

Foster Care Association of Victoria Inc

ABN: 30 747 010 099

Financial Statements

For the Year Ended 30 June 2020

Foster Care Association of Victoria Inc

Contents

For the Year Ended 30 June 2020

	Page
Financial Statements	
Responsible Persons' Report	1
Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012	2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Responsible Persons' Declaration	16
Independent Audit Report	17

Foster Care Association of Victoria Inc

Responsible Persons' Report

30 June 2020

The Committee members present their report on Foster Care Association of Victoria Inc for the financial year ended 30 June 2020.

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
Toni Hetherington	President	
Tori Smith	Vice President	
Sue Segar	Secretary	
Luke Sapwell	Treasurer	
Megan Sadlier		
Daryl Sloan		
Christopher Hansen		Resigned May 2020
Malcolm McLeod		
Madeleine Kapira		
Alexis King		Appointed September 2019

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 DHHS 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 Information and Support Service (CISS).
- Liaising with local and regional support groups in relation to training and other issues related to foster care.
- Continued facilitation of various modes of statewide training and education delivered by Carer KaFE.

There were no significant changes in the nature of Foster Care Association of Victoria Inc's principal activities during the financial year.

Operating result

The profit of the Association for the financial year after providing for income tax amounted to \$ 279,367(2019: \$ 15,722).

Signed in accordance with a resolution of the Committee:

Committee Member: 
Toni Hetherington

Committee Member: 
Luke Sapwell

Dated this19th..... day ofAugust..... 2020

Auditor's Independence Declaration To The Committee 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 2020, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements 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

19 August 2020

Foster Care Association of Victoria Inc

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
Revenue	4	2,119,747	1,876,938
Employee benefits expense		(858,943)	(802,237)
Depreciation and amortisation expense	5	(45,544)	(4,512)
Consultancy fees		(707,054)	(749,944)
Administrative expenses		(51,776)	(46,860)
Carer and event expenses		(36,844)	(53,235)
Office expenses		(45,244)	(61,283)
Occupancy expenses		(54,170)	(78,984)
Operating expenses		(40,805)	(64,161)
Surplus before income tax		279,367	15,722
Income tax expense		-	-
Surplus for the year		279,367	15,722
Other comprehensive income, net of income tax			
Revaluation changes for property, plant and equipment		-	-
Total comprehensive income for the year		279,367	15,722

The accompanying notes form part of these financial statements.

Foster Care Association of Victoria Inc

Statement of Financial Position

As At 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	621,184	462,343
Trade and other receivables	7	70,857	14,328
Other assets		1,603	16,694
TOTAL CURRENT ASSETS		<u>693,644</u>	<u>493,365</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	6,583	-
Right-of-use assets	11	56,526	-
TOTAL NON-CURRENT ASSETS		<u>63,109</u>	<u>-</u>
TOTAL ASSETS		<u>756,753</u>	<u>493,365</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	56,350	336,137
Lease liabilities	11	46,031	-
Employee benefits	10	37,234	53,883
TOTAL CURRENT LIABILITIES		<u>139,615</u>	<u>390,020</u>
NON-CURRENT LIABILITIES			
Lease liabilities	11	10,977	-
Employee benefits	10	2,021	-
TOTAL NON-CURRENT LIABILITIES		<u>12,998</u>	<u>-</u>
TOTAL LIABILITIES		<u>152,613</u>	<u>390,020</u>
NET ASSETS		<u>604,140</u>	<u>103,345</u>
EQUITY			
Retained earnings		<u>604,140</u>	<u>103,345</u>
TOTAL EQUITY		<u>604,140</u>	<u>103,345</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 2020

2020

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2019	103,345	103,345
Change in accounting policy to reflect the retrospective adjustments - adoption of AASB 15 and AASB 1058	221,427	221,427
Balance at 1 July 2019 restated	324,772	324,772
Surplus for the year	279,367	279,367
Balance at 30 June 2020	604,140	604,140

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	87,622	87,622
Surplus for the year	15,722	15,722
Balance at 30 June 2019	103,345	103,345

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 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and grants received	2,256,749	1,851,347
Payments to suppliers and employees	(2,043,403)	(1,788,893)
Interest received	2,474	5,473
Interest paid	(4,561)	467
Net cash provided by/(used in) operating activities	<u>211,259</u>	<u>68,394</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(8,514)	(8,582)
Net cash provided by/(used in) investing activities	<u>(8,514)</u>	<u>(8,582)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(43,904)	-
Net cash provided by/(used in) financing activities	<u>(43,904)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	158,841	59,812
Cash and cash equivalents at the beginning of the year	462,343	402,531
Cash and cash equivalents at the end of the financial year	6 <u>621,184</u>	<u>462,343</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 2020

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.

1 Basis of Preparation

In the opinion of those charged with Governance, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The key changes to the Association's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Adoption of AASB 1058 Income of Not-for-Profit Entities

Carer KaFE funding revenue, previously recognised upon expenditure of funds, are now recognised in accordance with AASB 1058. In previous financial years, funding was recognised as income in advance upon receipt. Revenue was recognised to the extent that relevant expenditure had been incurred. With the adoption of AASB 1058, funding will be recognised as revenue upon receipt. The impact of the adoption of this standard is as follows:

	New	Previous	Difference
	\$	\$	\$
DHHS - Carer KaFE	409,940	257,830	152,110
Income in Advance - liability	-	373,537	(373,537)
Retained earnings at 1 July 2019	324,772	103,345	221,427
Net assets	452,030	452,030	-

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Change in Accounting Policy

Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below at Note 11.

Association as a lessee

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Association has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Association has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Association's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Change in accounting policy

The Association changed its accounting policy relating to donations for Carer events. It was noted that an error existed in relation to the recognition of the receipts and the Committee determined that the error should be adjusted, and applied retrospectively.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2019 is as follows (no taxation effect results from these changes):

	Previously Stated	2019 Adjustment	Restated
	\$	\$	\$
Statement of Profit or Loss and Other Comprehensive Income			
Donation for Carer Events	-	20,118	20,118
Surplus for the year	(4,395)	20,118	15,723
	Previously Stated	2019 Adjustment	Restated
	\$	\$	\$
Statement of Financial Position			
Income in advance	263,227	(20,118)	243,109
Retained earnings	83,227	20,118	103,345

(b) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association or refer to Note 2 for details of the changes due to standards adopted.

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Revenue and Other Income

Revenue

	2020	2019
	\$	\$
Revenue from contracts with customers		
- DHHS Carer KaFE project management	33,990	-
- DHHS Care KaFE reimbursement	682,938	737,734
- DHHS Care KaFE	409,940	250,508
- DHHS Carer KaFE funded events	31,385	-
- DHHS grants	581,141	557,433
- DHHS other grants	115,000	172,686
	<u>1,854,393</u>	<u>1,718,360</u>
Other revenue		
- Carer subscriptions	57,210	57,618
- Other grants	30,000	-
- Donations	22,740	23,234
- Donations - carer events	-	20,118
- Rental revenue	17,248	-
- Sponsorship - carer strategy	35,682	-
- Other income	-	52,135
- Interest received	2,474	5,473
- Cash flow boost	100,000	-
	<u>265,354</u>	<u>158,578</u>
Total Revenue	<u>2,119,747</u>	<u>1,876,938</u>

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.

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.

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 2020

5 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Depreciation		
Plant and equipment	1,157	4,512
Right-of-use assets - IT equipment	5,600	-
Right-of-use assets - Motor vehicles	7,745	-
Right-of-use assets - Buildings	31,041	-
	<u>45,544</u>	<u>4,512</u>

6 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	621,184	462,343
	<u>621,184</u>	<u>462,343</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.

7 Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	-	1,523
Deposits	16,442	12,805
Cash flow boost receivable	54,284	-
Other receivables	131	-
Total current trade and other receivables	<u>70,857</u>	<u>14,328</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.

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Property, plant and equipment

PLANT AND EQUIPMENT

	2020	2019
	\$	\$
Plant and equipment		
At cost	114,393	106,653
Accumulated depreciation	(107,810)	(106,653)
Total plant and equipment	<u>6,583</u>	<u>-</u>
Office equipment		
At cost	17,881	17,881
Accumulated depreciation	(17,881)	(17,881)
Total office equipment	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>6,583</u>	<u>-</u>

9 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade payables	5,745	66,730
GST payable	46,110	20,577
Employee benefits	(215)	(500)
Accrued expenses	1,759	2,382
Credit card	2,952	3,840
Income in advance	-	243,109
	<u>56,350</u>	<u>336,137</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.

10 Employee Benefits

	2020	2019
	\$	\$
Current liabilities		
Provision for long service leave	6,336	23,122
Provision for annual leave	30,898	30,761
	<u>37,234</u>	<u>53,883</u>

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Employee Benefits

	2020	2019
	\$	\$
Non-current liabilities		
Long service leave	2,021	-
	<u>2,021</u>	<u>-</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 are net of amounts already paid into the scheme.

11 Right-of-use assets and lease liabilities

Right-of-use assets

	2020	1 July 2019
	\$	\$
IT equipment	13,968	19,568
Motor vehicles	11,594	19,339
Buildings	30,964	62,006
Total	<u>56,526</u>	<u>100,913</u>

Lease liabilities

	2020	1 July 2019
	\$	\$
Current	46,031	48,466
Non-current	10,977	52,447
Total	<u>57,008</u>	<u>100,913</u>

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Right-of-use assets and lease liabilities

Comparative amounts

In the 2019 financial year, the Association had recognised the above leases as operating leases and as such these were not recognised as assets and liabilities. In the 2020 year, in accordance with the adoption of AASB 16, these amounts have been recognised as assets and liabilities as disclosed.

Detailed leasing information

The total cash outflow for leases for the 2020 financial year was \$82,512, 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:

	2020
	\$
Interest expense (within operating expenses)	4,561
Depreciation	44,387
Expenses in relation to short-term-leases	34,046
Total	82,994

12 Auditors' Remuneration

	2020	2019
	\$	\$
Remuneration of the auditor R Harman & Associates, for:		
- auditing the financial statements	1,970	1,950

13 Contingencies

Pursuant to the conditions attached to Department of Health and Human Services funding, the Association is contingently liable to repay funding received, not spent in accordance with the funding agreement. At 30 June 2020, an amount of \$373,537 had been received in accordance with the funding agreement which was yet to be spent. The Committee are of the opinion that the funds will be spent in accordance with the conditions of the funding agreement.

14 Event Impacting on the Financial Performance

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had on the Association based on known information. At this stage, there has been no material impact on the Association.

Delivery of training courses through Carer KaFE has been affected as all face-to-face training has been cancelled with these either being delivered online or postponed.

15 Events After the Reporting Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has impacted the Association up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

Foster Care Association of Victoria Inc

Notes to the Financial Statements

For the Year Ended 30 June 2020

15 Events After the Reporting Date

The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has 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.

16 Income Tax

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

17 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 payable 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.

18 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).

19 Statutory Information

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

Foster Care Association of Victoria Inc
Level 1, 398 Smith Street, Collingwood Victoria 3066

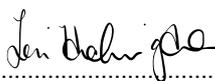
Foster Care Association of Victoria Inc

Responsible Persons' Declaration

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

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Responsible person 
Toni Hetherington

Responsible person 
Luke Sapwell

Dated this **19th** day of **August** 2020

Independent Audit Report to the Members of Foster Care Association of Victoria Inc

Opinion

We have audited the financial report of Foster Care Association of Victoria Inc, which comprises the statement of financial position as at 30 June 2020, 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, notes comprising 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 2020, and its financial performance and its cash flows for the year then ended in accordance with 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 and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial report of the Association for the year ended 30 June 2019 was audited by another auditor who expressed an unmodified audit opinion dated 12 August 2019.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Association to meet the requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Committee's Responsibility for the Financial Report

The Committee of Foster Care Association of Victoria Inc are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012* and for 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.

In preparing the financial report, the Committee are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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 Committee.
- d) Conclude on the appropriateness of the Committee'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 of the Association.
- 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 those charged with governance 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

25 August 2020