something we'd be open to supporting in the future. We continue to look for opportunities such as the Gisborne initiative to minister within Covid-19 guidelines.

In recent times, many churches have been unable to do public outreach in their usual manner, and that has temporarily lessened the ways in which the ABC can support them. However, as local

churches explore other ways to continue personal outreach, we have seen some innovative plans and so we look forward to more groups and individuals coming forward to be resourced in 2022.

Over the past twelve months the ABC has made a concerted effort to put as much of our stock as possible onto the website. There's always more to be loaded, and we encourage our church members to contact us if unable to find the 'right thing'.

Our biggest highlight is taking the shop to Big Camp every second year, putting the right books into the right hands, especially children's books and true-life stories. We love having people 'hang out' in the ABC – not only for the books, but also using it as a place to meet friends. The pleasure we get from camping with the churches will be very much missed. (We invite you to sign up via our website for regular email updates which include regular special prices.)

As always, we are here to support you, and as we move forward into another year, we look forward to being a part of connecting you with God, your church, and your community.

BETHESDA

Our purpose at Bethesda is simple: **To help older people to live life in all its fullness.** To do this, we are creating a community of wellness, guided by our faith, that holistically cares for them in body and mind, heart, and soul.

We are very proud of the Bethesda team who continue to navigate the disruptive nature of the COVID-19 pandemic. We also want to acknowledge those very dear to our Bethesda family who have sadly succumbed to COVID-19 during a recent outbreak at our Care Centre earlier this year. This was a very difficult time for the residents, staff, and families.

We have recently celebrated the first CHIP (Complete Health Improvement Program) graduation at Bethesda Village. The CHIP program is one of many holistic welling initiatives we plan to run in our village going forward to deliver on our strategy, this program included village residents, staff, and the wider community. We are very grateful for Lorraine Curtis for leading this successful event.

Sabbath mornings in the Bethesda village community room has a very special buzz, it's the meeting place of approximately 20 village residents from various denominations who come together after studying our Sabbath school lesson during the week. We ask God to continue to bless this group as they share and grow in their knowledge of Him.

We recently completed our Care Centre DHB and Retirement Village audits with very good results. Staffing remains a huge challenge, especially nurses in Aged Care. We would love to see more Adventist nurses make Bethesda their mission field to serve our elders, we offer a very competitive Nursing package.

NEW BETHESDA BRAND

We are refreshing our Bethesda Brand to reflect our dream to be Recognised as NZ's centre of holistic wellness for older people. You will start to see our refreshed Brand Identity in our marketing and communication going forward.

The Bethesda logo has been created to suggest a flame with each colour representing a core aspect of wholistic wellbeing – mental health, spiritual health, and physical health. What’s behind this Brand Identity, is most important: The promise that “The best of yet to come” and how we plan to build and deliver this Brand going forward.

Below is our fresh new logo:



FINANCIAL PERFORMANCE

Our apartment Westpac loan facility only has \$4 million owing from the original \$18 million loan. We have a few conditional apartment sales in the pipeline which are due to complete within the next 3 months which will significantly reduce the remaining loan facility. Once the loan is paid in full, the additional apartment sales will allow Bethesda to build its financial reserves and deliver on its strategy being guided by God each step. We thank God for these blessings in a very volatile economy, especially in the current housing market and increasing bank interest rates. The Care Centre managed to maintain high 90% occupancy during the past financial year in midst of the COVID lockdowns and disruptions. The FY22 Financial results are being finalised and audited.

LOOKING FORWARD

The continuance of the Covid-19 pandemic through 2022 has not only impacted Bethesda as business but has severely impacted many aspects of our daily lives and our wellbeing. This impact highlights why its so timely that Bethesda is placing holistic wellbeing at the heart of our strategy, mental health, spiritual health, and physical health.

We planning to add the following amenities in the coming months, a café, man shed and gym to the village and we look forward to seeing our church family visiting the Bethesda Café.

You will continue to see Bethesda focusing on providing hope to our elders, this is embedded in our promise that “the Best is yet to come”, starting on this earth and in eternity.

We thank our Father for all his blessings at Bethesda, and your support and prayers.

TUI RIDGE

“For I know the plans I have for you says,” declares the LORD, “plans to prosper you and not to harm you, plans to give you hope and a future”. Jeremiah 29:11

Tui Ridge Park was affected like many other businesses by COVID. As lockdowns ended and our normal partners began to return, we adapted our operations and programmes to ensure the safety and wellbeing of our campers and were still be able to deliver value to our clients.

While the pandemic has been difficult on staff who like many others face uncertainty from reduced work and the impact on them personally, we have as a team navigated the changes and come through with a greater appreciation for each other and how God continues to bless TRP. The grounds are just as beautiful as ever and we have been able to work on maintenance and other projects.

We have been able to develop and refine our standard and safe operating procedures and continue to offer support for schools to try to secure future camps.

We continue to struggle with loss of bookings but are seeing a growing return and also getting interest from our church and other groups. Hosting the Ministers meetings for our NNZC pastors in August was a highlight. We loved caring for them and supporting their programme. The Pathfinder/Adventurers Rally Fair was also a highlight and the return of the over 60' now the over 50's weekend saw many of our faithful church members enjoy a weekend of fellowship at Tui Ridge. This is always a great programme.

Other community and Corporate groups also enjoyed their time at Tui Ridge and we look forward to them returning.

Financially we continue to struggle but thank God that the pine plantations on the property are earning carbon credits which we have been able to use to minimise the deficit.

Big Camp 2022 is the pinnacle event for this Tui Ridge and we are looking forward to welcoming our church members here in early January 2022. After a three-year drought we look forward to this time of fellowship.