

The FAPS Committee is charged with managing the Synod's finances and properties for the greatest good of the Synod and the Church generally.

An overview of the performance of funds held by the Northern Synod during the year 2015 is given below.

1. Common Investment Fund

The following balances were held as at 31 December 2015

Harry Griffiths Fund	\$2,549,582
N.S. Development Fund	\$7,485
NRCC Mission & Service Fund (ii)	\$2,229,279
Synod Fund (i)	(\$2,981,931)
Synod Ministers' Entitlement Fund	\$265,626
Synod Insurance Fund	\$2,556,078
Pilgrim Presbytery	\$104,368
PPNA Congregations Account	\$257,341
ARDS Investment Account	\$757,334
Other	<u>\$19,574</u>
TOTAL	<u>\$5,764,736</u>

These were invested in:

Cash	\$3,004,343
Capital Growth Managed Funds (iii)	\$1,541,973
Loans (iv)	<u>\$1,218,420</u>
TOTAL	<u>\$5,764,736</u>

Notes:

- (i) The negative balance in the Synod account is largely due to property purchases in the past, but there is a question whether some or all of these purchases should have been paid for from the Harry Griffiths Fund.
- (ii) The NRCC Mission and Service Fund received rent from the Mitchell Street property. Rent from the Stuart Highway property goes directly to the NRCC Operating account.

The NRCC Mission and Service Fund spent \$2,500,000 for purchase and renovation of a property to be used by ARDS. The excess was paid by ARDS through ARDS Investment Account.

- (iii) The market value of Capital Growth Funds at 31st December 2015 was \$2,100,686 (2014 - \$2,085,166.)
- (iv) Loans include an amount of \$1,218,420 provided to Kormilda College. Out of this amount \$500,000, was a temporary loan pending receipt of Government Grants in January 2016. This was repaid in 2016.

Due to falling student numbers and the resultant reduction in revenues, Kormilda College dependence on the Northern Synod, continues to increase and we expect that with the rezoning and sale of excess Kormilda College properties will provide a way forward.

In 2015, the total of Cash, Capital Growth managed Funds and Loans amounted to \$5,764,736. The total for 2014 is \$6,071,599 showing a reduction of \$306,863. The reason for this is given under note (ii) above.

The reduction in investments will continue to be monitored carefully so that the Synod remains financially stable to fulfil its mission.

2. Retail Development Fund (CBD Plaza)

Retail Development Fund continues to be the main income earner for the Northern Synod and generates significant net cash flow.

Out of an Operating Profit of \$1,871,812 in 2015, the Fund has distributed \$850,734 as follows:

Distributions 2015

Synod	\$634,003
DMUC	\$20,000
Manse Repairs (Karama)	\$49,977
Reimbursement of Nungalinya Lecturer	\$92,059
Reimbursement for DMUC 2 nd Placement	\$32,058
Other Grants including Nungalinya College	<u>\$22,640</u>
	<u>\$850,737</u>

An amount of \$ 706,732 has been set aside for future replacement of the CBD Plaza in accordance with Synod resolution.

This asset replacement fund is invested with UCA Funds of VIC / TAS Synod and totalled \$2,080,763 as at 31 December 2015. As at date, the fund has a balance of over \$2.3 Million and our expectation is to have over \$3.0 Million by year end.

In addition Retail development Fund paid \$6,335 for Parap Land Development.

As mentioned in our report last year, we have reserved 15% of the total CBD Plaza surplus and other significant property revenues, for future “lean years” in addition to asset replacement reserves.

An amount of \$310,064 has been transferred to the new account for this purpose. As at date, the fund has a balance of over \$350,000.

As decided at the Synod, the FAPS Committee is working through to formulate what change of circumstances would constitute commencement of “lean years”

3. By. Laws & Financial Procedures

During Consideration of FAPS business, it has become evident that the Synod By-Laws are increasingly out-of-date as they are currently phrased.

The FAPS Committee has already reviewed Delegations, Treasurers’ Manual and Financial Procedures Manual. Currently, FAPS Committee is reviewing Synod by-Laws, the structure of Synod & Presbytery accounts, and the recommendations will be submitted in due course.

In order to keep up to date, the reviews will be an ongoing item in FAPS agendas for future meetings.

4. Synod Funds

The Northern Synod incurred a deficit of \$11,616 (2014 -\$30,212) in 2015 as opposed to a budgeted surplus of \$1,810.

The significant expenditure variances include:

Annual Synod Costs	\$54,077	(Budget \$30,000)
Ministers Removal Reserve	\$23,041	(Budget \$15,000)
Total	\$77,118	(Budget \$45,000)

**As some of our congregations are in remote areas the removal costs are high)*

Attached is an Income and Expenditure Statement showing:

2015 Actual & Budget
2016 Estimate & Budget
And;
2017 Budget

A Full set of Audited Financial Statements for the year ended 31 December 2015 is tabled.

5. Finance and Property Services (FAPS) Committee

The FAPS Committee had four meetings since the last Synod up to now, with task group work occurring outside these meetings. In addition, the members communicated and decided on important and urgent issues via emails.

Members of the FAPS Committee are: Barry Hansen (chair), Maratja Dhamarrandji, Rose Gurrlarrangi, Cathy Spurr, Matthew Kennon, Rev. Bruce Slater, Rev. Steve Orme, Mike Lane, Peter Jones, Lal Wijeratne, and Dale Chesson.

On behalf of the FAPS Committee we wish to thank our Synod office staff for their support. The Committee looks forward to continuing to service the Church in Christ's name.

We thank the Committee members for their commitment to FAPS and the work of the Church.

6. Procedural Matters

We recommend to Synod that it:

- . Receives the FAPS report;**
- . Receives the 2015 audited financial statements;**
- . Approves the Synod Budget for 2017; and**
- . Appoints BDH Consulting Pty Ltd as auditor for 2016 for a fee of \$21,000 (unchanged from last 2015).**

On behalf of the FINANCE AND PROPERTY SERVICES (FAPS) COMMITTEE.

Barry Hansen, Chairperson