

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 2016 is given below.

### **1. Common Investment Fund**

The following balances were held as at 31 December 2016

Harry Griffiths Fund	\$1,977,030
NRCC Mission & Service Fund	\$2,221,199
Synod Fund	(\$225,199)
Synod Ministers' Entitlement Fund	\$273,775
Synod Insurance Fund	\$2,330,629
Pilgrim Presbytery	\$78,796
PPNA Congregations Account	\$325,573
ARDS Investment Account	\$709,820
Other	<u>\$10,613</u>
<b>TOTAL</b>	<b><u>\$7,702,236</u></b>

These were invested in:

Cash	\$3,013,190
Capital Growth Managed Funds (i)	\$ 1,541,973
Loans - Kormilda College	\$805,525
Other (ii)	<u>\$2,341,548</u>
<b>TOTAL</b>	<b><u>\$7,702,236</u></b>

Notes:

- (i) The market value of Capital Growth Funds as at 31<sup>st</sup> December 2016 was \$2,191,658 (2015-\$2,100,686)
- (ii) This is represented by property investments for Lot 1422 Nhulunbuy \$729,252 and 40 Robinson Street, Broome \$1,612,296, transferred from Synod.

In 2016, the total of Cash, Capital Growth managed Funds and Loans amounted to \$7,702,236. The total for 2015 was \$5,764,736 showing an increase of \$1,937,500. The main reason for this is given under note (ii) above.

### **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 \$1,704,488 in 2016, the Fund has distributed \$949,338 as follows:

**Distributions 2016**

Synod	\$659,000
Manse Repairs (Karama)	\$65,931
Reimbursement of Nungalinya Lecturer	\$92,537
Reimbursement for DMUC 2 <sup>nd</sup> Placement	\$131,870

An amount of \$719,444 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 totaled \$2,800,207 as at 31 December 2016. Our expectation is to have over \$3.5 Million by year end.

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 reserve.

An amount of \$211,022 has been transferred to the new account for this purpose. As at 31 December 2016, the fund has a balance of \$427,538.

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 \$56,692 (2015 -SI 1,616) in 2016 as opposed to a budgeted surplus of \$500 for the year.

The significant expenditure variances include:

Loss on sale of 16 Kilfoyle Street	\$38,500	(Not Budgeted)
Difference between Income & Expenditure for Kormilda College Chaplain	\$56,760	(Budget \$0)
Total	\$95,260	(Budget \$0)

If not for the above variances, we would have made a surplus of \$38,568.

Attached is an Income and Expenditure Statement showing:

2016	Actual and Budget
2017	Estimate and Budget
And, 2018	Budget

A full set of Audited Financial Statements for the year ended 31 December 2016 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 current FAPS Committee are: Barry Hansen (chair), Maratja Dhamarrandji, Rose Gurrlarrangi, Cathy Spurr, Matthew Kennon, Rev. Felicity Amery, Rev. Steve Orme, Mike Lane, Peter Jones, Lal Wijeratne, Andrew Merritt 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:

1. Receives the FAPS report;
2. Receives the 2016 audited financial statements;
3. Approves the Synod Budget for 2018; and
4. Appoints BDH Consulting Pty Ltd as auditor for 2017 for a fee of \$22,500 (increase of \$1,500 from 2016).

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

Barry Hansen  
Chairperson