

REPORT 1.1

OCTOBER 2021



North New Zealand

CONFERENCE ANNUAL REPORT

YEAR ONE 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 have been agreed by the Executive Committee as the focus for our Conference.

As we have consulted with churches over their goals for 2022 and as we look at the current needs and issues that are impacting the churches in North New Zealand, we have three key goals for 2022.



GOAL 1 – CONNECT – UNITED IN PRAYER

As church, who are we praying with and who are we praying for?

Praying for unity, for courage and our engagement in the harvest.



GOAL 2 – CONNECT - NO ONE LEFT BEHIND

As church, who are our needy and how are we ministering to them?

Caring ministry within the church and within community



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

REAPING

As church, who is missing, who is God leading us to?

Growing spiritually and reaching out to those we have lost and those who are lost.



Led by the Spirit as we unite in prayer, ensure no one is left behind and retain, reclaim and reap we look forward to the fruit of 2022.

MISSION

HOPE CHANNEL IMPACT AND OPPORTUNITY

The Bible School received 87 requests for the Sabbath School lessons over the last year. Pastors are informed and either they or their church members make contact as HOPE Channel representatives. This enquiry as to whether the pamphlet has arrived and if there are any other needs or questions has opened the door, in a few cases, to Bible studies and engagement in church. There are small groups of non-Adventists meeting to study our lesson pamphlet regularly. As repeat requests come each quarter, we believe there is a great connecting opportunity open to our church members to taking pamphlets to these people and groups and opening the door to further engagement.

WORSHIP AND FELLOWSHIP FLEXIBILITY

North New Zealand has been fortunate to have extended periods in which physical church attendance has been possible. Auckland, where half of our churches are located, has had well over 20 weeks of church closure since COVID began in 2020. Exciting innovation has seen our churches find ways to connect, be church and worship. Online communion, virtual regional programme, emailed devotionals, online socials and quiz nights and Conference wide virtual training have all added to study groups, Sabbath School and Sermon online. Churches are encouraged to continue to challenge normal church routines as we face such uncertain times and need to pivot often for worship and fellowship. As a people of prophecy, we know that disruption is to be expected and creativity to maintain contact and be able to worship together while distanced.

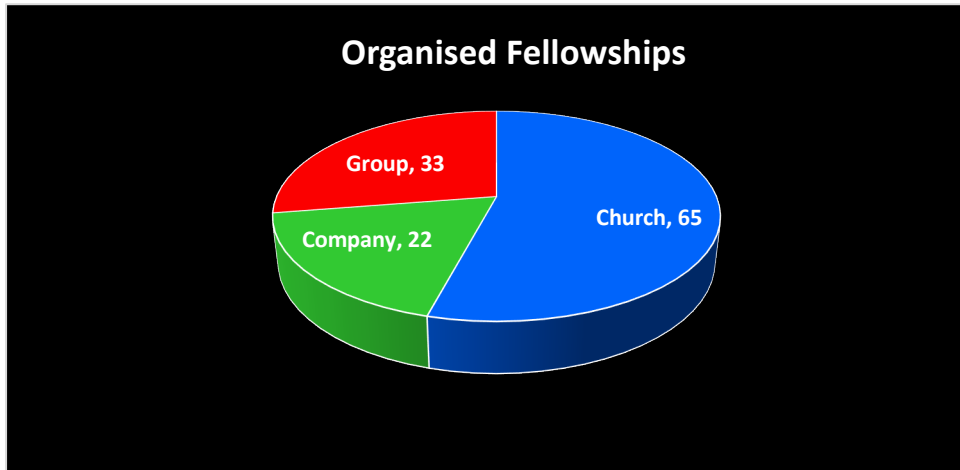
ADRA AND CPT PROJECTS

We are excited by the many churches and groups that are engaging with ADRA in the CPT partnership. This is a venture we support as a Conference and know it is opening doors into our community. From Kaitaia in the north to Wellington in the south churches are connecting into the community to make a positive difference and opening the door to support people spiritually.

The DARP programme is being run by a number of our churches and supporting wellbeing for many in our communities. Training and delivery of a range of ELIA programmes is a CPT project we would actively encourage. Other projects include supporting people to obtain driver licenses, supporting families to grow gardens for greater food security, providing support through meals programmes which build relationships into the community and a range of youth mentoring projects including Invictus at Longburn Adventist College. Building Kingdom friendships while helping people with life is a great way of opening the door to the gospel.

CHURCH HEALTH AND GROWTH

GROUPS AND STATUS



CHANGE OF STATUS

Over the first year of the quadrennium two companies have reached the miles stone of seeking to become churches. Whanau Hamilton and Auckland International. This is in process.

NEW COMMUNITIES

We are excited to have a new church plant, The Fields started at the commencement of 2021.

CHURCH PLANTS AND GROUPS

Pastor Paul Siope has started to review the church plants and groups in the Conference to assess their progress. In the next 12 months we will be reviewing groups for progression to Company status and from Company to Church status.

MEMBERSHIP

Our membership at the end of September 2021 was 11,359. The Executive Committee believes this figure is highly inaccurate in terms of our actual active membership. In 2022 we will encourage churches to review their membership lists and update them to better reflect the church's actual membership.

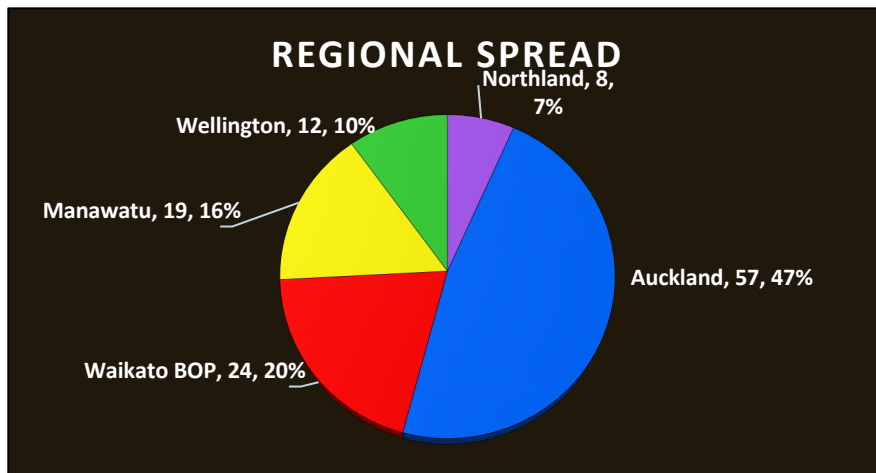
BAPTISMS AND PROFESSIONS OF FAITH

We continue to see membership growth. We welcome the 242 people who, having chosen to follow Jesus and belong to the Seventh-day Adventist church been baptised or professed their faith in the last 12 months.

Our condolences go to the families of the 80 members who have passed away over the last year, especially those who did so in lockdown and restrictions.

REGIONAL SPREAD

Nearly half of our membership is in Auckland 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.

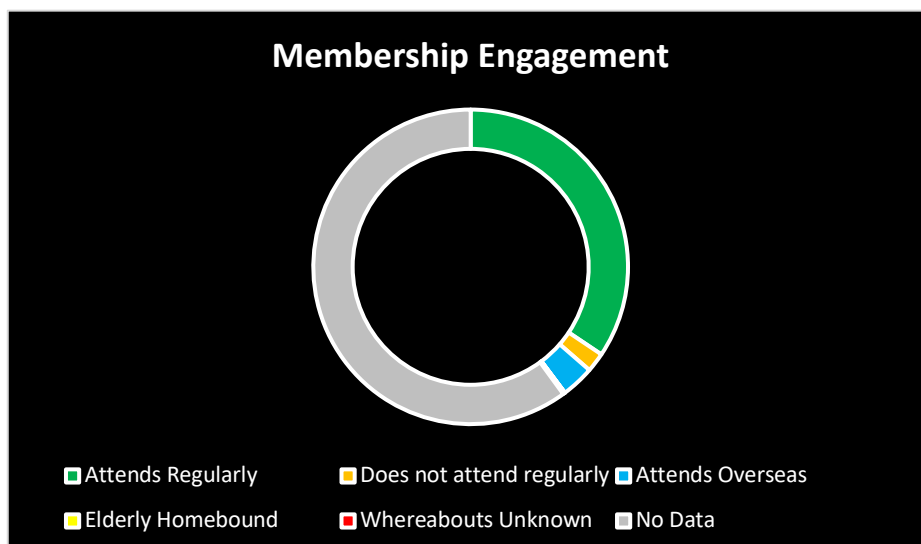


ATTENDANCE

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

Our baseline for reporting for attendance was 37% reporting. By the end of our first year we have 64% reporting. Our groups and church plants struggle to report at 23%, with 54% of companies and 90% of churches.

The information we have on our membership database does not tell us a lot about members and attendees at our churches. Having changed the software from the SPD Membership Data Base to the global Adventist Church Membership System (ACMS) we have real potential to understand our people better. This is an exciting opportunity. So far, we have trained 17 of our clerks. We now want to include attendees and children on our database. 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.




FINANCE

AUDIT REPORT AND OPINION

The North New Zealand Conference “the Conference” financial year runs from 1 July to 30 June. When we look at the figures in this report and look back over the past financial year, we are reminded of how God has been blessing and providing for His work within our Conference. We are also reminded and comforted by the following words of Ellen G White “If the work be of God, He Himself will provide the means for its accomplishment. He will reward honest, simple reliance upon Him. If we go to the Source of all strength, with our hands of faith outstretched to receive, we shall be sustained in our work, even under the most forbidding circumstances, and shall be enabled to give to others the bread of life.” (*Desire of Ages, P. 371*)

The Conference June 2021 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 2021 – Audit Opinion P. 1*)

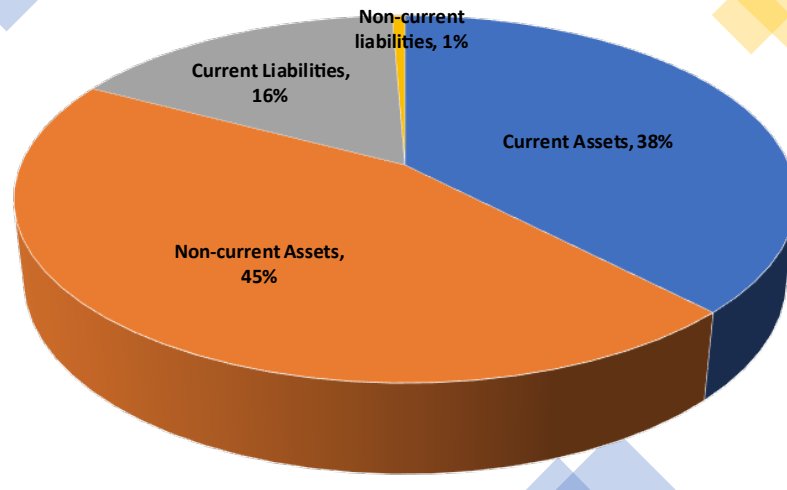
In addition to our financial statements audit, the Conference also get audited on policy compliance with the core Working Policy of the General Conference of Seventh-day Adventists Church. According to the Conference Policy Compliance Report, the GCAS auditors reported: “In connection with our audit, 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 2021 Report P. 6*)



**Statement of Financial Position
June 2021**

	2021	2020
Current assets	12,247,015	10,671,165
Other assets	14,762,918	15,329,922
Total Assets	27,009,933	26,001,087
Current liabilities	5,458,727	4,835,288
Non-current liabilities	207,142	179,733
Total Liabilities	5,665,869	5,015,021
Total Equity	21,344,064	20,986,066

Statement of Financial Position June 2021

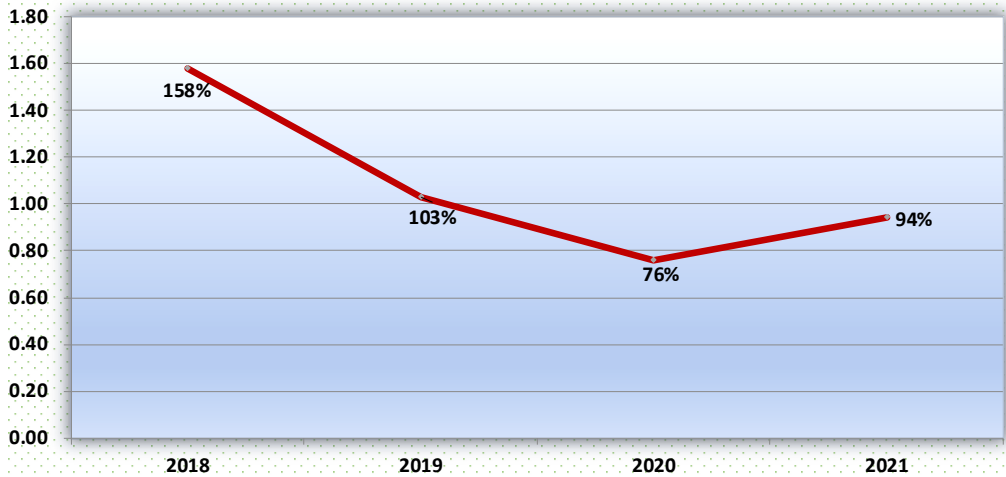


FINANCIAL TRENDS

We are happy to report that the state of the Conference finances at the end of June 2021 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 15% increase compared to the prior year. This also improved both our current and liquidity ratios. With the slight increase in our total liabilities, we still managed to report a 2% 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 7%.

		2021	2020
		Working capital	
Current assets		12,247,015	10,671,165
Current liabilities		5,458,727	4,835,288
Total working capital		6,788,288	5,835,877
Recommended working capital:			
25% of operating expenses		3,997,413	4,320,521
Reserves		1,318,175	1,423,613
Allocated equity		1,692,332	1,743,446
Non-current provisions		203,142	175,733
Recommended minimum working capital		7,211,062	7,663,313
(Shortfall) of minimum recommended		-422,774	-1,827,436
Percent of recommended working capital		94.14%	76.15%
Total liquid assets to commitments		106.31%	95.84%
Total liquid assets to current liabilities		168.89%	162.09%

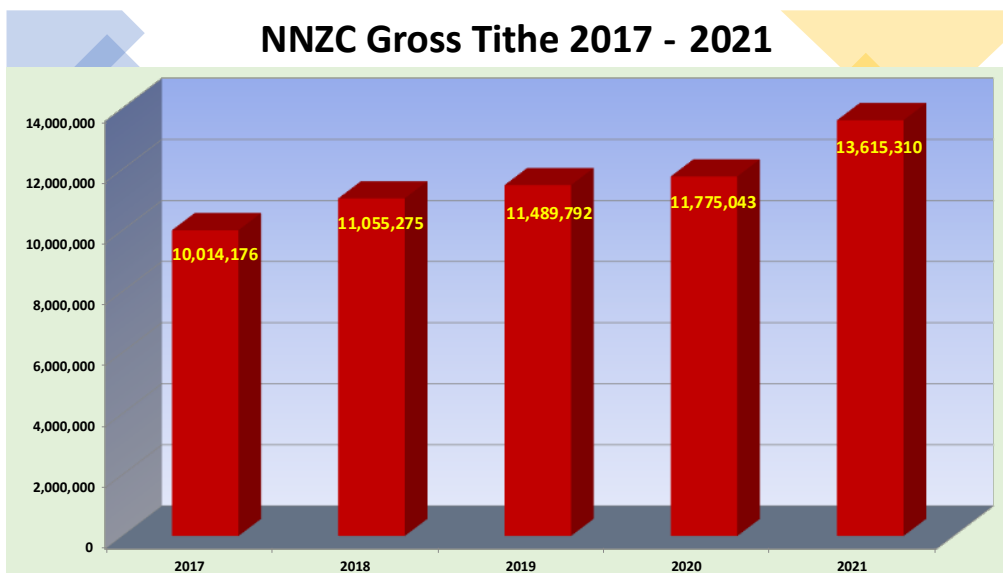
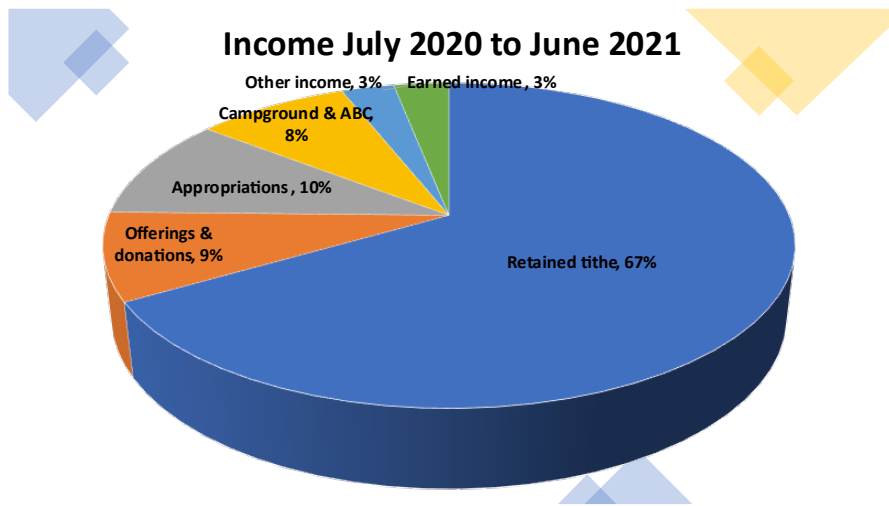
Working Capital Movement 2018 - 2021



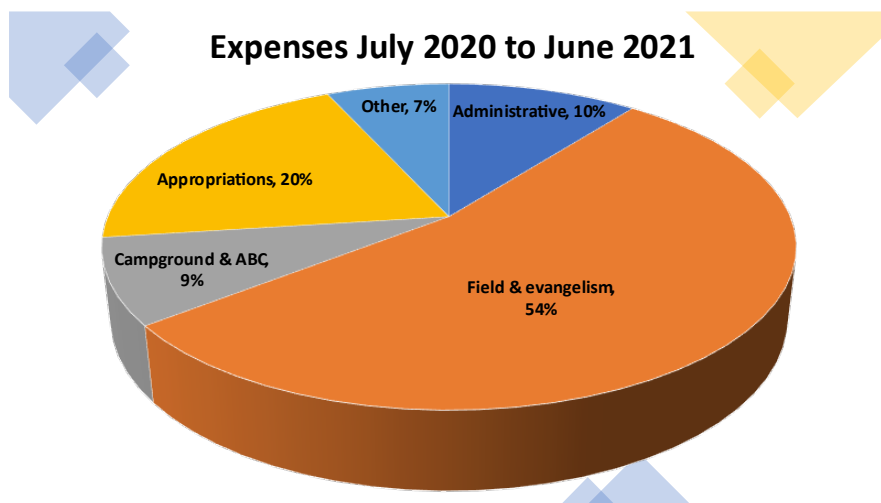
Perhaps one of the most significant positive trends was the increase of our required working capital percentage to 94% at June 2021, representing an increase of 18% compared to the prior year. While we celebrate this welcomed improvement, we recognize we are still short of the recommended working capital of 100%. We continue to make every possible provision to reach the recommended percentage.

Statement of Comprehensive Revenue and Expense June 2021

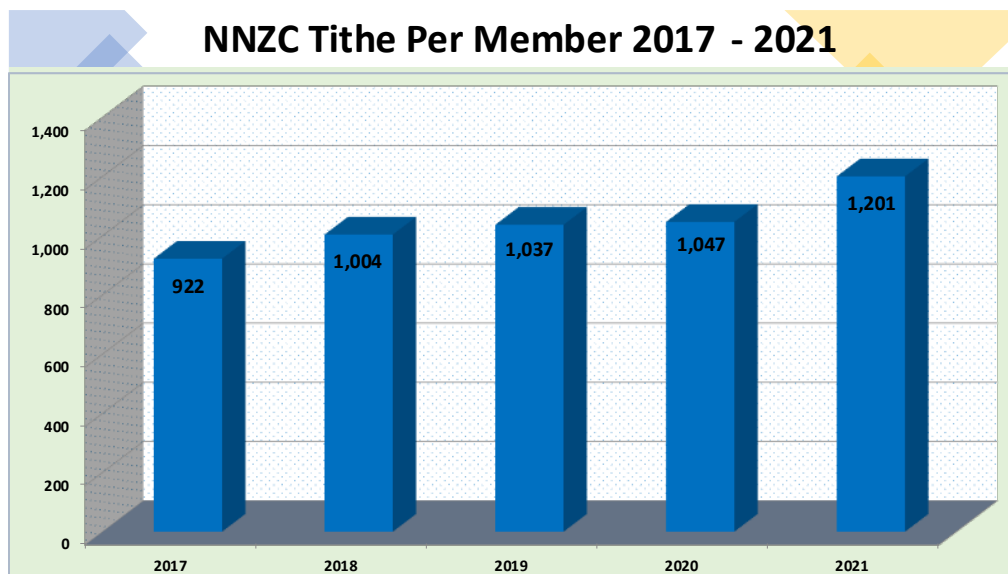
Revenue	2021	2020
Retained title	10,892,248	9,420,035
Offerings & donations	1,422,736	1,376,707
Appropriations	1,655,843	1,641,166
Campground & ABC	1,392,608	1,627,703
Earned income	480,677	738,370
Other income	504,282	409,685
Total revenue	16,348,394	15,213,666
Expense		
Administrative	1,689,516	1,660,805
Field & evangelism	8,618,153	9,296,130
Campground & ABC	1,358,192	1,701,935
Appropriations	3,232,079	3,150,975
Other	1,092,456	1,486,865
Total Expense	15,990,396	17,296,710
Total income/(loss)	357,998	-2,083,044



Tithe remains the main source of income for the Conference representing 67% 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 turn a \$2.08M deficit end of June 2020 to a \$358K surplus end of June 2021.



We continue to allocate most of our Conference resources to our frontline work in field and evangelism. We also support a number of outreach initiatives in New Zealand like Hope Channel, ADRA and local churches' initiatives in form of direct appropriations to these entities. Overall, the percentage of expenditure for most areas in 2021 has dropped compared to 2020, representing an overall drop of around 8% compared to the prior year. It is interesting to note that total expenditure of \$15.99M, 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.



TITHE ANALYSIS

We praise God for the commitment of our church members and the way they continue to honor God and put 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 \$11.78M end of June 2020 to \$13.16M for the end of June 2021. 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. However, our tithe per member is still around 43% 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 toward the end of the current financial year, the first quarter shows a drop in our reported tithe due to the Covid-19 lockdown, we are still hopeful that the positive trends of 2021 will continue, despite the current pandemic and turmoil. However, we see that the most prudent approach is for us to make plans to come out of it slowly and support our entities that are directly impacted by it, especially Tui Ridge Park. Our Executive Committee approved the budget for 2022, 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 2022 budget, though some challenges remain especially that we are still operating on a deficit budget. One

lesson we did learn from financial stresses of the prior year is that two priorities (spiritual growth and outreach) must guide our spending decisions, both large and small.

OUTREACH PRIORITY

We encourage our church ministers and church members that amid uncertainty and turmoil, the outreach stays the same. 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 the rest of the world. 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 is working to finalise its risk register and planning.

ROYAL COMMISSION ON ABUSE IN CARE

The North New Zealand Conference met its obligation to report to the Royal Commission on Abuse in Care. It was incredibly sad to have to report on instance where children in our care have been abused by senior church members who were given responsibility to lead and care for them. Incredibly sad stories of lives turned against not just the church but also God. Young people not believed. Offenders not confronted. We can see the impact of Adsafe in starting to support addressing not only historic wrongs but also providing support to ensure children and vulnerable people as safe in our church community and perpetrators are not given further opportunity to cause eternal damage.

Adsafe continues to be a critical part of our operation with sadly some churches not understanding the historic damage and current liabilities we have and the need to be safety conscious and proactive in protection.

LEGISLATIVE SUBMISSIONS

The North New Zealand Conference made submissions in relation to the Hate Speech and Conversion Therapy Legislation to represent Adventist theology and to endeavor to maintain freedom of speech, belief, and action.

We have also written to Government in relation to mandating of Vaccination and impact on New Zealanders. In this submission we shared thoughts on how they could support people while protecting public health issues.

INFORMED DECISION MAKING

Improving decision making by ensuring we have more relevant data has been a goal for the first 12 months. An emphasis on attendance figures rather than the inaccuracies of the membership database for churches, which does not accurately reflect most churches active members, is informing staffing and resource allocation.

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 vision is to be recognised as New Zealand’s center of holistic wellness for older people. This is underpinned by our promise that “The best is yet to come”, this hope is for now and eternity. We have refreshed the Bethesda Brand Strategy which will place a stronger focus on creating a community of wellness in the years to come, focusing on spiritual, mental, and physical wellbeing.

We bore the brunt of the COVID-19 pandemic during 2020 and 2021, we are currently in the fourth wave. Each COVID lockdown has a financial impact on the Bethesda business, it affects our new admissions and village sales. In addition, New Zealand is experiencing a nursing crisis at a national level, Bethesda has been impacted by this as well.

In the midst of these significant challenges, God is blessing Bethesda. We have managed to maintain a 90% plus occupancy in the Care Centre over the past few months. Bethesda is tracking well with our apartments sales; 23 apartments have been sold and with a few further conditional sales in the pipeline. Our apartment Westpac loan facility only has \$6 million owing from the original \$18 million loan. Based on our recent annual valuation, Bethesda’s total assets have grown significantly over the past year by an additional \$8.4 million.

We are extremely grateful to our dedicated staff who tirelessly come to work each day leaving their own families behind during this pandemic to provide unselfish care to our Care Centre and Village residents. We also blessed to have a strong multifaith bible study group in our village who study our sabbath school lesson each week in person and now via Zoom. It’s been a pleasure for Bethesda to provide various gifts ranging from fresh fruit, fresh baking, Revive Frooze balls and

flowers to our village residents during these tough lockdowns. Lastly, we want to thank Bethesda's prayer warriors, for all your prayers and our amazing God for looking after Bethesda.

Looking ahead, we will continue to focus on keeping our residents safe during this COVID-19 pandemic, selling down the apartments and delivering on our refreshed Brand Strategy with the promise that "The best is yet to come".

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

At Tui Ridge Park, we have been affected like many other businesses since the initial COVID19 lockdown in March 2020 and its flow on effects. Cancellations and loss of income were immediate and substantial, and the stop-start nature of moving between the different alert levels jolted us into a new way of thinking and working to 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 for staff living onsite it has been the best place to spend lockdown! We have been able to develop and refine our standard and safe operating procedures and continue to offer support for schools trying to secure future camps.

In a world where mask-wearing and physical distancing is the new norm, feedback from schools about the importance of bringing their students to a natural setting with outdoor activities and other services and facilities has been overwhelmingly positive and appreciated. There has been a new air of excitement with both students and adults that have been fortunate enough to resume their camps at level 1 and 2; especially groups from Auckland.

Although it has been disappointing, as well as financially devastating, to lose bookings from schools and other clients, it is even more sad to see cancellations impacting our church departments. We have lost bookings from youth and pathfinder/adventure departments, and recently the annual Women's retreat. However, the cancellation of Big Camp 2022 has really hit us at TRP as the pinnacle event for this facility. It won't be the same around here in early January 2022; we will miss the people and programmes. Nevertheless, God is still in control: *"As the mountains surround Jerusalem, so the LORD surrounds His people both now and forever more."* Psalm 125:2