

**FINANCIAL REPORT FOR THE
YEAR ENDED 30 JUNE 2014**

RURAL LIFESTYLE OPTIONS ASSOCIATION INC.

RURAL LIFESTYLE OPTIONS ASS. INC.

Profit & Loss Statement

July 2013 through June 2014

	This Year	Last Year
Income		
Grants		
Grants (State) Op - Recurrent	\$2,879,104.90	\$2,701,402.98
Grants (State) Op - Non-Recurrent	\$142,225.85	\$125,168.98
Grants Other	\$0.00	\$5,000.00
Fundraising - Gifts		
Donations Received	\$2,767.39	\$1,634.00
Fundraising Contributions		
Contribution (Members)	\$104.00	\$110.00
RSL Raffle Monies	\$2,819.00	\$2,511.00
Trading/Operating Activities		
Client Travel	\$48,043.55	\$50,097.88
Client Programs	\$12,992.20	\$2,475.75
Client Mowing & Car Wash	\$5,662.10	\$11,374.52
Weekend Respite	\$615.00	\$750.00
Other Income		
Interest (ANZ)		
Interest - General	\$14,573.85	\$18,337.62
Interest (Credit Union)		
Interest - General	\$577.54	\$538.68
Interest - Term Deposits	\$16,395.19	\$21,902.43
Rent - Davis Street	\$76,700.00	\$68,940.00
Rent - Anna Street	\$19,428.01	\$16,500.00
Other / Sundry Income	\$3,947.14	\$140.85
Paid Parental Leave	\$0.00	\$21,834.00
Gain on Sale of Assets	\$4,296.42	\$0.00
Salary Sacrifice Savings	\$195,419.68	\$186,424.89
Total Income	<u>\$3,425,671.82</u>	<u>\$3,235,143.58</u>
Expenses		
Accounting Fees	\$3,900.00	\$3,600.00
Advertising & Promotion	\$564.00	\$0.00
Audit Fees	\$9,200.00	\$8,500.00
Bank Charges	\$215.20	\$208.00
Client Support Services	\$23,941.90	\$19,308.05
Client Mowing & Car Wash	\$4,765.91	\$8,816.70
Computer Expenses	\$16,930.29	\$5,075.00
Consultancy Fees	\$17,623.47	\$17,004.51
Depreciation		
Depreciation - Buildings	\$14,506.00	\$15,057.58
Depreciation - Motor Vehicle	\$51,562.00	\$49,072.00
Depreciation - Office Equipment	\$32,083.00	\$17,697.00
Depreciation - Respite Furniture & Equipment	\$1,037.00	\$1,286.00
Depreciation - Activites	\$1,691.00	\$1,833.00
Depreciation - Accommodation Furniture & Equipment	\$378.00	\$396.00
Equipment Hire/Lease	\$1,017.65	\$2,390.86
Fees & Permits	\$46.60	\$45.00
Health & Safety	\$415.50	\$1,161.00
Insurance Expenses		
Insurance - General	\$11,672.73	\$11,163.63
Insurance - Public Liability	\$4,354.55	\$4,245.45

The accompanying notes form part of this Financial Report.
This Financial Report is to be read in conjunction with the attached
Auditor's Report of Gillow and Teese Chartered Accountants.

RURAL LIFESTYLE OPTIONS ASS. INC.

Profit & Loss Statement

July 2013 through June 2014

	This Year	Last Year
Insurance - Rental Properties	\$1,350.00	\$1,125.55
Insurance - Volunteers	\$500.00	\$0.00
Loss on Sale of Assets	\$0.00	\$2,602.85
Meeting Expenses	\$2,919.31	\$1,994.11
Membership Fees Paid	\$4,400.91	\$4,488.18
Motor Vehicle Expenses		
MV Fuel & Oil	\$27,976.17	\$27,467.57
MV Repairs & Maintenance	\$7,989.05	\$11,144.83
MV Insurance	\$8,609.35	\$8,189.55
MV Registration	\$8,166.50	\$9,094.66
MV Fees & Subscriptions	\$921.82	\$827.27
FBT MV Expenses - Client Manager	\$3,628.13	\$3,327.58
FBT MV Expenses - CEO	\$3,769.35	\$4,138.96
Postage, Freight & Courier	\$1,358.14	\$1,005.49
Printing & Stationery	\$15,743.43	\$13,288.90
Property Management Fees	\$1,883.34	\$1,394.09
Publications & Info Resources	\$356.08	\$99.09
Rates & Taxes	\$3,772.84	\$3,465.30
Rates - Rental Properties	\$4,251.95	\$3,481.78
Rent	\$76,700.00	\$68,940.00
Repairs & Maintenance		
Repairs & Maintenance	\$6,494.93	\$6,747.66
Repairs & Maintenance Brisbane Street	\$365.08	\$522.73
Repairs & Maintenance Nicole Circuit	\$77.27	\$100.00
R & M - Rental Properties	\$2,268.60	\$1,692.04
Wages & Salaries		
Annual Leave Expense	\$1,299.89	\$24,185.95
Long Service Leave Expense	\$33,583.64	\$30,291.59
Personal/Carers Leave Expense	\$4,675.92	\$10,554.59
Superannuation	\$202,762.18	\$189,712.86
Workers Compensation	\$113,338.57	\$64,921.31
Salaries & Wages Gross	\$2,583,467.35	\$2,402,076.82
Security Expenses	\$2,191.20	\$2,193.65
Staff Amenities	\$11,701.50	\$10,722.20
Sundry Expenses	\$5,353.02	\$2,365.13
Telephone & Fax Charges	\$8,218.46	\$8,097.85
Training & Development	\$14,703.76	\$13,630.76
Travel & Accommodation	\$1,567.04	\$2,721.98
Utilities	\$7,761.75	\$6,258.39
Total Expenses	<u>\$3,370,031.33</u>	<u>\$3,109,731.05</u>
Net Profit/(Loss)	<u>\$55,640.49</u>	<u>\$125,412.53</u>

The accompanying notes form part of this Financial Report.
This Financial Report is to be read in conjunction with the attached
Auditor's Report of Gillow and Teese Chartered Accountants.

RURAL LIFESTYLE OPTIONS ASS. INC.

Balance Sheet

As At 30 June 2014

	<u>This Year</u>	<u>Last Year</u>
Assets		
Current Asset		
Cash at Bank (ANZ)		
General	\$410,448.20	\$442,878.73
Cash at Bank (Credit Union)		
Cheque	\$8,860.83	\$5,640.87
Donation & Gift	\$37,287.67	\$34,285.52
Investment	\$380,980.74	\$364,539.73
Petty Cash	\$1,157.00	\$1,199.50
Other Debtors	\$1,143.20	\$1,642.76
Accounts Receivable	\$18,163.71	\$19,566.56
Total Current Assets	<u>\$858,041.35</u>	<u>\$869,753.67</u>
Non Current Assets		
Land & Buildings		
4 Davis Street	\$153,890.27	\$150,651.18
6 Davis Street	\$521,051.00	\$521,051.00
70 Anna Street	\$359,953.40	\$359,953.40
Less: Accumulated Depreciation	-\$88,181.67	-\$73,676.58
Total Land & Buildings	<u>\$946,713.00</u>	<u>\$957,979.00</u>
Office Furniture & Equipment		
Office Furniture & Equipment	\$282,718.00	\$227,073.00
Less: Accumulated Depreciation	-\$143,412.00	-\$112,571.00
Total Office Furniture & Equipment	<u>\$139,306.00</u>	<u>\$114,502.00</u>
Activites Equipment		
Activities Equipment	\$25,120.00	\$25,265.00
Less: Accumulated Depreciation	-\$18,366.00	-\$16,929.00
Total Activites Equipment	<u>\$6,754.00</u>	<u>\$8,336.00</u>
Respite Furniture & Equipment		
Respite Furniture & Equipment	\$21,947.00	\$21,947.00
Less: Accumulated Depreciation	-\$19,178.00	-\$18,142.00
Total Respite Furniture & Equipment	<u>\$2,769.00</u>	<u>\$3,805.00</u>
Accommodation - Furniture & Equipment		
Accommodation - Furniture & Equipment	\$3,975.00	\$3,670.00
Less: Accumulated Depreciation	-\$2,426.00	-\$2,670.00
Total Accommodation - Furniture & Equipment	<u>\$1,549.00</u>	<u>\$1,000.00</u>
Motor Vehicles		
Motor Vehicles	\$324,086.00	\$318,007.00
Less: Accumulated Depreciation	-\$105,953.00	-\$91,931.00
Total Motor Vehicles	<u>\$218,133.00</u>	<u>\$226,076.00</u>
Total Non Current Assets	<u>\$1,315,224.00</u>	<u>\$1,311,698.00</u>
Total Assets	<u>\$2,173,265.35</u>	<u>\$2,181,451.67</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$15,233.17	\$58,823.82
GST Payable		
GST Collected on Sales	\$74,870.68	\$72,138.03
GST Paid on Purchases	-\$9,018.59	-\$11,363.30
Total GST Payable	<u>\$65,852.09</u>	<u>\$60,774.73</u>

The accompanying notes form part of this Financial Report.
This Financial Report is to be read in conjunction with the attached
Auditor's Report of Gillow and Teese Chartered Accountants.

RURAL LIFESTYLE OPTIONS ASS. INC.

Balance Sheet

As At 30 June 2014

	This Year	Last Year
Payroll Liabilities		
PAYG Withholding Payable	\$23,694.09	\$22,556.19
Total Payroll Liabilities	<u>\$23,694.09</u>	<u>\$22,556.19</u>
Gold Lotto Payable	\$212.00	\$176.00
Superannuation		
Sunsuper - Employer Payable	\$10,480.52	\$9,814.58
Hesta - Employer Payable	\$5,224.13	\$4,537.19
Employee # 1	\$1,533.00	\$1,533.00
Employee # 2	\$430.00	\$350.00
Employee Salary Sacrifice		
Employee # 1	\$2,055.92	\$2,400.00
Employee # 2	\$1,004.53	\$0.00
Employee # 3	\$600.00	\$0.00
Employee # 4	\$1,800.00	\$1,800.00
Employee # 5	\$577.29	\$558.85
Total Employee Salary Sacrifice	<u>\$6,037.74</u>	<u>\$4,758.85</u>
ANZ - Visa	\$1,247.53	\$3,377.02
Grant Income Unexpended	\$85,011.58	\$132,373.13
Provisions		
Annual Leave Accrual	\$152,823.47	\$151,767.11
Personal/Carers Leave Accrual	\$65,330.14	\$63,193.80
Long Service Leave Accrual	\$154,067.87	\$130,449.08
Total Provisions	<u>\$372,221.48</u>	<u>\$345,409.99</u>
Total Current Liabilities	<u>\$587,177.33</u>	<u>\$644,484.50</u>
Non Current Liabilities		
Provisions		
Long Service Leave Accrual	\$51,769.13	\$58,288.77
Total Provisions	<u>\$51,769.13</u>	<u>\$58,288.77</u>
Total Non Current Liabilities	<u>\$51,769.13</u>	<u>\$58,288.77</u>
Total Liabilities	<u>\$638,946.46</u>	<u>\$702,773.27</u>
Net Assets	<u>\$1,534,318.89</u>	<u>\$1,478,678.40</u>
Equity		
Accumulated Funds		
Retained Surplus/Loss	\$1,478,678.40	\$1,353,265.87
Current Year Surplus/Loss	\$55,640.49	\$125,412.53
Total Equity	<u>\$1,534,318.89</u>	<u>\$1,478,678.40</u>

The accompanying notes form part of this Financial Report.
This Financial Report is to be read in conjunction with the attached
Auditor's Report of Gillow and Teese Chartered Accountants.

RURAL LIFESTYLE OPTIONS ASSOCIATION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 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 1981 (Qld). 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, which do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

(a) Income Tax

It is the opinion of the Committee that the Association is an exempt body for income tax purposes under Section 50-5 of the Income Tax Assessment Act, 1997.

(b) Property Plant & Equipment

Property, plant & equipment are included in these financial statements at cost or at valuation. All fixed assets, excluding freehold land are depreciated over their useful lives.

(c) Employee Benefits

Provision is made for the Association's liability for annual leave, personal leave and long service leave arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amount expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made to an employee superannuation fund and are charged as expenses when incurred. There is no legal obligation to provide benefits to employees on retirement.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks.

(e) Income

Grant Income is accounted for in the financial period to which the funds relate, or the relevant expenditure acquitted. The amount of \$85,012 was not expended during the year ended 30 June 2014 and has been accounted for as Grant Income Unexpended on the Balance Sheet in this financial year.

Interest revenue is recognised upon receipt.

Donation income is recognised when the Association obtains control over the funds, which is generally at the time of receipt.

Revenue from the sale of goods and services provided is recognised upon the delivery of goods or services to clients.

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

RURAL LIFESTYLE OPTIONS ASSOCIATION INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(f) Accounts and Other Receivables

Accounts and other receivables include amounts due for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(g) Accounts and Other Payables

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

(h) Goods & Services Tax

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Accounts Receivable and Accounts Payables are stated in the balance sheet inclusive of the amount of GST receivable or payable.

The Association's Australian Business Number (ABN) is 55 956 904 691.

(i) Comparative Figures

Where required by Accounting Standards or where the Association applies an accounting policy retrospectively or reclassifies items in its financial statements the comparative figures have been adjusted to conform with the changes in presentation for the current financial year.

Note 2 – Fringe Benefits Tax

The Association is registered with the Australian Taxation Office and the Australian Charities and Not-for-profits Commission (ACNC) as a Public Benevolent Institution, and as such, receives concessional treatment for fringe benefits that it provides to its employees up to a grossed-up value of \$30,000.

As a result of this concessional FBT treatment, the Association continues to enter into salary packaging arrangements with its employees. These salary arrangements enable the Association to receive significant PAYG tax savings, which the Association shares with its employees and uses the remainder to fund its ongoing operations.

The salary sacrifice tax savings recognised by the Association have been recorded as income in these financial statements and the total wages package has been disclosed as the wages expense.

Note 3 – Finance Facilities

The Association currently has a line of credit facility of \$300,000 with ANZ bank which is secured by a mortgage on the properties located at 4 and 6 Davis Street, Beaudesert. At present this facility is not required by the Association and therefore has a nil balance.

The Association has an ANZ Business One credit card with a credit limit of \$5,000.

RURAL LIFESTYLE OPTIONS ASSOCIATION INC.

**STATEMENT BY MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2014**

The Committee have determined that the Association is not a reporting entity.

The Committee have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

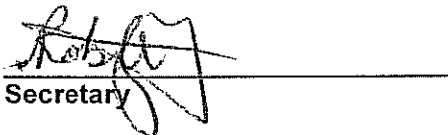
In the opinion of the Committee, the financial report:

- 1) Presents a true and fair view of the financial position of the Rural Lifestyle Options Association Inc. as at 30 June 2014 and its performance for the year ended on that date.
- 2) At the date of this statement, there are reasonable grounds to believe that Rural Lifestyle Options Association Inc. will be able to pay its debts as and when they fall due.

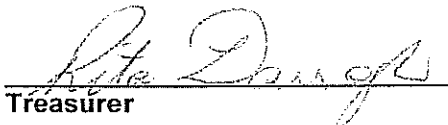
This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



President



Secretary



Treasurer

Dated this 18TH day of OCTOBER 2014.

INDEPENDENT AUDITOR'S REPORT
To the Members of
RURAL LIFESTYLE OPTIONS ASSOCIATION INC.

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Rural Lifestyle Options Association Inc., which comprises the Profit & Loss, Balance Sheet as at 30 June 2014, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Members of the Committee on the annual statement's 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 Association 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 Associations Incorporation Act 1981 (Qld) 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.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

INDEPENDENT AUDITOR'S REPORT
To the Members of
RURAL LIFESTYLE OPTIONS ASSOCIATION INC.

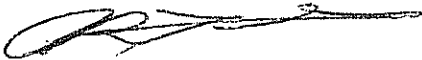
Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Rural Lifestyle Options Association Inc. as at 30 June 2014 and 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 Association Incorporation Act 1981 (Qld).

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Rural Lifestyle Options Association Inc. to meet the requirements of the Association Incorporation Act 1981 (Qld). As a result, the financial report may not be suitable for another purpose.

Gillow & Teese
Chartered Accountants



Alan R Teese
Partner

Dated: 18-10-14
Beaudesert