

North NSW Conference

Financial Report

February 2021
Russell Halliday

Seventh-day
Adventist Church™

North New South Wales





Russell Halliday
Chief Financial Officer

Seventh-day Adventist Church –
North New South Wales Conference

A big thank you to God for His many blessings and for the faithful support of North NSW Conference church members. In this financial report we will review 2020 results and present the budget forecasts for 2021 - 2025.

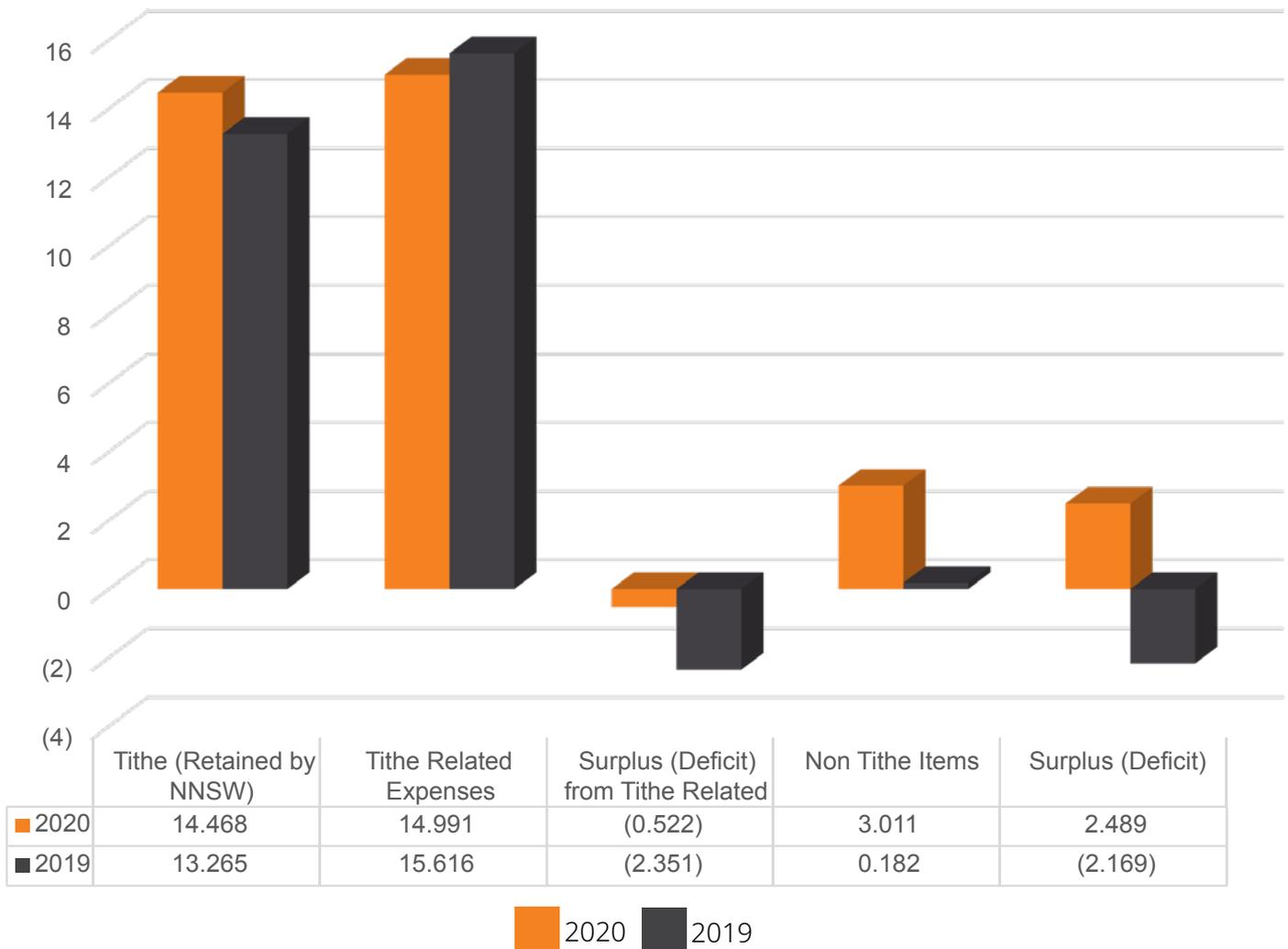
2020 Summary

The December 2020 financial statements disclose a surplus of \$2.5m for the year. This is a \$4.6m improvement on 2019. An analysis of the results reveals the following;

Financial Summary

Jan - Dec 2020

\$m



Tithe

Our 2020 tithe is 9% above 2019. Lump sum tithe donations have contributed a 31% increase in June and a 17% increase in July over the same period in 2019.

We praise God that 17 of our top 20 tithe paying churches in North NSW have recorded an increase in tithe on the same period in 2019.

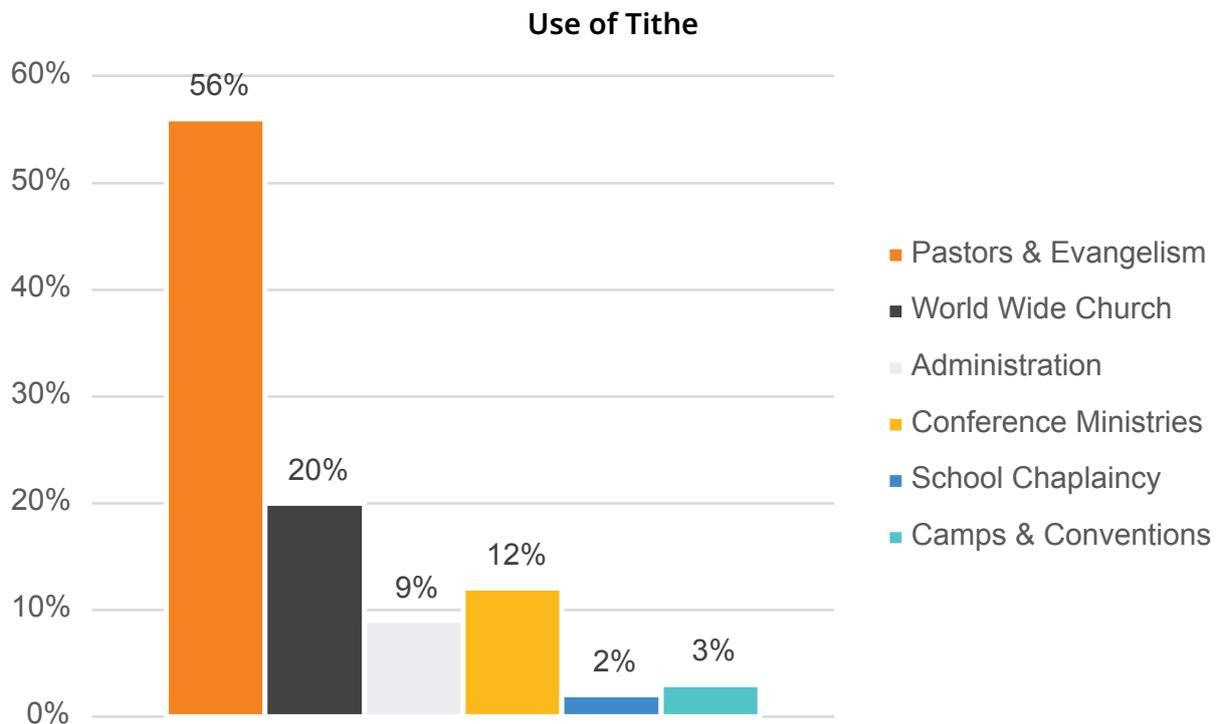
Local Church Audits

As part of our annual local church audit program, in 2020 our conference treasury team visited 37 local churches and completed their financial audit. This represents an audit of 40% of our churches and 81% of tithe income sourced from local churches.



Tithe Related Expenditure

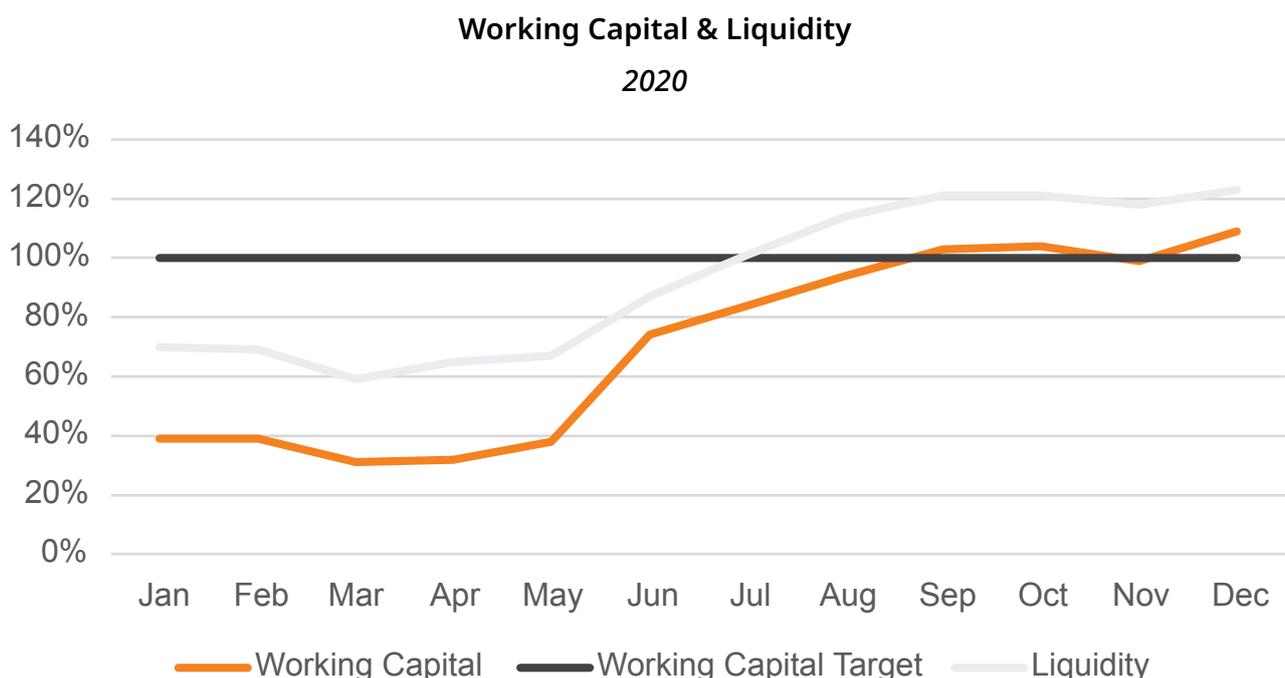
Tithe related expenditure is \$625k lower than 2019. Savings came from cost reduction strategies and local church evangelism programs being placed on hold due to Covid. A breakup of our tithe related expenditure appears in the chart below;



Note that the percentages above add to 102% indicating that we have spent 100% of tithe received on mission and the additional tithe related expenditure has been funded from non tithe sources such as big camp appeal.

Working Capital & Liquidity

North NSW Conference capacity to meet ongoing financial commitments, as measured by the working capital and liquidity ratios, has improved in 2020. (see chart below)



The key drivers of the improvement are stronger tithe, ongoing restructuring of our spending, \$664k income from deceased estates for evangelism compared with zero in 2019 and \$2.3m from the government's covid stimulus Cash Boost and Jobkeeper grant schemes.

Budget Forecast 2021-2025

Whilst we acknowledge the financial blessings we have received in 2020, in setting the budgets for the next five years, we are acutely aware of the challenges facing us without potentially the "one off" benefits of government stimulus packages, deceased estates and healthy tithe increases.

With the goal of ensuring the conference is financially sustainable, the executive committee has prayerfully approved a plan to achieve sustainable operating surpluses by financial year 2022/23 as summarised in the operating budget below.

Operating Budget 2021-2025 (\$m)

	6 Months Jun-21	12 Months Jun-22	12 Months Jun-23	12 Months Jun-24	12 Months Jun-25
Tithe Retained by NNSW	6.600	13.200	13.332	13.465	13.600
Tithe Related Expense	7.197	13.709	13.535	13.367	13.343
Surplus (Deficit) from Tithe	(0.597)	(0.509)	(0.203)	0.098	0.257
Non Tithe Items	0.117	0.222	0.236	0.246	0.278
Surplus (Deficit)	(0.480)	(0.287)	0.033	0.344	0.535

The key budget assumptions for the 2021-2025 period include 1% or less increases in tithe using 2019 as the base year, maintaining wages costs at 85% and operating expenses at 10% of retained tithe and reducing deficits for campgrounds and better books and food.

Capital Budget 2021-2025

The main purpose of our capital expenditure is to refurbish and upgrade our existing assets so that they continue to function and serve the mission of the church. Capital expenditure is typically funded from fixed asset replacement reserves held in the conference property fund and church company.

Find below the capital expenditure budget approved by the executive committee for 2021-2025.

Capital Budget 2021-2025 (\$K)

	6 Months Jun-21	12 Months Jun-22	12 Months Jun-23	12 Months Jun-24	12 Months Jun-25
Stuarts Point Convention Centre <i>(Refurbish/upgrade existing facilities)</i>	145	155	160	90	40
Yarrahapinni Adventist Youth Centre <i>(Refurbish/upgrade existing facilities)</i>	111	70	270	75	
Software <i>(Replace local church treasurer system)</i>	50	100	50		
Conference Office <i>(Replace computers & office equipment)</i>	20	17	17	17	17
	326	342	497	182	57



Finally, we commit all our plans to the will and providence of God. We do not know what tomorrow will bring, but confidently follow the footsteps of the one who knows the end from the beginning.

¹³ Now listen, you who say, "Today or tomorrow we will go to this or that city, spend a year there, carry on business and make money." ¹⁴ Why, you do not even know what will happen tomorrow. What is your life? You are a mist that appears for a little while and then vanishes. ¹⁵ Instead, you ought to say, "If it is the Lord's will, we will live and do this or that." James 4:13-15

More Information

For more information on church finances in the past 12 months refer to the following reports.

April 2020	https://nsw.adventist.org.au/news/financial-report-april-2020/
June 2020	https://nsw.adventist.org.au/news/financial-report-june-2020/
July 2020	https://nsw.adventist.org.au/news/financial-report-july-2020/
August 2020	https://nsw.adventist.org.au/news/financial-report-august-2020/
November 2020	https://nsw.adventist.org.au/news/financial-report-november-2020/
December 2020	https://nsw.adventist.org.au/news/financial-report-december-2020/

