

**Independent Auditor's Report
To the members of the Country Fire Service Foundation Inc.
For the year ended 30th June 2010**

Scope

I have audited the financial report of Country Fire Service Foundation Incorporated. ("the Foundation"), comprising the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows and Notes to the Financial Report for the year ended 30 June 2010. The Board of the Foundation ("the Board") is responsible for the preparation, and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The Board has determined that the accounting policies used and described in the notes to the financial statements are appropriate to meet the needs of the members and the requirements of the Associations Incorporation Act SA. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

Audit Approach

I have conducted an independent audit of the financial report in order to express an opinion on it to the Board. My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with applicable Accounting Standards, Australian Accounting Interpretations and the requirements of the Associations Incorporation Act, 1985, so as to present a view which is consistent with my understanding of the Foundation's financial position, and performance as represented by the results of its operations and cash flows.

As is common for organisations of this type, it was not practical for the Foundation to maintain an effective system of internal control over donations and other fund raising income prior to their initial entry in the accounting records, nor is it practical to conduct audit procedures to ensure that all such revenue has been brought to account. Accordingly, my audit relating to these items was limited to the amounts recorded in the accounting records.

Independence

My audit was conducted in accordance with applicable independence requirements of Australian professional ethical pronouncements.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the Country Fire Service Foundation Incorporated presents fairly:

- (a) the financial position of the Foundation as at 30 June 2010,
- (b) the results of its activities for the year then ended, and
- (c) is in accordance with the Associations Incorporation Act 1985

I have obtained all of the information and explanations that I have required from the Foundation.

ACCRU⁺ HARRIS ORCHARD

BEN WILLINGTON

Date: 27 July 2010

172 Fullarton Road, Dulwich

172 Fullarton Road,
Dulwich, 5065
PO Box 2268, Kent Town, 5071
South Australia, Australia

Telephone + 61 8 8431 1488
Facsimile + 61 8 8431 1441
Email info@accruadel.com.au
Web www.accru.com

Chartered Accountants + Business Advisors
Sydney + Melbourne + Brisbane
Perth + Adelaide + Hobart + Auckland

Partners
Christopher J Marshall
Steven P Moore
James R Orchard
Samuel A Facy
Benjamin F Willington

Country Fire Service Foundation Incorporated

Certification of the Financial Statements

We certify that:

- the attached general purpose financial statements for the Country Fire Service Foundation Incorporated present fairly the results of the operations of the association for the 2009-10 financial year and the state of affairs of the association as at 30 June 2010;
- there are reasonable grounds to believe that the Country Fire Service Foundation Incorporated will be able to pay its debts as and when they fall due; and
- The Country Fire Service Foundation Incorporated acts as trustee for the Country Fire Service Foundation (Tax Deductible Gift) Fund.

We certify that the internal controls employed by the Country Fire Service Foundation Incorporated for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



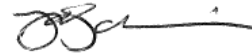
Vince Monterola AM AFSM
Chairman
CFS Foundation Inc

9 July 2010



Andrew Lawson AFSM
A/Chief Officer
SA Country Fire Service

9 July 2010



Joel Schirmer
Business Manager
SA Country Fire Service

9 July 2010

Country Fire Service Foundation Incorporated
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Expenses:			
Donations paid	6	14 795	22 000
Supplies and services	7	52 299	1 522
Other expenses		41	54
Total Expenses		67 135	23 576
Income:			
Donations received	4	9 802	38 924
Interest	5	8 292	10 402
Other income		3 256	-
Total Income		21 350	49 326
Net Result		(45 785)	25 750
Other Comprehensive Income			
Changes in property, plant and equipment		-	-
Asset revaluation reserve		-	-
Total Comprehensive Result		(45 785)	25 750

The above statement should be read in conjunction with the accompanying notes

Country Fire Service Foundation Incorporated

STATEMENT OF FINANCIAL POSITION As at 30 June 2010

	Note	2010 \$	2009 \$
Current Assets:			
Cash and cash equivalents	12	350 530	398 216
Receivables	8	5 539	1 951
Total Current Assets		356 069	400 167
Non-Current Assets:			
Property, Plant and Equipment		-	-
Total Non-Current Assets		-	-
Total Assets		356 069	400 167
Current Liabilities:			
Payables	9	1 689	2
Total Current Liabilities		1 689	2
Non-Current Liabilities:			
Payables		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		1 689	2
Net Assets	10	354 380	400 165
Equity			
Retained earnings	11	354 380	400 165
Total Equity		354 380	400 165

The above statement should be read in conjunction with the accompanying notes

Country Fire Service Foundation Incorporated

STATEMENT OF CHANGES IN EQUITY For the Year Ended 30 June 2010

	Note	Retained Earnings \$	Total \$
Balance at 30 June 2008		374 415	374 415
Net result for 2008-09		25 750	25 750
Total comprehensive result for 2008-09		25 750	25 750
Balance at 30 June 2009		400 165	400 165
Net result for 2009-10		(45 785)	(45 785)
Total comprehensive result for 2009-10		(45 785)	(45 785)
Balance at 30 June 2010		354 380	354 380

The above statement should be read in conjunction with the accompanying notes

Country Fire Service Foundation Incorporated

**STATEMENT OF CASH FLOWS
For The Year Ended 30 June 2010**

	Note	2010 Inflows (Outflows) \$	2009 Inflows (Outflows) \$
Cash Outflows:			
Donations paid		(14 795)	(22 000)
Supplies and services		(50 613)	(1 520)
Other		(41)	(54)
Cash used in operations		(65 449)	(23 574)
Cash flows From Operating Activities:			
Cash Inflows:			
Donations received		10 252	38 474
Interest received		7 511	9 752
Cash generated from operations		17 763	48 226
Net cash provided by operating activities	3	(47 686)	24 652
Net Increase in cash and cash equivalents		(47 686)	24 652
Cash and cash equivalents at 1 July		398 216	373 564
Cash and cash equivalents at 30 June	12	350 530	398 216

The above statement should be read in conjunction with the accompanying notes

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Objectives and Funding

(a) Objectives

The Country Fire Service Foundation (the Foundation) was incorporated on 22 November 2001 under the *Associations Incorporations Act, 1985*.

In accordance with the Country Fire Service Foundation Incorporated Rules, the objects of the Association are:

- To act as trustee for the Country Fire Service Foundation (Tax Deductible Gift) Fund in accordance with and subject to the Trust deed; and
- To:
 - advance the relief of suffering, disability or misfortune amongst Volunteer Fire Fighters arising from their participation in activities related to the prevention, control and suppression of fires, the protection of life and property or any other activity related to the function and operations of the Country Fire Service;.
 - enhance fire fighting capacity and expertise among Volunteer Fire Fighters; and
 - increase public awareness of contributions to communities given by Volunteer Fire Fighters.

(b) Funding

The Foundation maintains its own bank accounts for the receipt of income (mainly through donations) from the general community.

2. Significant Accounting Policies

a) Statement of Compliance

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian accounting standards and Treasurer's instructions and accounting policy statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

Except for the amendments to AASB 101 Presentation of Financial Statements (September 2007 version) including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101), which the Foundation has early adopted, Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Foundation for the reporting period ending 30 June 2009. These are outlined in Note 2(n).

b) Basis of Preparation

The presentation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying The Foundation's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements, these are outlined in the applicable Notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported;
- compliance with accounting policy statements issued pursuant to section 41 of the PFAA In the interest of public accountability and transparency the APSs require the following Note disclosures, that have been included in this financial report:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items applies;
 - b) expenses incurred as a result of engaging consultants;

- c) employees whose normal remuneration is \$100 000 or more (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees;
- d) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Foundation's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2010 and the comparative information presented for the year ended 30 June 2009.

c) Reporting Entity

The Foundation is incorporated under the *Associations Incorporations Act, 1985*.

The Foundation is a controlled entity of the SA Country Fire Service. Consequently, its financial operations are consolidated into the group accounts of the SA Country Fire Service.

d) Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where adjusted to reflect the early adoption of AASB 101 Presentation of Financial Statements and specific revised accounting standards and accounting policy statements.

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required eg preparation of a single Statement of Comprehensive Income.

The restated comparative amounts do not replace the original financial statements for the preceding period.

e) Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

f) Taxation

The Foundation is not subject to income tax and is endorsed with other charity tax concessions, including GST.

Income, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows 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 Australian Taxation Office is classified as part of operating cash flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

g) *Events after Balance Date*

Where an event occurs after 30 June but provides information about conditions that existed at 30 June, adjustments are made to amounts recognised in the financial statements.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

h) *Income and Expenses*

Income is recognised to the extent that it is probable that the flow of economic benefits to the Foundation will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Foundation will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

i) *Current and Non-Current Classification*

Assets and liabilities are characterised as either current or non-current in nature. The Foundation has a clearly identifiable operating cycle of 12 months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Foundation has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

i) *Assets*

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combine amounts expected to be settled within twelve months and more than twelve months, the department has separately disclosed the amounts expected to be recovered after more than twelve months.

j) *Cash and Cash Equivalents*

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and short-term highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

j) *Liabilities*

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combine amounts expected to be settled within twelve months and more than twelve months, the department has separately disclosed the amounts expected to be settled after more than twelve months.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

k) Receivables

Receivables include amounts receivable from goods and services, prepayments and other accruals.

Trade receivables arise in the normal course of selling goods and services to other agencies and to the public. Trade receivables are generally receivable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Foundation will not be able to collect the debt. Bad debts are written off when identified.

l) Payables

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Foundation.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employment on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

m) Financial Risk Management

The Foundation has non-interest bearing assets (cash on hand and receivables) and liabilities (payables) and interest bearing assets (cash at bank and investments). The Foundation's exposure to market risk and cash flow interest risk is minimal.

The Foundation has no significant concentration of credit risk. The Foundation has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

n) Changes in accounting policies

The Foundation has early adopted the September 2007 version of AASB 101 Presentation of Financial Statements including AASB 2007-8 and AASB 2007-10 (these standards make consequential amendments to other standards as a result of the revised AASB 101) - this includes the preparation of a single Statement of Comprehensive Income.

Issued or amended but not yet effective

Except for the amendments to AASB 101 Presentation of Financial Statements, which the Foundation has early-adopted, the Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Foundation for the period ending 30 June 2010. The Foundation has assessed the impact of the new and amended Standards and Interpretations and considers there will be no impact on the accounting policies or the financial statements.

3. Notes to the Cash Flow Statement

(i) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand, cash at bank and investments.

Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2010	2009
	\$	\$
Deposits lodged with Westpac;		
Cash at bank	124 760	229 940
Investments	225 770	168 276
	<u>350 530</u>	<u>398 216</u>

(ii) Reconciliation of Net Cost of Services to Net Cash provided by Operating Activities

Net Cash provided by operating Activities	(47 686)	24 652
Increase / (Decrease) in receivables	3 588	1 100
(Increase) / Decrease in payables	(1 687)	(2)
Operating Surplus	<u>(45 785)</u>	<u>25 750</u>

4. Donations received

	2010	2009
	\$	\$
Donations received for the reporting period comprised:		
Donations – Gold Coin for Geoff appeal*	-	2 987
Donations – Other	9 802	35 937
Total Donations Received	<u>9 802</u>	<u>38 924</u>

* The Gold Coin for Geoff appeal was jointly conducted by the CFS Foundation, SA Country Fire Service and the CFS Volunteers Association to raise funds for a volunteer firefighter who was permanently incapacitated while fighting a bushfire. Donations from the appeal were received by the Foundation during 2007-08 and 2008-09. The Foundation paid a donation to the firefighter in 2008-09.

5. Interest

	2010	2009
	\$	\$
Interest received for the reporting period comprised:		
Interest	8 292	10 402
Total Interest Received	<u>8 292</u>	<u>10 402</u>

6. Donations paid

	2010	2009
	\$	\$
Donations paid for the reporting period comprised:		
Donations to State Support CFS Group (support equipment)	14 795	-
Donations to CFS Volunteers Association (Gold Coin for Geoff)	-	21 000
Donations to Burra CFS Group (support for injured firefighter)	-	1 000
Total Donations Paid	<u>14 795</u>	<u>22 000</u>

7. Supplies and Services		
Supplies and Services for the reporting period comprised:	2010	2009
	\$	\$
Auditor's fees	1 430	1 375
Executive Officer Service Provider	36 673	-
Other	14 196	147
Total Supplies and Services	<u>52 299</u>	<u>1 265</u>
8. Receivables		
Receivables for the reporting period comprised:	2010	2009
	\$	\$
Accrued Interest	2 283	1 501
Donations Receivable	-	450
GST Recoverable	3 256	-
Total Receivables	<u>5 539</u>	<u>1 951</u>
9. Payables		
Payables for the reporting period comprised:	2010	2009
	\$	\$
Creditors	1 689	2
Total Payables	<u>1 689</u>	<u>2</u>
10. (i) Assets and Liabilities of Country Fire Service Foundation (Tax Deductible Gift Fund) for which the Country Fire Service Foundation is trustee		
	2010	2009
Current Assets:	\$	\$
Cash at bank	75 639	130 193
Investments	225 770	168 276
Receivables	2 283	1 951
Total Assets (Tax Deductible Gift Fund)	<u>303 692</u>	<u>300 420</u>
Creditors	-	2
Total Liabilities (Tax Deductible Gift Fund)	<u>-</u>	<u>2</u>
Total Net Assets (Tax Deductible Gift Fund)	<u>303 692</u>	<u>300 418</u>
(ii) Assets and Liabilities of Country Fire Service Foundation excluding those for which the Country Fire Service Foundation is trustee		
	2010	2009
Current Assets:	\$	\$
Cash at bank	49 121	99 747
Receivables	3 256	-
Total Assets	<u>52 377</u>	<u>99 747</u>
Creditors	1 689	-
Total Liabilities	<u>1 689</u>	<u>-</u>
Total Net Assets (General Operations)	<u>50 688</u>	<u>99 747</u>

(iii) **Total Net Assets of Country Fire Service Foundation Incorporated**

	2010	2009
	\$	\$
Total Net Assets (Tax Deductible Gift Fund)	303 692	300 418
Total Net Assets (General Operations)	50 688	99 747
Total Net Assets	<u>354 380</u>	<u>400 165</u>

11. Equity

Equity represents the residual interest in the Foundation's net assets. The SA Country Fire Service holds the equity interest in the Foundation on behalf of the community.

	2010	2009
Equity comprises;	\$	\$
Opening Balance	400 165	374 415
Net operating surplus from ordinary activities	(45 785)	25 750
Closing Balance as at 30 June	<u>354 380</u>	<u>400 165</u>

12. Cash and cash equivalents

(a) **Background**

In 2002, the CFS Account (traditionally held for the receipt of donations) was closed and funds transferred to a new account titled CFS Foundation (Society Cheque Account). In addition, a Term Deposit Account was opened in 2002 to account for the receipt of a \$167,763 donation from SA Great. A second Term Deposit Account was opened during 2009.

On 29 June 2005, cash from the Society Cheque Account was transferred into two Cash Management Accounts, one for the CFS Foundation Inc. and one for the Trustee for CFS Foundation (Tax Deductible Gift) Fund, to ensure gift funds were separately identifiable.

(b) **Analysis of Cash and cash equivalents**

	2010	2009
	\$	\$
Cash at bank	124 760	229 940
Investments	225 770	168 276
Total cash and cash equivalents	<u>350 530</u>	<u>398 216</u>

(c) **Short-term deposits**

Short-term deposits are made for varying periods of between one day and seven months and are lodged with various financial institutions at their respective short-term deposit rates.

(d) **Interest Rate Risk**

Interest on cash at bank is calculated on a monthly basis for the Term Deposit Account and the two Cash Management Accounts.

Interest rates for the Term Deposit Account have ranged from **2.50% to 5.00%** during 2009-10 (3.70% to 7.10% during 2008-09). Interest rates for the Cash Management Accounts have been at **0.01%** during 2009-10 (0.01% to 3.80% during 2008-09).

13. Credit Risk Exposure

The Foundation has no significant exposures to any concentrations of credit risk.

14. Contingent Obligations

The Foundation has no contingent liabilities as at 30 June 2010.

15. Remuneration of Auditors

2010	2009
\$	\$

The amount paid for audit services provided by Accru Harris Orchard (in relation to audit of 2008-09 accounts)	1 430	1 375
--	--------------	-------

The Foundation's 2009-10 financial statement audit will be undertaken and paid for during 2010-11.

The auditors provided no other services.