

Foster Care Association of Victoria Inc

ABN: 30 747 010 099

Financial Statements

For the Year Ended 30 June 2023

Foster Care Association of Victoria Inc

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For the Year Ended 30 June 2023

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Foster Care Association of Victoria Inc

Responsible Persons' Report

30 June 2023

The Committee members present their report on Foster Care Association of Victoria Inc for the financial year ended 30 June 2023.

Committee Members

The names of the Committee members in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Megan Sadler	President	
Luke Sapwell	Vice President	
Matthew Fredricks	Secretary	
Zoe Sredovic	Treasurer	
Alexis King		
Tori Smith		Resigned September 2022
Sue Segar		Resigned September 2022
Kym Phillips		
Morgan Smith		
Sarah Witty		Appointed September 2022
Natalie Pryor		Appointed October 2022

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activities of Foster Care Association of Victoria Inc during the financial year were:

- Participation in DFFH policy consultations and Stakeholders Liaison and Working Groups.
- The production and distribution of a statewide newsletter.
- The provision of phone-based support and guidance for carers through the Carer Support Service.
- Liaising with local and regional support groups in relation to training and other issues related to foster care.
- Continued facilitation of various learning & development forums for carers.

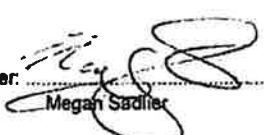
The following significant changes in the nature of the principal activities occurred during the financial year:

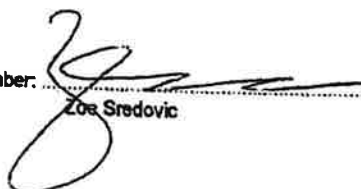
- Loss of Carer KaFE (Training and Development Program) to the Centre for Excellence from April 1st 2023.

Operating result

The profit of the Association for the financial year after providing for income tax amounted to \$ 43,788 (2022: \$ 267,245).

Signed in accordance with a resolution of the Committee:

Committee Member: 
Megan Sadler

Committee Member: 
Zoe Sredovic

Dated this 15-8- day of 2023 2023

Auditor's Independence Declaration To The Responsible Persons Of Foster Care Association Of Victoria Inc

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Foster Care Association of Victoria Inc for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements as set out in section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and,
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.



Mr Benjamin Horner
Chartered Accountant; Registered Company Auditor
Director
McConachie Stedman Audit and Assurance Pty Ltd
619 Ruthven Street
Toowoomba Qld 4350

16 August 2023

Foster Care Association of Victoria Inc

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	3	2,140,222	2,383,427
Employee benefits expense	4	(1,205,483)	(1,017,880)
Depreciation and amortisation expense	4	(34,840)	(48,533)
Consultancy fees		(647,434)	(909,037)
Administrative expenses		(25,076)	(15,501)
Carer and event expenses		(44,381)	(15,558)
Office expenses		(31,343)	(58,050)
Occupancy expenses		(32,755)	(9,534)
Operating expenses		(73,756)	(39,534)
Finance costs		(1,366)	(2,555)
Surplus before income tax		43,788	267,245
Income tax expense		-	-
Surplus for the year		43,788	267,245
Other comprehensive income, net of income tax			
Revaluation changes for property, plant and equipment		-	-
Total comprehensive income for the year		43,788	267,245

The accompanying notes form part of these financial statements.

Foster Care Association of Victoria Inc

Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,375,531	2,057,510
Trade and other receivables	6	41,835	49,324
Prepayments		3,900	3,900
TOTAL CURRENT ASSETS		<u>1,421,266</u>	<u>2,110,734</u>
NON-CURRENT ASSETS			
Right-of-use assets	9	32,179	30,186
TOTAL NON-CURRENT ASSETS		<u>32,179</u>	<u>30,186</u>
TOTAL ASSETS		<u>1,453,445</u>	<u>2,140,920</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	747,489	1,472,029
Lease liabilities	9	13,507	33,335
Employee benefits	8	67,521	76,732
TOTAL CURRENT LIABILITIES		<u>828,517</u>	<u>1,582,096</u>
NON-CURRENT LIABILITIES			
Lease liabilities	9	19,042	-
Employee benefits	8	28,041	24,767
TOTAL NON-CURRENT LIABILITIES		<u>47,083</u>	<u>24,767</u>
TOTAL LIABILITIES		<u>875,600</u>	<u>1,606,863</u>
NET ASSETS		<u>577,845</u>	<u>534,057</u>
EQUITY			
Retained earnings		<u>577,845</u>	<u>534,057</u>
TOTAL EQUITY		<u>577,845</u>	<u>534,057</u>

The accompanying notes form part of these financial statements.

Foster Care Association of Victoria Inc

Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2022	534,057	534,057
Surplus for the year	43,788	43,788
Balance at 30 June 2023	577,845	577,845

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	266,812	266,812
Surplus for the year	267,245	267,245
Balance at 30 June 2022	534,057	534,057

The accompanying notes form part of these financial statements.

Foster Care Association of Victoria Inc

Statement of Cash Flows

For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and grants received	1,856,188	3,021,592
Payments to suppliers and employees	(2,511,187)	(2,262,403)
Interest received	12,005	1,932
Interest paid	(1,366)	(2,555)
Net cash provided by/(used in) operating activities	<u>(644,360)</u>	<u>758,566</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	<u>(37,619)</u>	<u>(49,118)</u>
Net cash provided by/(used in) financing activities	<u>(37,619)</u>	<u>(49,118)</u>
Net increase/(decrease) in cash and cash equivalents held	(681,979)	709,448
Cash and cash equivalents at the beginning of the year	<u>2,057,510</u>	<u>1,348,062</u>
Cash and cash equivalents at the end of the financial year	5 <u><u>1,375,531</u></u>	<u><u>2,057,510</u></u>

The accompanying notes form part of these financial statements.

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers Foster Care Association of Victoria Inc as an individual entity. Foster Care Association of Victoria Inc is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Foster Care Association of Victoria Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated. Where the Association has changed its classification of balances in the Statement of Profit or Loss and Other Comprehensive Income, comparatives have been reclassified for consistency of presentation. All reclassifications have been assessed as being clearly insignificant to the financial statements, and are therefore not separately disclosed.

1 Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

Critical accounting judgements, estimates and assumptions

Revenue - not-for-profit organisation

The Association undertook an assessment of revenue in accordance with the accounting policy disclosed at Note 3 Revenue and Other Income. It was assessed that revenue received through DFFH Funding - Care KaFE and carer subscriptions are to be recognised in accordance with AASB 15 and that other revenue sources including DFFH Funding - FCAV are to be recognised in accordance with AASB 1058. All income in advance disclosed at Note 7 Trade and Other Payables relates to DFFH Funding - Care KaFE.

New accounting standards for application in future periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2023. The Association has assessed that these new or amended Accounting Standards and Interpretations will not have a material impact on the Association.

3 Revenue and Other Income

Revenue

	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
- DFFH Funding - Carer KaFE	969,048	1,275,805
- Carer subscription	106,398	79,718
	<u>1,075,446</u>	<u>1,355,523</u>
<i>Other revenue</i>		
- Donations and fundraising	3,007	6,970
- Other Grants	12,843	-
- DFFH Funding - FCAV	963,205	985,750
- Other income	73,716	33,252
- Interest	12,005	1,932
	<u>1,064,776</u>	<u>1,027,904</u>
Total Revenue	<u><u>2,140,222</u></u>	<u><u>2,383,427</u></u>

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Revenue and Other Income

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2023	2022
	\$	\$
<i>Source of funding:</i>		
- State government funding	969,048	1,275,805
- Non-government funding	106,398	79,718
Total	1,075,446	1,355,523

Accounting Policy

Revenue arises mainly from the receipt of carer subscriptions, donations and Government grants. To determine whether to recognise revenue, the Association follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and,
5. Recognising revenue when/as performance obligation(s) are satisfied.

Grant Revenue

Grants received are recognised as revenue upon receipt in accordance with AASB 1058 where conditions are not present to be recognised in accordance with AASB 15, as above.

Rental Income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Volunteer Services

No amounts are included in the financial statements for services donated by volunteers.

Other Income

Other income is recognised on an accruals basis when the Association is entitled to it.

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Result for the Year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Employee benefits expenses		
Wages and salaries	1,061,884	895,007
Superannuation contributions	109,464	87,980
Employee benefits and related expenses	34,135	34,893
	<u>1,205,483</u>	<u>1,017,880</u>
Depreciation		
Right-of-use assets - IT equipment	3,697	5,728
Right-of-use assets - Motor vehicles	3,344	3,334
Right-of-use assets - Buildings	27,799	39,471
	<u>34,840</u>	<u>48,533</u>

5 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	1,375,531	2,057,510
	<u>1,375,531</u>	<u>2,057,510</u>

Accounting Policy

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

6 Trade and other receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	29,089	36,578
Deposits	12,746	12,746
	<u>41,835</u>	<u>49,324</u>

Accounting Policy

Trade and other receivables are amounts due for services provided or goods sold in the ordinary course of business. The Association applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Committee has assessed the expected credit loss to be \$NIL as there is only one significant debtor from which the risk of loss has been assessed to be negligible.

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	1,009	291,167
GST payable	(21,172)	(16,624)
Employee benefits	18,167	10,506
Credit card	5,582	3,323
Income in advance - DFFH Funding - Carer KaFE	743,903	1,183,657
	<u>747,489</u>	<u>1,472,029</u>

Accounting Policy

Trade payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

8 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Provision for long service leave	4,720	4,227
Provision for annual leave	62,801	72,505
	<u>67,521</u>	<u>76,732</u>
NON-CURRENT		
Provision for long service leave	28,041	24,767
	<u>28,041</u>	<u>24,767</u>

Accounting Policy

Annual leave and long service leave

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies and applying a weighted average discount rate that reflects the estimated timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

As of 1 July 2019, the Association has been registered with the Portable Long Service Benefits Scheme. The scheme allows workers to take their long service entitlement with them if they change jobs but stay in the community services industry. The Association reports to the Portable Long Service Authority on a quarterly basis and pays the employer levy. The liabilities disclosed above allow for the re-imburement of the Company from the scheme upon entitlements being accessed by employees.

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2023

9 Right-of-use assets and lease liabilities

Right-of-use assets

	2023	2022
	\$	\$
IT equipment	5,428	2,386
Motor vehicles	26,751	-
Buildings	-	27,800
Total	32,179	30,186

Lease liabilities

	2023	2022
	\$	\$
Current	13,507	33,335
Non-current	19,042	-
Total	32,549	33,335

Detailed leasing information

The total cash outflow for leases for the 2023 financial year was \$61,196 (2022: \$66,659), including payments for lease liabilities and short-term leases.

Within the statement of profit or loss and other comprehensive income, the following amounts are included:

	2023	2022
	\$	\$
Interest expense (within operating expenses)	1,429	2,555
Depreciation	38,727	48,533
Expenses in relation to short-term leases	22,202	5,025
Total	62,358	56,113

10 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor, McConachie Stedman Audit and Assurance, for: - auditing the financial statements	4,850	4,375

11 Contingencies and Commitments

Pursuant to the conditions attached to the Association's funding, the Association is contingently liable to repay funding received, not spent in accordance with the funding agreement. At 30 June 2023, no amount has been received (2022: \$NIL) in accordance with the funding agreement which was yet to be spent, other than the income in advance disclosed in Note 7.

The Association does not have any capital commitments at 30 June 2023 (2022: \$NIL).

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2023

12 Events After the Reporting Date

The Association ceased the Carer KaFE (training and development) program from 1 April 2023, with the program handed over to the Centre of Excellence in the period 1 April 2023 to 30 June 2023. The Association will be financially impacted by the loss of this funding program in the 2024 financial year.

Except for the above, no matters or circumstances have arisen since 30 June 2023 that have significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

13 Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

14 Goods and Services Tax

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

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

15 Financial Instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

16 Related Parties

Transactions with related parties

With the exception of key management personnel disclosed below, there were no transactions with related parties during the current and previous financial year.

Key management personnel

The aggregate compensation made to key management personnel of the Association is \$293,346 (2022: \$239,492).

17 Future Lease Payments

	2023	2022
	\$	\$
Future lease payments are due as follows:		
Within one year	13,507	33,335
One to five years	21,897	-
Total	35,404	33,335

18 Statutory Information

The registered office and principal place of business of the association is:

Foster Care Association of Victoria Inc

Ground Floor, 2 Greenwood Street, Abbotsford VIC 3067

Foster Care Association of Victoria Inc

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- the attached financial statements and notes comply with the *Associations Incorporation Reform Act 2012*, the *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Act 2012*;
- the attached financial statements and notes give a true and fair view of the Association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person

Megan Sadler

Responsible person

Zoe Sredovic

Dated this 14th day of August 2023

Independent Audit Report To The Members Of Foster Care Association Of Victoria Inc

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Foster Care Association of Victoria Inc (the Association), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Persons' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of Foster Care Association of Victoria Inc as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Simplified Disclosures and the financial reporting requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Responsible Persons of the Association, would be in the same terms if given to the Responsible Persons as at the time of this auditor's report.

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

Responsibilities of the Responsible Persons for the Financial Report

The Responsible Persons is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures, *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Responsible Persons determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Responsible Persons is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Responsible Persons either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Independent Audit Report To The Members Of Foster Care Association Of Victoria Inc

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Persons.
- d) Conclude on the appropriateness of the Responsible Persons's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Responsible Persons regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mr Benjamin Horner
Chartered Accountant; Registered Company Auditor
Director
McConachie Stedman Audit and Assurance Pty Ltd
619 Ruthven Street
Toowoomba Qld 4350

18 August 2023