

FOURTH BUSINESS MEETING

Sixtieth General Conference session, July 3, 2015. 2:06 p.m.

WILLIE HUCKS: We welcome everyone back for the business session this afternoon. Before we get started, I invite you to bow your heads with me as we have a word of prayer.

[Prayer.]

WILLIE HUCKS: As we continue our afternoon session, we want to continue in the spirit of prayer. Prayer has carried us thus far. Prayer will continue to carry us.

This morning during the secretary's report we heard the numbers that address those who are missing from our congregations. And, indeed, we have a ministry of reclamation for our family members, for other church members. These are the sheep among the others that the Lord wants to bring back into His fold.

So for the next few minutes, approximately two to three minutes, I invite you to join with the person who is next to you, in groups of two, I would suggest, and will take just a couple of minutes to lift up in prayer not only our loved ones but others that we know who are missing from the fold. God wants to bring them back.

As you conclude your prayers, we will have one final prayer from Pastor Enrique Bernal from the Inter-American Division. So at this time I invite you to join with someone as we kneel in the presence of our Lord and Savior, and we will pray.

[Prayer.]

ARMANDO MIRANDA: Good afternoon, brothers and sisters. It's a pleasure to start again our last session of the week. We are just a few hours away from entering into the sacred hours of the Sabbath of the Lord. We praise the Lord for the way He has led in the past and how He will continue to lead our session here.

I would like to introduce to you the persons on the platform, those who are here at this table. On my right you are very familiar now with the lawyer Todd McFarland, who is a parliamentarian for the session. And on my left hand we have Wendy Trim, who is recording secretary for this afternoon. And the secretary of this afternoon's session is Harald Wollan. Thank you for being with us and helping us with this business.

I would like to take advantage of this opportunity to thank you and to express my gratitude, because you are the representatives of the world church, for your support through the years that the Lord gave me in this wonderful church serving as a minister. After 43 years of service and 67 years of age, I am ready to retire. But at the same time, I will continue to preaching the Word of God until Jesus comes or until I go to rest.

So thank you so much, and God bless you.

[Applause.]

And now, before we go to the treasurer's report, I would like to invite Brother Homer Trecartin, the chair of the Nominating Committee, because they have another report. Brother Trecartin.

HOMER TRECARTIN: Thank you, Mr. Chairman.

The Nominating Committee is ready to make its second report. And Dr. Leslie Pollard, our secretary, will read that to you.

LESLIE POLLARD: Delegates, the Nominating Committee wishes to bring before you the name of G. T. Ng for the position of secretary of the General Conference.

ARMANDO MIRANDA: OK. Is there a second? Do we have a second?

OK. We have a second.

Any observation?

Seems to me we are ready to vote. Please take your green cards, and all in favor, just raise your card.

Thank you very much.

Those against, do the same.

Thank you so much. It's carried.

And God bless you, Elder G. T. Ng, in your responsibility.

[Applause.]

I don't know if Elder G. T. going to come to the platform. Surely we don't do that, only the president, but just in case, I am going to see if he is backstage.

So now, it seems to me, we are ready to go to the next item, agenda item 137. And it's the treasury report, so I am going to invite Elder Bob Lemon to lead us in this process, to present the report.

Elder Lemon, if you are ready to present the report. OK. Sorry. Elder G. T. is coming. Sorry about the confusion.

So it's a privilege to introduce to you the general secretary of the General Conference, Elder G. T. Ng.

[Applause.]

Thank you very much, Elder G. T. Do you want to say a few words?

G. T. NG: Thank you very much, Mr. Chairman. Thank you for the confidence of the Nominating Committee. I was hoping someone would refer this recommendation back to the Nominating Committee.

[Laughter.]

But my dream did not come true. So the question I have is: Who is sufficient for all these things? Who is sufficient? Except by the grace of God.

So by accepting this awesome responsibility, I pledge, together with all of you, leadership and membership, to hasten the coming of Jesus Christ.

I want to thank my wife, Ivy, for sticking with me through thick and thin. Without her, I would have been a basket case long ago. They say never question your wife's judgment. Just look at who you

married. So I value her judgment and her support for many years. May God continue to be with us as we journey on, enhancing the kingdom of God, until Jesus comes. Amen.

[Applause.]

ARMANDO MIRANDA: Thank you very much, Elder G. T. And now we are going to the treasurer's report.

Elder Lemon, please.

BOB LEMON: Greetings. It's great to be with each of you. I was hoping this morning that there would be a little break between G. T.'s report and mine, because nobody wants to compete with G. T.'s report. He's been a teacher for many years, and he's just fascinating to listen to. But we have the privilege right after lunch when all of you go to the sleep, so we will present the treasurer's report.

We're going to have a short video, about four minutes, that's going to introduce the division and General Conference elected treasurers. If we could have that now.

[Video.]

There you have the elected treasurers of the divisions and the General Conference. I want to express great appreciation to the privilege I've had of working with this great team.

In addition to that, you will find in your treasury booklets a picture of Jóhann Jóhannsson, who also served during this quinquennium for the Trans-European Division. He moved to Norway during the term, and so we have another treasurer in the division. But I just wanted to mention him.

From the division treasures, Ken Osborn has announced his intention to retire. Roy Ryan and I, among the GC treasurers, have also indicated that we are retiring. As a matter of fact, we've already had our farewells. The Nominating Committee will be dealing with and bringing back recommendations regarding the rest of the group. I would like to invite all of the elected treasurers, both from the GC and from the divisions, to stand so that you can see them. Give them a hand for the great job.

[Applause.]

Thank you so much. You can be seated.

Last night, as the Nominating Committee was appointed and we were walking out, one individual asked me what it felt like to take no thought for tomorrow, quoting Matthew 6, and, of course, referring to the Nominating Committee, because I had no concerns. You know, it was rather interesting to realize that for 38 of the past 43 years I have been in a position for which the Nominating Committee made the recommendations. And I want to thank my wife for putting up with all of those years of traveling and moving, but it's been a tremendous privilege working with all of you.

Just a few comments about our associates at the General Conference. On the video you saw what division each of the division treasurers were from, as well as the Middle East and North Africa Union. But as far as the General Conference, for those of you who may not be familiar, we have six elected positions and one additional one with Tom Evans. The North American Division treasurer is also an associate treasurer of the General Conference.

And it comes from a history during which the General Conference and the North American Division, before 1990, were one. Most of the institutions in North America are still GC institutions, and so there is a different working relationship. And we thank Tom for his service in that area. We have the undertreasurer, Juan Prestol. His responsibilities, among many, are the budget and the accounting.

We have Tim Aka, who is new to our team. He's in the investment area, which is his main focus. Each of the associate treasurers have multiple committees, division liaison relationships, etc. I'm only going to give you the key items. George Egwakhe is the manager of the GC session—which takes years of planning—and carries many other duties.

Daisy Orion is the secretary of the General Conference Corporation and takes care of all the legal matters, along with many other areas.

Roy Ryan has been in charge of the investment area and also development projects. The area of the investments has moved to Tim.

Ray Wahlen deals with the interdivision workers, the missionaries, the programs there. He and Secretariat work together on that. Tom Evans is also involved in this area.

Donovan Cleary is the treasurer of the Middle East and North Africa Union.

Jim Nyquist is the auditor. Juan Prestol will introduce him when come to the audited statement. Paul Douglas is head of the General Conference Auditing Service. He's not part of Treasury, but we consider him part of Treasury. We count on GCAS tremendously.

Nancy Lamoreaux is new to the team. She has a unique position. She is the chief information officer, the one in charge of all of the IT things, but also many things related to communication. We struggled because normally we would have given her the assignment of being an associate treasurer, but she also works with Presidential very closely. So she is a field secretary, which normally relates to Presidential, and she is also the chief information officer.

Sheri Clemmer is the meeting planner. She and George manage all the thousands of details. We thank Sheri Clemmer for the tremendous amount of work.

Eugene Korff is the controller for the General Conference. He came on in July of this year when Verland Ernston retired after many years.

Raul Nastaes is assistant treasurer. He took the place of Dean Rogers, who had been assistant treasurer for many years. We welcome having him.

Mack Tennyson is an assistant to the treasurer for SunPlus, our accounting program that's in many of the divisions of the world.

So that's the team. We appreciate them very much.

I'd also like to express a quick thanks for the treasurer's report booklet. I hope all of you got the booklet. It was handed out this morning. I want to thank Raul Nastaes, Eugene Korff, Verland Ernston, and the entire Treasury staff for much of the information there. Also Shirley Evans and Melinda Worden for the editing of it.

And then I want to thank Licci Zembleduch from Montemorelos University. I had seen some of her work, and I asked who did it. You will notice, if you look at the book, that it's very creative and very modern. If I were doing it, it would be a bunch of bar graphs. All the same, you don't want a creative accountant. They're frowned on. But we have a very creative person in Licci. And I want to thank her for all of the work she did on this.

She also challenged me. She pointed out that all of the terms I was using were accounting terms and asked me, Are you talking to accountants, or are you talking to a wider audience? So you will find in the book—and the accountants will cringe at some of the terms, because they're not as precise as we're used to in accounting—words that have a wider appeal and are easier to understand. And so you will find a glossary in the back of the book that gives you the accounting equivalent of some of the terms that Licci helped us with, so that we would not be using all accounting terms. I want to thank her for that.

Just before I go into the main part of the report, I want to emphasize that this is a report of all the treasury people, all the accounting people, all the auditing people, all the vice presidents of finance from around the world, from the local church all the way up to the General Conference, or down to the General Conference, if you want to speak more appropriately.

We have Bob Rawson, Don Gilbert, former General Conference treasurers, and Martin Ytreberg, former GC undertreasurer. But I would like to invite all of those who have been a local church treasurer, conference treasurer, mission treasurer, union, division, General Conference, accountant in any of these positions, institutional finance people, everybody that's worked from a local church—if you've been a local church treasurer accountant or anything, could we have you all stand? Let's give them a hand.

[Applause.]

A lot of people here. And I really want to express appreciation, because what we report on is just a very small synopsis of what all of you have done in your work.

Let's run a real short clip right now on tithes and offerings.

[Video.]

That's just a quick clip. If you look at page 4 of your booklet, you will see some percentages attached. Somebody has questioned those percentages, as to what percent stays at the local church, at conference, at the union. It is different in every division. But if you will look at the bottom of the page, these are the averages for the divisions that are on the combined offering plan, which does not include North America, and all of these are averages. But it's different in each division.

If you'll turn with me to page 7, you will see a graph here. I want you to note that this is a graph that has the amount of tithe. It goes from 1970 to 2014. And you will see that the amount of tithe has increased dramatically. So has the local offering amount. Actually, local offerings have kept up, as a percentage of tithe. But you will see that the mission offerings have not over the years, and we'll speak more to that in a minute or two.

On the next slide, if you turn to page 8 in your booklet—and I'm referring to the pages because you may be able to see them easier with the book right in front of you. If you look at the 1920s, we actually had for every dollar of tithe—and I'm using "dollar" because we're giving our figures in dollars, but whether it's a peso or a ruble or a franc, whatever it is—people giving 64 cents in mission offerings and 25 cents in local church offerings. You can see that the local church offerings, the orange line there, has actually increased over the years. It is now about 33 percent. But the mission offering as a percentage of tithe has dropped down to only about 4 percent of what tithe is.

If you flip to slide 8, down at the bottom you will see that the amount of tithe back in 1970 was \$124 million. Total tithe around the world is \$2.39 billion in tithe.

On page 9 you will see a reference here to the membership. You will notice that the membership has grown in the past 20 years. And most of my slides here are a 20-year period.

From 1995 to 2014 it's grown from 8.8 million to 18.5 million. If you look down the right-hand side, you will see the graph of the world tithe growth. You will notice that in 2009 it actually decreased,

and the next year it wasn't really an increase. Remember that that was the time the stock market crashed, that we had the big economic recession, and so it affected us.

But we have gone in 1995 from where we had 56 percent of the tithe—North America accounted for 56 percent of the tithe around the world, and the other divisions 44—to where we're now 40 percent of the tithe is North America and 60 percent in the other parts of the world. You can see the tithe trends there.

On this next page, the graph on page 10, the blue is the tithe five years ago. The yellow is the current year, or 2014 tithe. You can see that we have had dramatic increases in many divisions in tithe during this five-year period.

A portion of that—a small portion—has come from exchange rate changes, but the majority of it is from actual changes. If you look at the bottom of page 10 on your booklets, you will find the graph that actually gives in dollars the increase for each division.

We praise the Lord for his blessings, for the faithfulness of his members.

If we look at the mission offerings, we have a little different picture. If you look at 1995 through 2012, total mission offering was decline. It was very concerning to all of us, because the mission offering is a core portion of what we have available to reach the unreached parts of the world.

But starting in 2002, there was major growth in the mission offering from the divisions other than North America. There's been continued support for North America. And I would be quick to remind everybody that this does not include everything that is given for North America or even other divisions, but particularly North America. There are many direct funding projects from North America. But what I want you to notice is that from 2006 to 2014, there was dramatic growth in the total mission offering. It has gone to where the total mission offering was \$53 million in 1995 to where now it is \$89 million. And we praise the Lord for that.

If we look at slide 11, it's just a repeat of that. But I would mention that this is the first quinquennium in more than 50 years that the mission offerings have increased faster than tithe. And I praise the Lord for that, because it is very important to our reaching the 10/40 window and many of the unentered areas of the world.

If you look at the graph on page 11, you will see the amount of tithe and mission offerings combined there, \$3.2 billion. On the following graph you will see that out of that \$2.3 billion of tithe, the tithe that came to the GC in 2014 was \$96 million.

On the offerings, \$791 million is the estimated offerings for local, conference, union, etc., and \$89 million is the mission offerings.

On the slide for page 12, we have here the average annual income for the General Conference. You can see that the largest is tithe, the second-largest the offerings, and you can see the other portions, the restricted income, where donations have been given for specific items, gifts, and donations that come from various sources. And then other operating income is, for example, GCAS bills out for their work and gives a subsidy. And so that's another operating income.

The average annual expense for the past five years is shown on page 13. The largest expense item is appropriations. If you add to that GC administered, most of the GC administered—you'll find it on page 25. But most of the GC administered funds are also appropriations in one form or another, and we'll come to that.

You also have the missionaries, \$22 million. Those are an indirect appropriation in that we pay many of the expenses for the missionaries out in the various fields. Then you have the GC headquarters with the \$40 million. And we'll touch on that a little bit further on.

If you look at page 14, the graph there has the tithe received by the General Conference each year. Over the period of the past 20 years, we have had two periods that we have been changing tithe percentages. Between 2000 and 2005 we moved from the General Conference receiving 10.72 percent of

North America's tithe to 8 percent over that five years. We also changed for the overseas divisions, or divisions other than North America. We changed from 1 percent to 2 percent, phased in over that five years. You will notice that during that period of time the tithe to the GC was very stable. It didn't go up because of the adjustments.

We also made the adjustments in 2013 and 2014, and that was a half percent from North America. So it went down from 8 to 7.5 to 7.

You will note that in 2009 we had a decrease because of the economic situation. But you see in orange, or yellow, that there was a situation in which a family turned in, from the sale of their business, a significant amount of extraordinary tithe. And it would have been totally disproportionate to the local conference, and so it was agreed we would take it.

You know, I often think of the story of the Joseph, the seven years of plenty and then the seven years of famine. This came just before the 2008-2009 declines. The Lord, before we had even asked, was answering our prayers. And this has allowed many, many things to continue and to be increased to be able to reach the world.

If you look at page 14, you will see the yellow lines are what the old tithe percentages would have been. The blue lines are the tithe percentages as we phased in the new ones, and you can see there. The net effect over that period of time to the GC was \$183 million less than would have been under the old formula. But the Lord has blessed, and the mission offerings and everything have gone up.

Tithes and mission offerings sent to the General Conference are on page 15. If you look at the blue dots, those each represent 1 percentage point of tithe. So if you look at NAD there, it sends 7 percent of tithe. All of the other divisions sent 2 percent.

But I went through and made a calculation of the mission offerings from each division, and the yellow dots there represent the percentage that the mission offering represents of tithe. And so you can

see that some of the divisions that are providing only 2 percent in tithes are providing an amount equivalent to 4, 5, and even 6 percent in mission offerings. You can study that.

On the slide on page 16, this shows tithes and mission offerings received by the General Conference. The yellow is from divisions other than North America. You can see the tremendous growth over the past 20 years in funding coming to the General Conference budget from the world field. And we praise the Lord for that.

On page 17 is currency performance versus U.S. dollars. What some of you need to remember is that more than half of the GC budgeted income comes from outside the U.S. Therefore, we're subject to exchange rate changes. And the U.S. dollar has strengthened recently. We have here a graph of the strengthening during the past year, year and a quarter. You can see how it would affect our—

On page 18 you will see the investments managed by the GC. And I am sure somebody will say, "Hey, why should I give any offerings to the General Conference? I hear they've got billions of dollars sitting there in investments."

That is true. We have billions of dollars, but it's not billions of dollars belonging to the General Conference. You will see the North American Division Hospital Retirement Fund, the North American Division Retirement Fund, other entities. We have \$951 million invested through the investment office for many of your organizations. It can be done more efficiently and at better rates when we do it collectively. And then we have 14 percent of those that are GC-invested funds.

Page 18 is just a reminder. There are those who say, "Why do you have any funds in equities? That's stocks. Why don't you keep everything in just saving accounts?" I think most of you know that, at least in the U.S. and certain countries, you can't earn anything on savings accounts or fixed income anymore. Hopefully that will change. But you can see here how the markets have gone if you had \$100 invested.

The graph on page 18, I would remind you that, although we had one year, 2008, that, because of the stock market crash, we had a net decrease, you will notice we recovered most of that the following year.

And I have to express, Tim Aka went back and looked at the past 15 years the percentage of the GC funds that were in stocks, as opposed to bonds and fixed income. At one point about five years before the 2008 crash, we had 50-some percent in stocks. We were making some adjustments. It wasn't some huge single adjustment, but the Lord led over time. And at the time the stock markets crashed, we had less than 12 percent in equities. So we did not take the hit that we might have taken. The Lord led in that, too.

On page 19, this one here just shows the various parts of the GC budget, its appropriations, office operating, specials, missionaries, GC administered, and other. I would like to remind you, many of you who work in the various divisions and institutions, unions, etc., look at just the appropriation that's voted in the budget that Juan Prestol prepares and brings to Annual Council each year. But there are a number of items, and you can go down through and read these. I would point out the missionaries. We spent \$23 million last year on supporting the missionaries around the world. That's really an appropriation. The specials up here of \$14 million is supplemental budgets. Again, they're appropriation. So the vast majority of the GC budget is actually appropriations in one form or another.

At the top of page 20 you will see the graph of the amount of appropriation to each division and MENA. If you look at each of those, they represent \$1 million a year in appropriation.

If you compare that graph to the following graph, the percentage on each one of these tells you what percentage that division's appropriation is compared to the division's title of all the organizations. You can see some divisions are very dependent, MENA in particular: 93 percent of their revenue comes from the appropriations. So without the appropriations, they could do very, very little. But it varies by division here.

On page 21 are the appropriations for the GC institutions. And, again, you can see the amount in dollars. But if you look at the bottom of that same page, you will see that what we've done here is taken each institution and said, "What percentage is the appropriation of the funding of the total revenue of that institution?" So you can go all of the way from Oakwood and Loma Linda at 2 and 3 percent to Geoscience Research Institute, 90 percent, and White Estate, 95 percent. So it gives you an idea of their dependence.

On page 22 is the auditing service. You will see that there's been a tremendous increase in the cost of auditing. We've added more organizations. The auditors have to do more. And the amount that the GC has been putting into auditing of all of our organizations this year—we made some major adjustments last year, I should say, and the year before, and have worked with the divisions to share some in the auditing costs.

If you look at page 23, you will see the graph of the dollars spent for the IDE program. The green represents the cost to us of the IDE program to the General Conference each year. The end of the graph in every case except for the red is the amount budgeted. And you can see in the yellow ones we were under budget for a number of years there. We had a few years where we were over budget. The reason we are so far under for the past few years is that we were taking into account that we needed to prepare for a change between the interdivision employee program and the international service employee program. And so those funds were kept in order to be able to make that transition.

If you look at page 24, the light blue is the actual expenses for the General Conference headquarters. The dark blue is the amount that we were under the voted cap by the General Conference Executive Committee. We are capped at 2 percent of tithe. And where you see the dark blue there, those funds end up falling to the bottom line of the General Conference, and they're given out in special appropriations the following year, in most cases.

If you look at page 24, I'd like to just comment on this a little bit more, because I think it's very critical for all of the organizations around the world.

In 1995 we had 8.8 million members. We now have 18.5 or above. We had 459 conferences and missions. We have 633 now. Back then, 94 unions; we now have 134. We had 11 divisions; today we have 13 plus MENA.

But I want you to note that over that whole period of time, through multiple administrations, through changes in leadership, the General Conference has been focused on making sure that the funds coming to the General Conference go, as far as possible, to the grass roots, to the divisions, unions, mission fields, etc.

There has been an increase of only six employees at the General Conference in 20 years. I would challenge any of you to look at your institutions. We've doubled the membership. But the feeling is that we do not need more and more people at the General Conference, even with increases. So I would strongly encourage that you look very carefully and that we don't spend everything on overhead, on administration. There's very valid reasons for having administration and direction, but at the same time, we need to keep that.

The next slide is just the same information again with that.

Here you have on page 25 a summary of the largest of the GC administered funds. If you're looking on the statement and wondering what they are, you have the largest ones there.

The General Conference session, of course, is only every five years. The amount that is shown there for 2010 was \$6.09 million for the GC session. Often, before a GC session, we get questions: How much does the GC session cost? And why are we spending so much money on a GC session?

My response is that the amount to the General Conference this year is a little more than \$8 million for the GC session. But if you put everything together, it's somewhere between \$20 and \$30 million, with everybody's tickets who come here, all of the various hotels and various expenses. But even

if you assume that it was \$30 million, which I don't think it's quite that high, you divide that by 18 million members or even 15 million members, you're down to \$2 every five years, or 40 cents a year, per member for having a GC session. OK.

We have a break.

ARMANDO MIRANDA: We have a report from the Nominating Committee, so I will interrupt Elder Lemon's report. And I'm going to allow the chair of the Nominating Committee, Homer Trecartin, to make the report.

HOMER TRECARTIN: Thank you, Mr. Chairman. The Nominating Committee has two positions that we are ready to vote on now, and Dr. Leslie Pollard will bring us the name of the first position.

LESLIE POLLARD: Thank you again, Brother Chairman.

The name that we are presenting as the Nominating Committee for this body for the position of treasurer, Juan Prestol-Puesán, for the position of treasurer of the General Conference of Seventh-day Adventists.

And Mr. Chairman, I move it.

ARMANDO MIRANDA: And second?

It's seconded.

Any comments?

I see no one.

So it seems to me that we are ready to vote. All in favor, just raise your green card. Thank you.

Against, the same sign. It is carried. I want to—

[Applause.]

I don't want to make the same mistake, so I am going to call Juan Prestol to come to the podium.

[Applause.]

Elder Prestol and his wife.

JUAN PRESTOL-PUESÁN: Thank you very much for your confidence. Thank you very much for your support. I'll say very few words now. On behalf of my wife, my partner, and myself, we'll do our best with the Lord's blessings. Thank you.

ARMANDO MIRANDA: Thank you very much, Elder Prestol, and God bless you too in a special way.

LESLIE POLLARD: And to the delegation again, for the position of undertreasurer, the Nominating Committee is recommending—excuse me, undersecretary. I'm sorry. It's written here. Thank you. Thank you.

For the position of undersecretary, the Nominating Committee is recommending the name of Myron Iseminger. Myron Iseminger for the position of undersecretary of the General Conference of Seventh-day Adventists.

Brother Chairman, I move it.

ARMANDO MIRANDA: It is moved.

Any second?

We have a second.

Any comment? I see no hand, so we are ready to vote.

All in favor, raise your green card, please.

Thank you.

Opposed, the same sign.

It is carried. Thank you very much.

[Applause.]

So, brothers and sisters, it is a pleasure to introduce to you the undersecretary of the General Conference, Brother Myron Iseminger and his wife.

[Applause.].

Thank you very much. All right. Brother Lemon, let's continue with the treasurer's report.

BOB LEMON: I want to congratulate Juan and Belkis. I've worked with him, and you're going to have a tremendous treasurer in Juan. Since I'm no longer the treasurer, I was looking for Juan so he could finish the report here. I was hoping the transition would take place earlier.

OK. Let's turn to page 26 in your booklets. On page 26 you'll find that the blue is the amount that we were below cap at the General Conference headquarters. The yellow is the amount of supplemental budget. If, at the end of the year, we have more than 100 percent working capital, we look at giving it in Spring Meeting as a supplemental budget for various projects. And you can see that a major portion came from what the General Conference operated under the limit of costs for the General Conference.

If you look at page 27, you will find the financial position, what we as accountants call the "balance sheet." I won't spend much time on that. It's pretty straightforward, but you will see it in the financial statement.

The financial position includes the liabilities and the net worth. Liabilities are what you owe, and the net worth is what you own. You will see that with the majority of the funds at the General Conference, there are not a lot of debts. We own most of it, and we will touch on that in a couple minutes here.

For some of you who work in commercial accounting, if you own a business, run a business, if your income exceeds your expense and there's a bottom line, that bottom line belongs to the owners. And so the key question every year is: How much was your income, how much was your expense, and what did you have as a profit or a loss?

In not-for-profit accounting, the issue is not so much what the bottom line is, but we track what funds were given for.

And if you look at this graph, the yellow is the total each year of what in a commercial business the bottom line, the profit would be. But you will notice that it comes—the light green there is operating. Those funds will be available the following year for budgeting out as supplemental budgets or whatever.

“Donor advised” is the orange there. You need to understand that under U.S. law, there’s a provision in which donors, major donors, can make a donation to a charity. It becomes the money of that charity. They get the tax deductions, but it can be held in what’s called a “donor advised” fund, where, although the organization itself makes the final decision, U.S. IRS regulations allow for the donors to make suggestions.

Well, any of you who have worked with those kinds of funds know that you listen to the donors. And so we don’t vote out those things without talking to the donors and the donors making suggestions. But many times these funds accumulate quite a bit, and the donors have not yet determined what projects, or there may be other reasons for holding them. And so we see we have a fairly large increase there. The extraordinary title I already mentioned previously. Hope Channel is no longer a part of our accounting, as we moved it out in 2011.

Page 29 is one that I think we need to make sure we understand. If you look at 2014, more than \$350 million in funds belong to the General Conference. And people will look at that and say, “Why aren’t you spending that money?” And we do spend a lot of that money. But in the fund balance you will see that the regular operating has gone up to where it’s now about \$150 million.

We have followed the practice for the past number of years. If we vote funds for a special project—and this is particularly important in the 10/40 window area and all where there’s no local organization—and we say we’re going to give you X number of dollars to start this new program or do this thing, we give five years’ worth of it at one time. We don’t say we’ll start, then next year we’ll give you some, because we feel, if we’re making a commitment, you need to have the funds on hand. And the accounting regulations require us to show it as an expense. So the majority of this increase is funds that

are already allocated. They're allocated for various programs and various things. And with the MENA area and the other parts of the world that are so difficult to enter, we have a lot.

The light blue is the working capital. We use the expression "working capital," funds needed just to operate. Our money doesn't come in the minute you put it in the offering plate. It takes time for it to get from the union to the division to the General Conference. But we have to have enough to continue to pay appropriations, pay salaries, etc., so we need some operating capital. And that blue amount is the operating capital. The yellow is the extraordinary tithe funds, which are committed out, and the green is donor advised, which I just mentioned.

On the next page, on page 30, money for operation, working capital, you will see we have been more than 100 percent of working capital for most of the 20 years. You will see back in 1996 that we went under 100 percent, also in 2000 because of the dip in the market. In 1996 we gave the working capital to the North American Division. We had divided North America from the General Conference. But we have consistently operated with 100 percent working capital.

You can see on page 30 that we increased the recommended working capital from 20 percent slowly up to 45 percent. So much of the funding coming to the General Conference is subject to exchanges, gain and loss, and we can have a strengthening of the dollar and all of a sudden we have less income. And so you can see that.

Page 31 is our ability to pay our bills. All of the commitments we have you can see here. The blue is the funds that we have available, and the yellow is our commitments. In all years in the quinquennium, we were able to have more funds. This means every restricted fund, every allocated fund, every fund that is committed anywhere, we have the money to back it up.

Also on page 31 are funds to the church through trust services and planned giving. This is a tremendous benefit to the church, where individuals leave money in their wills or in various planned giving documents. We had a slight decrease in this quinquennium. We had \$367 million come in last

year. This doesn't come to the GC; this comes to all different organizations around the world, but we report on it. It's down a little bit. But part of that decrease is because there were a few organizations that didn't have their reports in.

On the next page you will see a listing of the items that the extraordinary tithe helped. You will find in the book near the back an explanation by division. But I want to express special appreciation to the Lord for this. It's helped reach the big cities, people groups, radio, television, 10/40 window. And all of those above 10/40 window are also part of reaching the 10/40 window, the Web, and others.

The General Conference budget is on page 35. Back in 1930 more than 40 percent of all of the tithes and offerings in the world came through the GC budget. And back then when the GC wanted to start a mission station in this country or that, they would pay it out of GC funds. You will notice that in 2014 it's down to 5.6 percent.

I give you this information to remind each of us that the General Conference budget is having to be more and more focused on the 10/40 window and the unentered areas. Over the past 10 years we have made major shifts in funding, interdivision programs where the missionaries are, in appropriations, adjustment to appropriations, to put more and more of the funding into these unentered areas. None of us are going home until we all do. We have to finish the work everywhere.

If you look at page 36, here we're just trying to give a really big picture of the church. And these are estimates for 2013. Not every organization has reported. But approximately 81 percent of all the funds in the church revenue comes to health care, education, publishing, and our food factory, etc.

Approximately 17 percent comes in tithes and offerings and donations, and all to our ecclesiastical side: the churches, conferences, unions, and divisions. Approximately 1.1 percent of the total comes to the General Conference and is used for the appropriations, the interdivision workers, the various allocated funds, and two tenths of 1 percent is spent for operations at the General Conference.

We're just trying to give you a little bit of the really big picture. And the area graph on page 36 that helps to point that out.

During this quinquennium, just in quick review, we realigned the appropriations. There was a five-year phase-in of appropriations and missionary budgets in large part to reach more of the people in the unentered areas of the 10/40 window. There were adjustments in tithe percentage, down from 8 percent to 6 percent. We still have 1 percent to go with North America to reach the 6 percent.

Hope Channel, which is doing a tremendous work around the world, became a separate institution. Global Missions, which celebrated its twenty-fifth anniversary, will be reported on more fully later in the session. Tremendous work there.

International Personnel Resources and Services is the group at Treasury and Secretariat responsible for recruiting and sending our missionaries, and providing for their needs. The Treasury and the Secretariat portions were combined and are working together, and it is a much better operation.

We've given emphasis on funds to the field. We've tried to keep the employment numbers down at the headquarters in order to keep as much of the funding going to the field as possible.

We completed a Use of Tithe Study Commission and voted some changes, most of which further restricted the use of tithe, as we seek to follow what Scripture and Ellen White advocate on the use of tithe.

For the first time in more than 50 years, mission offerings grew faster than tithe for a quinquennium.

Some people have asked me, as treasurer, "When the stock market crashes, how do you sleep?" I have a favorite quote from Ellen White. It's found in your book on page 38. "We can see only a little way before us; 'but all things are naked and opened unto the eyes of him with whom we have to do.' He never becomes confused. He sits above the confusion and distraction of the earth, and all things are open to His divine survey; and from His great and calm eternity He can order that which His providence sees is best.

If we were left to ourselves to plan, we should make mistakes. Our prejudices, our weaknesses, our self-deception, and our ignorances would be manifested in many ways. But the work is the Lord's, the cause is His; He never leaves His workmen without divine instructions" [*My Life Today*, p. 10].

We have been able to do the work of Treasury because we're not in charge of it. The Lord's in charge of it, and the only important thing is that we follow His directions.

Juan Prestol will introduce the auditor, who will present the audited statement, and then I will have some closing remarks.

JUAN PRESTOL-PUESÁN: It is my pleasure to introduce to you Mr. Jim Nyquist, CPA, who is the senior partner of Maner Costerisan CPAs. He will present the audited combined financial report for the quinquennium.

JIM NYQUIST: Thank you, Juan. And I appreciate the opportunity to be here with you today. I am here to present the audit report, which covers the funds under the direct accounting control of GC Treasury.

During the past five years—just a few comments. It's interesting to note that, as Elder Lemon indicated, the net assets, or the equity, of the organization have increased by approximately \$135 million. That is accomplished through various means, the generosity, and the tithe and offerings, of the people in this room and others around the world, and the control over the expenditures of the organization, which result in that bottom line.

Obviously, that bottom line or those net assets are not all available currently, as they are allocated or designated for specific expenditures. But it is always positive to see an increase in those net assets when you're dealing with an organization.

We have audited the accompanying combined financial statements the General Conference of Seventh-day Adventists for the years ended December 31, 2010, through December 31, 2014.

Management is ultimately responsible for the preparation and the fair presentation of these financial

statements. Our responsibility as auditors is to perform tests and obtain evidence to support the amounts and disclosures in the combined financial statements. We believe that we have obtained sufficient audit evidence to provide appropriate evidence to support our audit opinion.

Our opinion is consistent with what you have seen in the past. As discussed in note 2 of the combined financial statements of the General Conference, the General Conference has not determined which of its numerous affiliated entities meet the requirements for consolidation in the accompanying financial statements. In other words, they include only the accounts of the direct accounting control of the Treasury.

Also, as discussed in note 23 to the combined financial statements, the General Conference is not consolidated, but is a wholly owned subsidiary. The numerous affiliations in GenCon are audited on their own and have separate reports issued with respect to their financial position. In our opinion, except for the effects of those matters, the financial statements are fairly stated in all material respects in accordance with the accounting principles generally accepted in the United States.

We emphasized two matters in our opinion: The first is that these financial statements do not represent the worldwide organization, but only those accounts under the direct control of Treasury; and, second, as described in note 24, the Hope Channel operations were included in the financial statements that you saw last time at the previous quinquennium. And the Hope Channel was separated for accounting purposes in these financial statements, and therefore net assets attributable to the Hope Channel were removed, and net assets were reduced accordingly with respect to the Hope Channel.

Thank you.

[Applause.]

JUAN PRESTOL-PUESÁN: Mr. Chairman, I move to accept the audited combined financial report of the General Conference of Seventh-day Adventists for the years ending December 31 of 2010, 2011, 2012, 2013, and 2014.

ARMANDO MIRANDA: OK. We have a motion before us.

And I would like to ask if there is a second.

OK. We have the second.

And I would like to suggest that we take also the questions and comments regarding the treasurer's report. So we are still waiting for the last section, the last remarks from the treasurer, Elder Lemon. But he advised me to have at this time to take questions or comments from the floor. So we are now open for any comments or question on the report and also the audited financial statement.

Feel free to go to the microphones if you have any question or comments. Just remember how we are doing that, the procedure. Just go to the person in charge to receive your badge and have that scanned in order for us to know who you are and where you are from.

OK. We have several names here. And on microphone 6 we have Delmer Navallo Caro from the South American Division.

DELMER NAVALLO CARO: I have a few questions for the treasurer. First of all, if I understood correctly in the report before, almost half the church already is outside the United States. So my question is What's the criteria to assign the money that goes to different entities outside the United States?

Also, what has been done at the GC to take care of the assets, especially outside the United States? Because probably not all of the assets are in this report—or certain big amounts in proportion to what they are valued are not well taken care of in other divisions or probably are in the process of being put under the name of the church.

So what is being done to take care of that?

Finally, how has the church addressed the legal issues that had to be paid out of this money? And what is being done in order to prevent that in the future?

ARMANDO MIRANDA: Elder Lemon?

BOB LEMON: Thank you, Mr. Chairman. First of all, on the appropriations, it is not a simple matter to figure out how best to allocate the funds that the Lord has made available to the various parts of the world. During the past quinquennium we had a commission that traveled to all of the divisions in the world, met with the divisions, looked over their needs and all, and the adjustments in appropriations came from that. We have a commission that works in this next quinquennium that will work on a year-by-year basis.

So there's a structure of dealing with that, and then it goes through the Executive Committee.

On the question of assets outside the U.S., you may be referring to two different types of assets, both of which are investments. We do have investment policies in each of the divisions, policies that work on trying to optimize their investments within their territories. Property registrations and things like that are handled at the union and the division and the conference levels, with division guidance.

On the legal issues, we certainly wish that we did not live in a world with lawsuits. Every effort is made to structure the way the church works and to do the work in an appropriate way. But when there are lawsuits and we have to respond to those, we work with it as best we can. We have a legal department, general counsel at the General Conference. Each division also deals with lawsuits at their level.

The Lord has to give wisdom in each of these the cases, because it's not simple.

ARMANDO MIRANDA: OK. We have on microphone 4 from the East-Central Africa Division, Israel Kafeero.

ISRAEL KAFEERO: Thank you, Mr. Chairman. I want to thank the treasurer for this report. It has been so simplified, and I was able to follow it through. My question, though, is on page 24. On that page we see the number of GC employees has increased by [six] from 1995 to 2014.

My question is: Doesn't this put too much toll on the employees, given the fact that the territory has expanded, and that the services they render have to also expand? How do you balance that?

BOB LEMON: Mr. Chairman, if you look at most literature on corporations, the larger a corporation gets, the smaller the percentage of the top management is, because there's need to push it down to the lower levels of the organization as they grow.

Our feeling has been that the strengthening needs to happen at the division level, the union level, and the conference and mission level, because that's where the work is really done. And just because we have more members doesn't mean that we have to have more people at the GC.

There are some exceptions—for example, in the Education Department, which has an accreditation system for colleges. Because we have added more colleges, more people are needed, and we've added some of those.

But just because the membership grows does not mean that we have to do more at the General Conference. We need to push the responsibility and the ability to do it to the lower levels.

ARMANDO MIRANDA: All right. Let's move to microphone 2, Daniel Jackson, North American Division.

DANIEL JACKSON: Mr. Chairman, I would like to express huge gratitude to Elder Bob Lemon for the ministry and treasury work that he has done for this church over many years. And I would propose a standing ovation, please, because this man has done great work for our church, and thank you very much, Bob.

[Applause.]

ARMANDO MIRANDA: Thank you, Elder Jackson. And now let's move to microphone 2, George Crumley, from NAD.

GEORGE CRUMLEY: George Crumley, North American Division.

I want to express my appreciation for the careful and conservative way in which the church's funds have been carefully managed. I know that we get many requests for contributions from different

organizations. But I always know that when I give funds to the Seventh-day Adventist Church, they're handled the way they should be. And I really appreciate that.

I would also say that when the North American Division separated from the General Conference back in 1990, we had no working capital. I remember going to the treasurer at that time, Don Gilbert, and I said, "Don, a big percentage of what you have come from North America." And so we agreed on a percentage, and they gave us \$12 million for working capital, which brought us up to 100 percent of recommended working capital, which I was very thankful for.

And I would also like to say that we've appreciated so much what Bob Lemon has done as treasurer of the General Conference the years he's been there. I had the privilege of working with him, and I'm so thankful for him.

And I would also like to say that I'm very thankful to the Nominating Committee for electing Juan Prestol our next treasurer of the General Conference. I've worked with him, and we've chosen well in choosing him as our next treasurer. Thank you.

ARMANDO MIRANDA: Thank you, George.

[Applause.]

Microphone 6, Tom Angelsen, Trans-European Division.

TOM ANGELSEN: Mr. Chairman, I have two questions regarding investing in the stock market. Does the GC have ethical guidelines of investments in the stock market? And has the GC ever withdrawn investments because of conduct against these guidelines?

BOB LEMON: Mr. Chairman, could you repeat the second question? I didn't catch it.

ARMANDO MIRANDA: Just repeat your question.

TOM ANGELSEN: Has the General Conference ever withdrawn investments because there has been conduct against the ethical guidelines?

BOB LEMON: Mr. Chairman, on the first question, we have very definite policies. You can look at them in the policy book that give guidelines on investments. And certain types of investments are appropriate for retirement funds that might not be appropriate for funds you're holding for a church-building program, because you can't take the risk of a stock market going up or down, so you have to put it in fixed income.

On the question of ethical, yes, we have a very clear stand, and we screen the items. As a matter of fact, every year we have a meeting where we get together with various of the fund managers, ones who are doing it, and with a group from Treasury and retirement and other ones. And we spend a day looking at any companies that we have investments in and trying to determine whether their type of business has changed, what they're doing, and we then make decisions whether we will include them or not include them in companies that we will invest in.

ARMANDO MIRANDA: All right. Let's move to microphone 3, John Edilson, South Pacific Division.

JOHN EDILSON: Could you just explain? On page 18 you have a bar chart there that shows net income on GC-owned investments. Could you just define for me what GC-owned investments are, please?

BOB LEMON: OK. GC-owned are what's called GC-administered funds. I'm trying to find which page in the financial statement. We have a breakdown.

You were talking about GC-administered funds or net return? What we've got on the screen is a . . .

ARMANDO MIRANDA: Brother John?

BOB LEMON: GC-administered funds, if I understood the question correctly.

JOHN EDILSON: The question I've got is that it says net income return [with parentheses around the word "return"] on GC investments, page 18.

BOB LEMON: OK.

JOHN EDILSON: What is the definition of that?

BOB LEMON: The GC funds, \$316 million?

JOHN EDILSON: Yes. Is that what the GC funds are?

BOB LEMON: That's what the GC funds are. And if you looked at the fund balances that we discussed, we have all the allocated funds, the working capital, the extraordinary tithe, and the donor-advised funds. Those are in that number.

JOHN EDILSON: So the return, which is roughly \$16 million, is the return on that \$316 million? Is that roughly right?

BOB LEMON: Yes. But you've got to remember that the vast majority of those—because of the nature of funds, we do not invest in equities. We have only about 12 percent or less in equities. And under the U.S. return on investments for treasury bills, fixed-income instruments, they don't pay you very much right now.

JOHN EDILSON: Thank you.

ARMANDO MIRANDA: Thank you. OK. Now let's move to microphone 2. From the Southern Asia Division, Nageshwar Rao Gollakoti.

NAGESHWAR RAO GOLLAKOTI: Thank you for the observations as I was watching and listening to the treasurer's report. First of all, we would like to thank Elder Robert Lemon and his team for a commendable job and an excellent report. We were able to see a clear and different focus based on mission-oriented programs. And there's a tremendous growth in every prospect of the church, and it comes down to the financials.

Second, on behalf of all the Southern Asia Division, I would like to thank Elder Lemon for making the budget provision for us to come to for the meetings and to every Spring Meeting. We want the Treasury group to know that we all appreciate it very much. And, of course, we continue to do that. And

that gives us the opportunity to have the global perspective of education and how the education system in our church works. And that help us to get unique pride in our educational system.

Therefore, Mr. Chair, I'd like to propose that we should record thanks on record for Elder Robert E. Lemon, as he's retiring, for all the work that he has done for the church as a treasurer for this many years. I move that we can place on the card our thanks.

ARMANDO MIRANDA: Thank you very much, brother. We have a motion on the table. But this is something special. If we can just—we can do that. So there is a motion to record a vote of gratitude to Elder Lemon for his excellent work.

Is there any second on that?

OK. Seconded.

All in favor, just raise your green card.

Thank you very much. I will not ask for those who are against. Seems to me that is unanimous. So it is carried. It's something special. Thank you, Elder Lemon. We really appreciate your work.

OK. Let's move to microphone 6, Samkon Kim, Northern Asia-Pacific Division. Brother Kim.

SAMKON KIM [translated]: I have a question concerning page 4. I have been serving this church for about 50 years. I'm a layman. In Korea, local churches have been suffering because of a financial situation. According to current policy, local churches should send 100 percent of tithes to conference. But I would like to suggest that this system should be changed, so that local churches may use some percent of tithes for local church growth.

ARMANDO MIRANDA: Brother Lemon?

SAMKON KIM [translated]: Of course, I respect the church policy on title. Because of this policy of tithe system, I continue to respect and follow. But at this time I would like to strongly suggest a change of this current policy. I strongly believe that if we change this policy, I believe that local churches will continue to grow through this support. Thank you very much.

ARMANDO MIRANDA: OK. Brother Lemon.

BOB LEMON: Thank you for the comments.

The question of using a portion of the tithe for the local church has been an issue that we've had many, many discussions on. We had a commission that spent five years studying the use of tithe. We also had studies and reports from the White Estate regarding what Ellen White had to say about the use of tithe in the local church and many different areas. It was the consensus of the commission—which it was comprised of 100 people on the commission from every division in the world—that that was not a direction in which we should move.

Ellen White makes many statements that the tithe is for the support of the ministers. If you really come down to it, the vast majority of expenses for a local church are paid out of tithe from the conference—the pastor's salaries, and all of those various items. There is nothing in policy that precludes a local conference or mission allocating, out of the tithes and offerings that they have, some funds to local churches for various items.

But I do not believe that the counsel we have from Ellen White's writings is along that route. As I mentioned, there are possibilities to help in other ways out of tithe funds, where the conference gets it, to allocate them from evangelism and for various items.

But to change the system—the percentages are not the same everywhere. There's quite a bit of latitude between divisions. But I'm sure there will be more study given to this over time. But it's an area that we gave a lot of study to during the past five years.

ARMANDO MIRANDA: OK. We now move to microphone 2, James Makinde, West-Central Africa Division.

JAMES MAKINDE: Yes. Thank you very much, Brother Chairman.

I was actually initially tempted to speak in the same language as my predecessor, but there might not be an interpreter that is competent to interpret, so I'll stay with English.

I just wanted to come and add my voice to that of those who have spoken about the ministry and service of Elder Robert E. Lemon. And I speak more especially for weak institutions, for Babcock University, where I work as a teacher. It's been a ministry, not just a career. It's not just been an administration.

I've found that it's possible to do the work of treasurer as a ministry where you actually work hand in hand with people rather than throw figures and stuff at them.

The Treasury team has worked as a team. And I'm also thankful that there is a continuity. In financial administration just as in banking, confidence and trust are very fundamental. And the way in which the finances of the church have been managed over the past number of years, Elder Lemon was first and foremost at the Africa-Indian Ocean Division, which was the predecessor to the West-Central Africa Division. We have watched and have seen him bringing up people, mentoring, and helping people to grow. And it's no surprise that it's one of his team members, the undertreasurer, who's taking over for him.

I just thought it would be a good thing to use this as an example to every leader that's here, that competence does not feel threatened by quality. Whenever we have a competent leader who knows what to do—and I've heard his associates saying that whatever figures Elder Lemon does not have in his head, those are figures not worth having. He has such an analytical mind, and he does it with a lot of humility. He has time to talk to everybody and to come down to your level.

Elder Lemon, I pray that God will really bless you and help your ministry to be a seed that will germinate along so many territories where you have worked and to Elder Juan Prestol, whose team has been assigned by Elder Lemon to actually work with us at Babcock University, to walk us through the difficult times and help us to grow to where we are. I want to say thank you and God bless you all.

ARMANDO MIRANDA: Thank you, Elder Makinde.

[Applause.]

Ernesto, then, microphone 3, from the Southern Asia-Pacific Division.

ERNESTO VENN: Thank you, Mr. Chairman, for this opportunity to address the body. And I wanted to say thank you to Elder Bob Lemon for his sacrifices and his leadership in this time that he's served us. And we look forward to the ongoing mission focus that the next administration and the treasurer will continue to build on.

I'd like to address the delegates and Mr. Chairman here. On page 8 of the treasurer's report, we see this trend in mission giving as a percentage of tithe, and we see that as of 2014, about 4 percent of the mission offerings were given. And I find this statistic quite troubling, because we tend to have the attention span of an ant as an organization. And as stated here, we are focusing now in society because we're going toward project giving.

I have served in Thailand with the Hope for Bangkok church planting project for six years. That was launched here at the GC session in 2005. But because of project giving, that project has now ended.

And so I'd like to hear maybe from Elder Lemon what study or plans have been laid from administration to look back at our history, to look at systematic benevolence and how that we can retain that mission focus on an ongoing basis so that we can have that focus on preparing the nations for Christ's soon return.

BOB LEMON: Mr. Chairman, that's a very, very key point, and one that we've been watching and been concerned about. Project giving is great. But if we're going to finish the work in the unentered areas of the world, we need systematic giving. And Ellen White talks a lot about systematic giving.

There were times we were spreading the mission work in parts of the world, and we could tell all the stories. We can't tell the stories about the hardest parts to reach. And I praise the Lord that during the past five years, for the first time, we see the mission offering going up faster than tithe, and that is very encouraging to me.

I know that the Office of Adventist Missions, as well as all the division officers, treasurers, and everybody else, are focused on making sure that the members understand the work that's still to be done. But you make a very valid point, and it's one of the points I made in the fund balance. We are trying to allocate longer and longer periods of time, because to start work in these areas and not be able to carry it on because, as you said, we don't have a good attention span, the next thing we hear is there's something good over here, and we move the money there. So it's a very important thing, and it's being given study constantly.

ARMANDO MIRANDA: Thank you, Elder Lemon. Because of the hour—and we are just over the hour, it's 4:04 on my clock—I would like to suggest that we listen to just three more comments, those who are just now on the microphones, and then we will finish with the report and adjourn. Because we have another committee—the Constitution and Bylaws Committee will meet in a few moments, and some of us are members of that committee.

I would like to allow only these three persons, and then to come to the end of the report. If you agree, just for common consensus, just raise your green card, by consensus. All right. This is not a formal vote, it's consensus, but it's a majority of people voting in favor of that.

OK. Let's just listen to three more persons, three more delegates. On microphone 1 we have Victoria Mueba Buika, and then at microphone 5 we have Emanuel Lacroix, and microphone 3, Waziri Ojukwu from the East-Central Africa Division. OK, microphone 1.

VICTORIA MUEBA BUIKA: [Speaking in her own language.]

ARMANDO MIRANDA: OK. we need a translator from the Spanish area.

ARMANDO MIRANDA: OK. Where are you? All right.

VICTORIA MUEBA BUIKA [translated]: I want to congratulate the treasurer, even though I didn't understand all he said. I know that his work is not easy. I have worked with five treasurers. In the Equatorial Guinea Mission I have been the cashier for 12 years. It's not an easy work.

I have a question and a suggestion. I don't know if you have dealt with this; if you have, then please forgive me. As a cashier for many years I've received these complaints and these concerns. And as a wife, I also have these concerns. I want to know why we female employees get a refund for our husbands' medical expenses. Because our husbands are able to receive a refund for their wives' medical if the husband were an employee of the church, but the woman cannot receive for the husband's medical expenses.

If this question is out of place, please forgive me. But since I'm here, I do not want to pass up this opportunity.

ARMANDO MIRANDA: I would like to thank you for your question. But I'd like to say that we are just discussing the report of the treasurer of the General Conference, and this question and comment are not related to the treasurer's report. But thank you very much for your question. Thank you.

All right. We a delegate from the Inter-American Division, Emanuel Lacroix, microphone 5.

EMANUEL LACROIX: [Speaking in his own language.]

ARMANDO MIRANDA: Is there someone who can translate French to English? Elie Henry, the Inter-American Division secretary. Thank you, Elie.

EMANUEL LACROIX [translated]: I want to thank the GC treasurer for a beautiful report. The concern I have, and also the brethren in Haiti have, is regarding the offerings, what stays in the church and what goes to the conference. There is 40 percent of the offering that stays in the church and 60 percent that goes to the conference and higher organizations. Is it possible to change the percentage?

ARMANDO MIRANDA: Elder Lemon?

BOB LEMON: Thank you, Mr. Chairman.

Some may not be aware of what we're talking about with the system that was set up with these tithe percentages, because where we have the one combined offering plan, all the offerings, whether it's taken up in Sabbath school, whether it's taken up in church regardless of what Sabbath, in many of the

divisions it's divided on a percentage. The policy is 50 to 60 percent to the local church, 20 to 25 percent to the GC, and the division decides the other percentages in between.

I believe in your division you have the highest percentage going to the local church. Certainly, every level feels that they could use more. But I can tell you that the 20 percent that goes to the General Conference, that goes into the world budget for reaching half of the world that has no members--it's going to take more than that to do it. And if we start cutting back on that, we're going to be here 100 years from now still talking about when the Lord's coming. We have to help in those parts of the world. And so I would encourage that we continue the system that the Lord has given us of sharing around the world.

ARMANDO MIRANDA: Thank you, Elder Lemon. We have the last comment or question on microphone 3, Waziri Ojukwu.

WAZIRI OJUKWU: Yes. Mr. Chairman, and all the members on the floor, my concern is not so far from the previous speakers. We heard from the secretary's report that the work in the global south is growing dramatically. It means that the church members from this area are struggling. And this means that a lot of responsibility lies on their shoulders.

What forum are these people using to decide how to share this offering? Because as the system is now, it means that when most of the offering is shared as stipulated, the churches and the conferences suffer, because it seems that most of the fund goes up while most of the work is placed on conferences and local churches. So we're thinking that the General Conference calls those who are working in the conference and tries to find out how we can harmonize so that conferences and local churches may have some more funds so that they can push the work in the area down there. Thank you so much.

ARMANDO MIRANDA: Thank you very much, brother.

Elder Lemon, do you have any comment on that?

BOB LEMON: Mr. Chairman, there is no question that every level could use more funds. I will tell you there is plenty of money in our pockets. We seem to find plenty of money to do the things that are

important in our personal lives. To finish the work, we need first, we need to be three things: first, we need personally to be spiritually ready ourselves. Second, we will have to preach the gospel ourselves, because we cannot pay enough people to go. Third, we have to take the selfishness out of our own lives.

Most of the areas that are the most generous in supporting others are also the most generous in supporting the local church. And there was a time we would get together to divide up the appropriations, and people would say, “Well, we have more members, so we should receive more appropriations.” That’s backwards. If you’ve got all of the members in your area, you’ve got plenty of people to do the work. We need to hire some people to work in such parts of the world as the Middle East and North Africa Union, where we don’t have anybody. There we have to hire people to do everything.

So we’re not going to solve the problem of enough money simply by changing the percentages of who gets it. We’re going to solve the problem by all realizing we have only a short time to finish the work and that we have to put everything in, instead of taking out.

ARMANDO MIRANDA: Thank you, Elder Lemon. And just remember that we have the motion on the table to receive and accept the audited financial statement. That’s the motion on the table. We have had the discussion, the comments and questions, and we are ready to vote on that motion.

So we’re going to proceed.

All in favor to accept and receive the audited financial statement, please raise your green card.

Thank you.

Against, the same sign.

It is carried.

Elder Lemon.

BOB LEMON: Mr. Chairman, if I could just make a couple closing remarks, very short. In *Life Sketches* Ellen White writes, “In reviewing our past history, having traveled over every step of advance to our present standing, I can say, Praise God. As I see what the Lord has wrought, I am filled with

astonishment and confidence in Christ as leader. We have nothing to fear for the future, except as we shall forget the way the Lord has led us, and His teachings in our past history.”

My parents went to the mission field, to the Congo Union in Africa, back in 1946. I was born three years later. I looked up the statistics for the membership when my parents went to the Congo Union. At that time it was composed of the Congo, Rwanda, and Burundi. It had 7,047 members. Today those three countries combined have 1,187,000 members. I am not like Ellen White; I cannot say I’ve traveled the whole way. But I would invite each of you to look at the road that you have traveled and how the Lord has led.

When I look back to these areas and realize the changes that have occurred, and we each look at our areas, we can conclude only that the Lord is coming, He’s coming soon, and I, like Ellen White, can only say, “Praise God,” for everything that He’s done.

May the Lord bless His work.

Mr. Chairman, I would move acceptance of the treasurer’s report.

ARMANDO MIRANDA: Any second? Do we have any second to the treasurer’s report?

OK. We have a motion and a second.

We have had the discussion and comments. So we are ready to vote.

All in favor of to receive and accept the treasurer’s report, raise your green card.

Thank you.

Against, the same sign.

It is carried.

Thank you so much for your support and your participation in this afternoon’s session.

I’d like to invite the person chosen to give the benediction to come forward, and I would like to invite you to stand. Nixon Bathan , from the Southern Asia-Pacific Division, will have the benediction.

[Benediction by Nixon Bathan.]

