

# Association Financial Statements 2019

The Lakes Evangelical Church Inc

ABN 40 227 130 382

For the year ended 31 December 2019

Prepared by Beda Pty Ltd

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# Committee's Report

## The Lakes Evangelical Church Inc For the year ended 31 December 2019

### Committee's Report

Your committee members submit the financial report of The Lakes Evangelical Church Inc for the financial year ended 31 December 2019.

### Committee Members

The names of committee members throughout the year and at the date of this report are:

Committee Member	Position
David Sheath	President
Maurice Wrightson	Treasurer
Michael Lowbridge	Secretary
Greg Mason	Administrator
Lois Asher	Administrator

### Principal Activities

The association is established for the principal purpose of conducting the affairs of the church. The mission of the association is: "Building Christ's Church by Proclaiming His Word so that God is Glorified".

### Significant Changes

- The Administration Committee of the Lakes Evangelical authorised the Secretary Mr Colin Montiford and Treasurer Mr Maurice Wrightson to sign the loan Contract with Baptist Financial Services for \$3,850,000.
- During the 2019 financial year, the construction of the Ministry Centre had commenced.

### Operating Result

The surplus after providing for income tax for the financial year amounted to, as per below:

**\$734,419.07**

The following are some of the key points from the Financial Reports as at 31 December 2019:

- Total income increased from \$1,350,700 to \$1,498,569, primarily due faithful giving to both to General Offerings and the Building Fund.
- General giving increased from \$546,358 to \$571,954.
- Giving to the building fund increased from \$697,847 to \$768,313.
- Total expenses have increased from \$654,564 to \$766,379 mainly due to increases in insurance costs, employment expenses, loan interest charges and depreciation.

- Employee expenses increased from \$496,298 to \$515,229.
- The net surplus for the year was \$734,419 (2018: \$696,135).
- The asset value of our Land & Buildings increased from \$2,072,002 to \$7,099,368 largely due to the investment in the Ministry Centre.
- Cash at bank at the end of the year was \$800,869 (2018: \$1,178,974).
- Liabilities has obviously increased and is mainly made up of, BFS Ministry Centre Loan \$3,847,942 and funds owing to members of \$240,000 (2018:\$100,000).

### Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cashflows from operations to meet its liabilities. The members of the association believe that the going concern assumption is appropriate.

Signed in accordance with a resolution of the Members of the Committee on:

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Michael Lowbridge (Secretary)

Date        /        /

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Maurice Wrightson (Treasurer)

Date        /        /

# True and Fair Position

## The Lakes Evangelical Church Inc For the year ended 31 December 2019

### Annual Statements Give True and Fair View of Financial Position and Performance of the Association

I, Maurice Wrightson, being a member of the committee of The Lakes Evangelical Church Inc, certify that –

The statements attached to this certificate give a true and fair view of the financial position and performance of The Lakes Evangelical Church Inc during and at the end of the financial year of the association ending on 31 December 2019.

Signed:

Dated:     /     /

# Certificate By Members of the Committee

**The Lakes Evangelical Church Inc**

**For the year ended 31 December 2019**

I, Maurice Wrightson, certify that:

1. I attended the annual general meeting of the association held on [   /   /   ].
2. The financial statements for the year ended 31 December 2019 were submitted to the members of the association at its annual general meeting.

Dated:   /   /

# Auditor's Report

## The Lakes Evangelical Church Inc For the year ended 31 December 2019

### Independent Auditors Report to the members of the Association

We have audited the accompanying financial report, being a special purpose financial report, of The Lakes Evangelical Church Inc (the association), which comprises the committee's report, the assets and liabilities statement as at 31 December 2019, the income and expenditure statement for the year then ended, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

### Committee's Responsibility for the Financial Report

The committee of The Lakes Evangelical Church Inc is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Australian Accounting Standards and the Associations Incorporation Act 1981 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial report presents fairly, in all material respects (or gives a true and fair view –refer to the applicable state/territory Act), the financial position of The Lakes Evangelical Church Inc as at 31 December 2019 and (of) its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Australian Accounting Standards and the Associations Incorporation Act 1981 .

### Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist The Lakes Evangelical Church Inc to meet the requirements of the Australian Accounting Standards and the Associations Incorporation Act 1981. As a result, the financial report may not be suitable for another purpose.

Auditor's signature: 

Auditor's address: Suite 301 / 40 Mann Street, GOSFORD NSW 2250

Dated: 17/ 3 /2020

# Income and Expenditure Statement

## The Lakes Evangelical Church Inc For the year ended 31 December 2019

	2019	2018
<b>Income</b>		
General Income	571,953.40	548,624.56
Interest Income	8,515.09	9,523.92
Missions Income	30,345.70	19,998.20
Designated Giving (MTS Support)	43,029.40	7,290.15
Building Fund Receipts	768,313.00	697,847.05
Fundraising	61,412.02	47,415.48
Genesis Grant Income	15,000.00	20,000.00
<b>Total Income</b>	<b>1,498,568.61</b>	<b>1,350,699.36</b>
<b>Gross Surplus</b>	<b>1,498,568.61</b>	<b>1,350,699.36</b>
<b>Expenditure</b>		
Bank Charges	1,157.39	1,641.75
Church Expenses	4,710.91	2,107.02
Council Rates	994.40	761.77
Depreciation	6,317.84	2,570.49
Electricity & Gas	7,567.78	7,584.85
Employment Expenses	515,228.68	496,298.31
FIEC contributions	6,368.27	4,642.90
General Office Expenses	2,357.57	1,463.12
Hall Rental	29,015.39	34,694.32
Insurances & Licences	19,384.23	7,194.27
Ministry Expenses	7,641.76	7,646.75
Missions Disbursements	32,689.92	19,900.00
Ministry Centre Loan Interest	70,900.28	-
Other Expenses (GNW, Camps, Departments etc.)	42,677.42	45,231.37
Printing, Postage, Stationery & Computer Costs	15,480.65	18,976.64
Property Maintenance	844.04	543.59
Telephone & Internet	3,042.86	3,306.81
<b>Total Expenditure</b>	<b>766,379.39</b>	<b>654,563.96</b>
<b>Current Year Surplus/ (Deficit) Before Income Tax Adjustments</b>	<b>732,189.22</b>	<b>696,135.40</b>
<b>Current Year Surplus/(Deficit) Before Income Tax</b>	<b>732,189.22</b>	<b>696,135.40</b>
<b>Net Current Year Surplus After Income Tax</b>	<b>732,189.22</b>	<b>696,135.40</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.



# Assets and Liabilities Statement

## The Lakes Evangelical Church Inc As at 31 December 2019

	NOTES	31 DEC 2019	31 DEC 2018
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	2	800,869.10	1,178,973.85
Income Tax Receivable	6	25,536.00	4,054.00
<b>Total Current Assets</b>		<b>826,405.10</b>	<b>1,183,027.85</b>
<b>Non-Current Assets</b>			
Land and Buildings	4	7,099,367.74	2,072,002.12
Plant and Equipment and Vehicles	3	63,718.97	6,975.84
<b>Total Non-Current Assets</b>		<b>7,163,086.71</b>	<b>2,078,977.96</b>
<b>Total Assets</b>		<b>7,989,491.81</b>	<b>3,262,005.81</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Trade and Other Payables</b>			
Accounts Payable	5	16,957.75	10,355.63
When God Speaks Conference	5	6,749.18	6,749.18
PAYG Withholding Payable	6	4,513.00	4,341.00
Employee Entitlements	7	15,488.26	14,907.17
<b>Total Trade and Other Payables</b>		<b>43,708.19</b>	<b>36,352.98</b>
<b>Total Current Liabilities</b>		<b>43,708.19</b>	<b>36,352.98</b>
<b>Other Current Liabilities</b>			
Loans to offset Ministry Centre loan	8	240,000.00	100,000.00
Rounding		0.01	-
<b>Total Other Current Liabilities</b>		<b>240,000.01</b>	<b>100,000.00</b>
<b>Non-Current Liabilities</b>			
<b>Other Non-Current Liabilities</b>			
BFS Loan account	8	3,847,941.56	-
<b>Total Other Non-Current Liabilities</b>		<b>3,847,941.56</b>	<b>-</b>
<b>Total Non-Current Liabilities</b>		<b>3,847,941.56</b>	<b>-</b>
<b>Total Liabilities</b>		<b>4,131,649.76</b>	<b>136,352.98</b>
<b>Net Assets</b>		<b>3,857,842.05</b>	<b>3,125,652.83</b>
<b>Member's Funds</b>			
Capital Reserve		3,857,842.05	3,125,652.83
<b>Total Member's Funds</b>		<b>3,857,842.05</b>	<b>3,125,652.83</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

# Notes to the Financial Statements

## The Lakes Evangelical Church Inc For the year ended 31 December 2019

### 1. Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 2009 (NSW). The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

#### Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

#### Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

#### Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

#### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST

receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

## Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

	2019	2018
<b>2. Cash on Hand</b>		
BFS Offset account	240,000.00	-
BFS Online Saving Account	23,295.38	-
BFS Savings Account	210.43	-
ING Account	370,196.32	1,169,259.21
NAB Building Fund Account	38,764.99	516.09
NAB General Account	128,401.98	9,198.55
<b>Total Cash on Hand</b>	<b>800,869.10</b>	<b>1,178,973.85</b>

	2019	2018
<b>3. Plant and Equipment, Motor Vehicles</b>		
<b>Plant and Equipment</b>		
Plant and Equipment at Cost	73,203.97	55,984.42
Accumulated Depreciation of Plant and Equipment	(9,485.00)	(49,008.58)
<b>Total Plant and Equipment</b>	<b>63,718.97</b>	<b>6,975.84</b>
<b>Total Plant and Equipment, Motor Vehicles</b>	<b>63,718.97</b>	<b>6,975.84</b>

	2019	2018
<b>4. Land and Buildings</b>		
<b>Land</b>		
Land at Cost	1,193,312.00	1,193,312.00
<b>Total Land</b>	<b>1,193,312.00</b>	<b>1,193,312.00</b>
<b>Buildings</b>		
Buildings at Cost	5,906,055.74	878,690.12
<b>Total Buildings</b>	<b>5,906,055.74</b>	<b>878,690.12</b>
<b>Total Land and Buildings</b>	<b>7,099,367.74</b>	<b>2,072,002.12</b>

	2019	2018
<b>5. Trade and Other Payables</b>		
<b>Trade Payables</b>		
Accounts Payable	16,957.75	10,355.63
<b>Total Trade Payables</b>	<b>16,957.75</b>	<b>10,355.63</b>

### Other Payables

These notes should be read in conjunction with the attached compilation report.

When God Speaks Conference	6,749.18	6,749.18
<b>Total Other Payables</b>	<b>6,749.18</b>	<b>6,749.18</b>
<b>Total Trade and Other Payables</b>	<b>23,706.93</b>	<b>17,104.81</b>
	<b>2019</b>	<b>2018</b>

## 6. Tax Payable

<b>Tax Payable</b>		
PAYG Withholding Payable	4,513.00	4,341.00
GST	(25,536.00)	(4,054.00)
<b>Total Tax Payable</b>	<b>(21,023.00)</b>	<b>287.00</b>
<b>Total Tax Payable</b>	<b>21,023.00</b>	<b>(287.00)</b>
	<b>2019</b>	<b>2018</b>

## 7. Employee Entitlements

Superannuation Clearing	12,703.68	12,099.93
MEA & UEA Owing	2,784.58	2,807.24
<b>Total Employee Entitlements</b>	<b>15,488.26</b>	<b>14,907.17</b>
	<b>2019</b>	<b>2018</b>

## 8. Loans

<b>Current Liability</b>		
Loans to offset Ministry Centre loan	240,000.00	100,000.00
<b>Total Current Liability</b>	<b>240,000.00</b>	<b>100,000.00</b>
<b>Non Current Liability</b>		
BFS Loan account	3,847,941.56	-
<b>Total Non Current Liability</b>	<b>3,847,941.56</b>	<b>-</b>
<b>Total Loans</b>	<b>4,087,941.56</b>	<b>100,000.00</b>

These notes should be read in conjunction with the attached compilation report.

# Depreciation Schedule

## The Lakes Evangelical Church Inc For the year ended 31 December 2019

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
<b>Kitchen Equipment</b>						
Back Bar Chiller	500.00	-	500.00	-	3.77	496.23
Chairs	16,968.16	-	16,968.16	-	581.10	16,387.06
Coffee Machine	1,200.00	-	1,200.00	-	34.52	1,165.48
Conference Table	973.24	-	973.24	-	42.33	930.91
Deep Fryer	2,087.76	-	2,087.76	-	36.46	2,051.30
Dishwasher	1,090.91	-	1,090.91	-	21.67	1,069.24
Furniture	806.64	-	806.64	-	35.08	771.56
Gas Conversion	227.27	-	227.27	-	4.44	222.83
Glasswasher	979.00	-	979.00	-	20.79	958.21
Joinery Handle	865.80	-	865.80	-	16.60	849.20
Kitchen Equipment	6,122.18	-	6,122.18	-	276.76	5,845.42
Kitchen Fittings	2,331.45	-	2,331.45	-	63.08	2,268.37
Kitchen Supplies - Coffee Area	318.14	-	318.14	-	4.25	313.89
Kitchen Supplies - Ministry Centre	9,023.74	-	9,023.74	-	475.91	8,547.83
Kitchen Utensils	1,363.92	-	1,363.92	-	12.61	1,351.31
Plumbing & Electrical Fittings	1,173.12	-	1,173.12	-	20.49	1,152.63
Pumps & Valves	764.05	-	764.05	-	4.19	759.86
Secondhand Stove	200.00	-	200.00	-	4.38	195.62
Trueheat Units	863.92	-	863.92	-	15.09	848.83
Wire Shelving Unit	550.91	-	550.91	-	12.26	538.65
<b>Total Kitchen Equipment</b>	<b>48,410.21</b>	<b>-</b>	<b>48,410.21</b>	<b>-</b>	<b>1,685.78</b>	<b>46,724.43</b>
<b>Music/Sound/AV Equipment</b>						
Computer Networking	3,570.00	-	3,570.00	-	326.03	3,243.97
Lakes AV Equipment	2,347.20	-	2,347.20	-	141.48	2,205.72
Laser Projector	8,430.00	-	8,430.00	-	931.53	7,498.47
Music Stand	116.36	-	116.36	-	19.66	96.70
NEC Projector	1,266.00	1,019.83	-	-	727.03	292.80
Speakers	187.20	-	187.20	-	21.71	165.49
Speakers & Cables	877.27	219.32	-	-	219.32	-
<b>Total Music/Sound/AV Equipment</b>	<b>16,794.03</b>	<b>1,239.15</b>	<b>14,650.76</b>	<b>-</b>	<b>2,386.76</b>	<b>13,503.15</b>
<b>Office Equipment</b>						
Air Conditioners	1,580.00	1,062.11	-	-	107.06	955.05
Alarm Installation	800.00	253.34	-	-	149.87	103.47
Dell Latitude Computer	4,497.00	3,622.58	-	-	1,504.26	2,118.32
Dell Touch Screen Monitor	418.18	255.55	-	-	138.39	117.16
Shure Wireless Mic	704.55	430.56	-	-	233.17	197.39
<b>Total Office Equipment</b>	<b>7,999.73</b>	<b>5,624.14</b>	<b>-</b>	<b>-</b>	<b>2,132.75</b>	<b>3,491.39</b>
<b>Total</b>	<b>73,203.97</b>	<b>6,863.29</b>	<b>63,060.97</b>	<b>-</b>	<b>6,205.29</b>	<b>63,718.97</b>

# Movements in Equity

## The Lakes Evangelical Church Inc For the year ended 31 December 2019

	2019	2018
<b>Equity</b>		
Opening Balance	3,125,652.83	2,429,517.43
<b>Increases</b>		
Profit for the Period	732,189.22	696,135.40
<b>Total Increases</b>	<b>732,189.22</b>	<b>696,135.40</b>
<b>Total Equity</b>	<b>3,857,842.05</b>	<b>3,125,652.83</b>