



Fleurieu Regional
Aquatic Centre

Authority



Annual Report 2017/18

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Chairperson's Message



The Fleurieu Aquatic Centre celebrated its first full year of operations in March 2018. With a membership base of over 1000 and with around 490 swim school students, the centre is far exceeding performance expectations. Nearly 200,000 people attended the centre during the year and several new activities were introduced to attract new customers. YMCA SA as the operational managers of the centre also instigated a range of social and community impact programs during 2017-18, cementing the role of the centre as a highly valued community hub.

The Fleurieu Regional Aquatic Centre Authority (Authority) (a joint subsidiary of the City of Victor Harbor and Alexandrina Council) has responsibility for the strategic management and overall performance of the centre on behalf of the Councils. The Authority is governed by a Board of Management that takes its role seriously, understanding the importance of the centre to the community and valuing the asset and the financial contributions provided by the Councils. The Authority Executive Officer works closely with YMCA to identify initiatives to drive both cost efficiencies and revenue growth to improve financial self-sustainability.

The Authority Board was established and operates in line with the Charter requirements set by the Councils. During 2017-18, ten-year plans were developed including the inaugural Strategic Plan, Asset Management Plan and Long Term Financial Plan. The Fleurieu communities were consulted on all three plans with positive feedback received. The plans will be implemented via the Authority Annual Business Plan (incorporating the centre Business and Marketing plan). Key performance indicators are set for YMCA and are reported against monthly.

The core focus over the last twelve months has been on establishment of the centre, building patronage, developing operations, systems, frameworks, policies and plans. We now have twelve months of real data that will guide business development and improvement and inform decision making in the next twelve months.

The centre is contributing significantly to the region both in economic and in social impact terms. From an economic perspective, the centre is a significant employer in the region, engages local suppliers and contractors; provides key infrastructure that assists in attracting people to live in the area and improves the experience for visitors (resulting in increased length of stay and spend in the region). From a social health perspective, we have had some incredible feedback from the community and from health professionals, indicating that the centre is helping local people to get fitter, stronger and healthier. We are also aware (as evidenced by comments on our Facebook page) that we are attracting people to the centre who wouldn't normally engage in exercise and who are now exercising several times a week. The centre has become a cherished facility and meeting place for the community.

We are excited about what the next twelve months hold for the centre as we launch further new aquatic, fitness and social impact programs and we look forward to continuing to make a positive difference for Fleurieu communities. I would like to thank my fellow Board members, Constituent Councils and contractor partners (particularly YMCA) for their support, encouragement, hard work and contribution to the strong performance of the centre. I also acknowledge the hard work and dedication that is required in supporting the operational, governance and financial frameworks required to achieve the objectives set for us under our Charter.

Dean Newbery & Partners has audited the 2017-18 Financial Statements which have been provided to both Constituent Councils. I am pleased to report that the overall performance of the Authority during the 2017-18 financial year was in line with approved budgets and the Audited Financial Statements for the year have confirmed the Authority's results and performance. A complete copy of the Audited Financial Statement 2018 forms part of this report.

On behalf of the Board of the Authority, it is my pleasure to present the Annual Report for the 2017-18 financial year.

A handwritten signature in dark ink, appearing to read 'David Cooke'.

David Cooke
Chairperson, Fleurieu Regional Aquatic Centre Authority



About the Authority

Who we are

The Fleurieu Regional Aquatic Centre Authority (the Authority) is a regional subsidiary formed by Constituent Councils: City of Victor Harbor and Alexandrina Council, established to enable joint ownership and management of the Fleurieu Aquatic Centre.

The Fleurieu Aquatic Centre is an initiative of the Alexandrina Council and City of Victor Harbor (for an investment of \$6.5 million from each council), with funding support of \$7.5 million from the Australian Government, \$500,000 from the South Australian Government and a generous land donation from Beyond Today.

The governance for the Authority is set out in its Charter, as approved by the Minister for Local Government on 3 August 2015, gazetted on 6 August 2015 and available on our website at <http://www.fleurieuaquaticcentre.com.au/>.

In November 2016, YMCA SA was appointed under a three-year Management Agreement to operate and manage the centre; which opened on 25 March 2017. The facility is located at 4 Ocean Road, Chiton, South Australia, 5211 and consists of:

- an 8-lane, 25-metre lap swimming pool
- a multi-use hydrotherapy pool
- a children's program pool
- a zero-depth outdoor splash park
- a crèche facility
- fitness facilities
- a commercial kiosk
- plant and equipment rooms
- dedicated change rooms and toilet facilities
- office, first aid and lifeguard accommodation
- dedicated carparking, bus parking, pedestrian linkages and traffic management
- other facilities and services as may be provided from time to time.

More information about the Fleurieu Aquatic Centre is available on our website at <http://www.fleurieuaquaticcentre.com.au/>.

The Authority's role

Our role is to:

- be responsible for the protection, operation, renewal, maintenance and improvement of the Aquatic Centre and its associated facilities and services
- promote the services and facilities of the Aquatic Centre
- pro-actively manage the business of the Aquatic Centre in a competitive and changing environment
- deliver effective and sustainable service provision for the Constituent Councils, customers of the Aquatic Centre and the communities in and surrounding the Constituent Councils
- contribute to the education and welfare of the Constituent Councils and the wider community through the facilitation of various aquatic programs
- foster social inclusion through the provision of a community place providing a variety of aquatic programs and associated services and facilities
- maximise participation in and use of the aquatic programs provided at the Aquatic Centre and the facilities and services of the Aquatic Centre by users of all ages and abilities
- undertake key strategic and policy decisions for the purpose of enhancing and developing the centre
- be financially self-sufficient, as far as is possible.

Strategic Direction

Mission

We are an independent governing body that directs the delivery of a regional indoor Aquatic Centre.

Purpose

To deliver the Councils' objectives for an efficient, premier aquatic facility in the region.

Vision

Fleurieu Aquatic Centre is an inclusive destination that contributes to a healthy regional community.

Goals

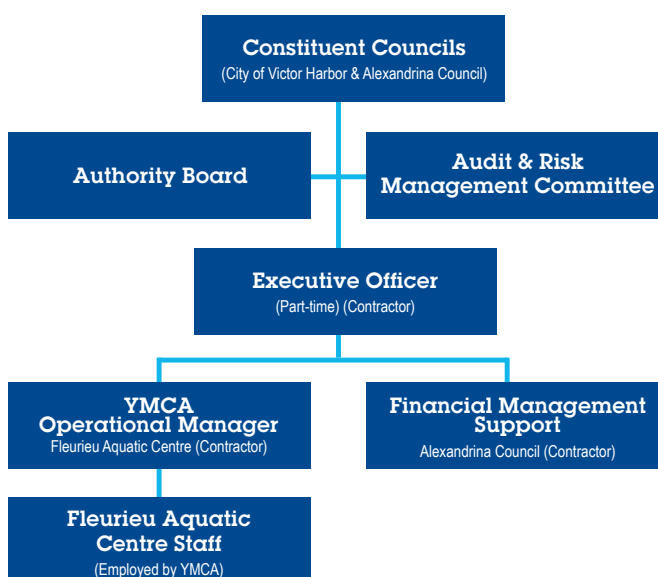
1. To maintain community participation and enthusiasm for Fleurieu Aquatic Centre (FAC)
2. To foster and maximise social inclusion
3. To preserve and maximise the brands (FAC & the Authority) as high value, recognised, trusted and valued in the community
4. To act as a conduit for commercial and community partnerships and collaboration
5. To care for, protect and improve FAC in line with changing community needs
6. To, as far as possible, be financially self-sufficient

Planning context

A suite of Authority strategic planning documents; including the Strategic Plan 2018-2027, Asset Management Plan 2018-2027 and Long-Term Financial Plan 2018-2027; have now been developed. These strategic documents inform and are supported by the Authority 3-Year Business Plan (incorporating the Authority 2018-19 Annual Business Plan) and annual FAC Business & Marketing Plan and annual budgets. The detailed 3-Year Business Plan has been developed to guide and monitor the operations of the Authority and deliver on strategic priorities for 2018 to 2021.

Organisational Structure

The Authority is a body corporate and is governed by the Local Government Act 1999 (the Act) and its Charter.





The Board

The Authority is governed by a board of management that is responsible for ensuring the Authority acts in accordance with its Charter and all other relevant legislation. The Board consists of five members (one elected member from each Constituent Council and three independent members).

The Board meets six to eight times a year, with meetings held at the Fleurieu Aquatic Centre or at either of the Constituent Council offices. Special 'out of session' meetings are occasionally held for specific matters. All Board members complied with the statutory requirement to submit pecuniary interest returns.

Members include (pictured left to right):

- David Cooke (Chairperson / Independent member)
- John Coombe OAM (Deputy Chairperson / Independent member)
- Cr Pat Chigwidden (City of Victor Harbor)
- Alison Kimber (Independent member)
- Cr Grant Gartrell (Alexandrina Council)
- Mayor Graham Philp (City of Victor Harbor – Deputy member*)
- Cr Anne Woolford (Alexandrina Council – Deputy member)
*Absent from photo

*Deputy Members are able to act in place of the Board Member appointed by the same Constituent Council if that Board Member is absent or unable for any reason to act as a Board Member.

The Board is supported by a part-time Executive Officer.

Audit & Risk Management Committee

Composition

Following endorsement from both constituent Councils, the appointment of the Audit & Risk Management Committee was completed in December 2017 and comprises:

- Mr Ian Swan, Independent Chairperson
- Ms Alison Kimber, Authority Board Member committee member (and Deputy Chairperson of the Committee)
- Mr John Coombe OAM, Authority Board Member committee member
- City of Victor Harbor Interim Director Corporate & Community Services, Ms Kellie Knight-Stacey (as the Council Officer representative on the Committee); and
- Alexandrina Council General Manager Organisation & Community, Ms Elizabeth Williams (as the Council Officer representative on the Committee)

Specific functions

The Committee is established for the purpose of:

- reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the Authority;
- reviewing the adequacy of Authority risk management systems;
- proposing, and providing information relevant to, a review of the Authority's strategic management plans or annual business plan;
- liaising with the Authority's external auditor; and
- reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Authority on a regular basis.





Key Statistics

The following is an outline of key statistics for the 2017/18 reporting period.

SITE ATTENDANCE



July 2017 – June 2018

196,501

MEMBERSHIP



Members as of 30 June 2018

1,010

SWIMMING LESSONS



Students as of 30 June 2018

489

VISIT PASSES



As of 30 June 2018

459

EMPLOYEES



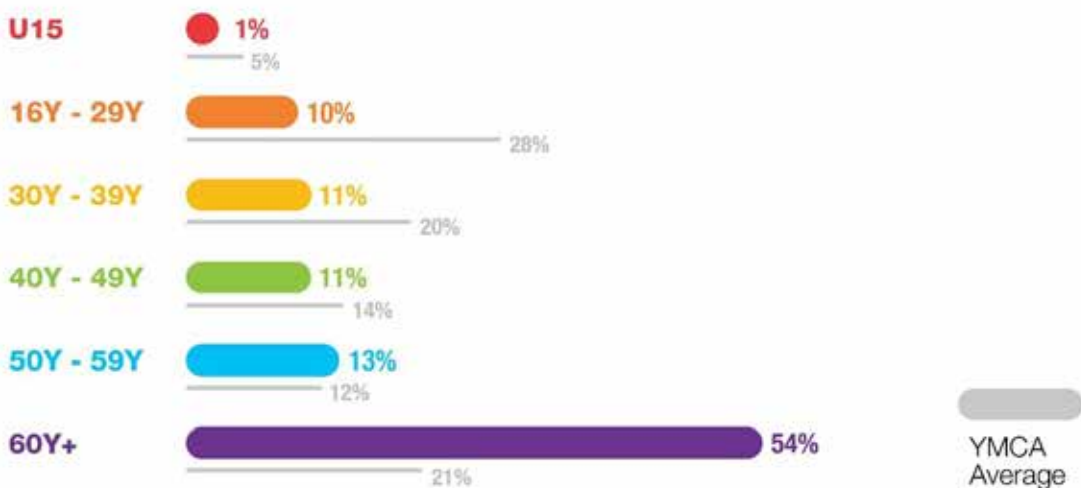
July 2017 – June 2017

68 (FTE 20.3)

MEMBER GENDER DEMOGRAPHICS



MEMBER AGE DEMOGRAPHICS



SOCIAL MEDIA

facebook.

Total Likes **2,963**
 Total Follows **3,014**
 Total Reviews **80**
 Average Rating ★★★★★

Google

Total Reviews **128**
 Average Rating ★★★★★

2017/18 Achievements



Centre Performance

Summary

2017-18, as the centre's first full year of operations, saw significant growth in membership, swimming lessons and overall participation in activities. Programs and services offered are targeted at a range of demographics, ability levels and interests with the aim of maximising our reach in the community. The centre is having a tangible impact on the local community as a place for health, fitness, recreation and social interaction. During our first summer season, the centre provided both locals and visitors with a recreational activity away from the summer heat.

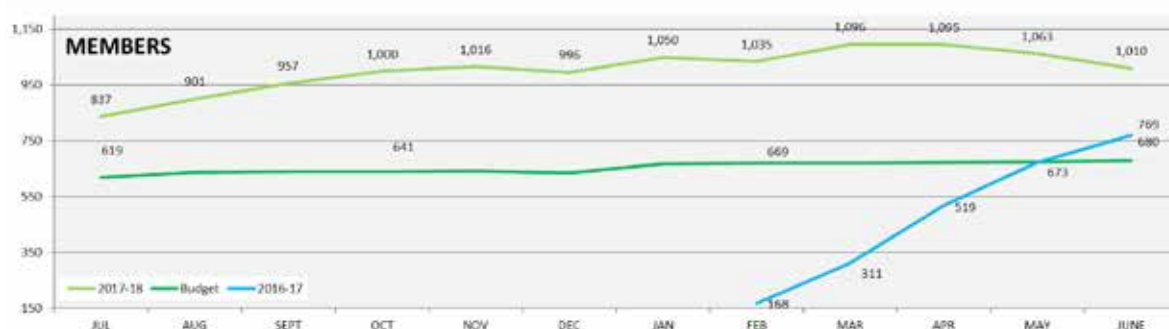
In the last twelve months a core focus for YMCA SA has been on driving growth in the core programming areas of membership and swimming lessons; with both exceeding expectations. Engagement with pre-schools, schools and community groups was also a focus with strong connections made and schools now utilising the centre for fun, recreation, aquatic education and physical education lessons.

Table: Membership, swimming lessons and attendance

	Original Budget 2017/18	Actual Result 2017/18	Variance
Membership	680	1010	330
Swimming Lessons	450	489	39
Total Attendance	187,259	196,501	9,242

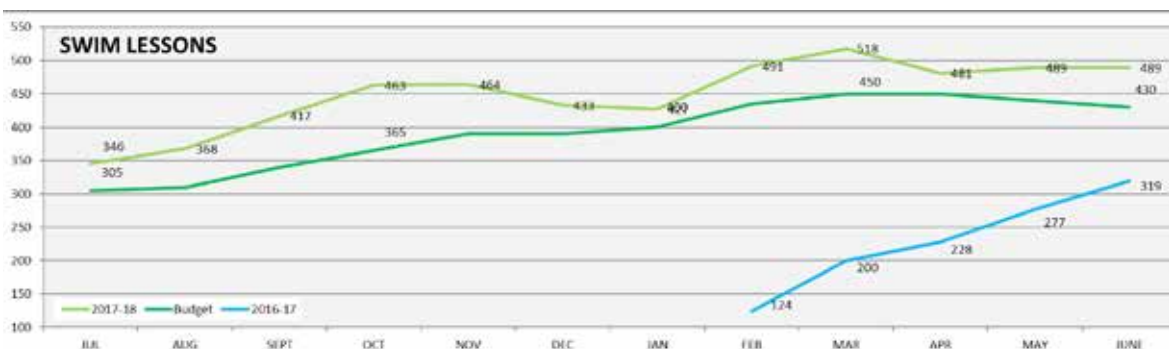
Membership

Memberships peaked at 1,095 in April 2018 and finished the year at 1,010. This is a significant achievement for the first full year of operations and provides a solid foundation for further growth.



Swimming Lessons

The Swimming lessons program reached a peak of 518 enrolments in March 2018 and finished the year at 489 enrolments. YMCA has a nationally recognised swimming lesson program and provides high quality instruction. Continuing to build enrolment numbers for FAC will be a core focus for 2018-19.



Aquatic Activities

YMCA innovated in aquatic programming in 2017-18, introducing several new initiatives to drive participation and engagement.

Water Polo

FlippaBall is a program that encourages young people to give Water Polo a go and progress their skills in a modified and fun environment. Water Polo is a sport for all ages and fitness levels and combines aquatic fun and ball games. FlippaBall is a modified version of Water Polo using a shorter season length, a different



ball and modified rules to increase participation, enjoyment and basic skill development. The program, launched at the centre in November 2017, is targeted at children aged 8-12 years with the program expanding for teens and adults in 2018-19. Water Polo is a lot of fun and a great way to be active in the water and be socialising at the same time.

Synchronised Swimming

The centre became the first in South Australia to start a Synchronised Swimming Club and provide another opportunity for adults and youth to participate in a non-traditional aquatic activity. The program offers an alternative to competitive swimming whilst keeping young swimmers active and engaged in aquatics.



Great Southern Challenge

YMCA worked with the Great Southern Swimming Club, SwimmingSA and Masters SwimmingSA to deliver an inaugural short course event at the centre in August 2017. Swimmers from across South Australia competed in the meet with swimmers ranging from 8 to 84 years. A fun session was also held on the day with activities/games from Swimming Australia's National Junior Participation Program, Optus Junior Dolphins, and Flippa Ball.

Lap It Up Club

Designed for swimmers who are looking for something a little more rewarding than simply swimming up and down the pool. With a rewarding incentive program, the Lap It up Club helps swimmers set goals and provides real motivation to achieve them. The program is open to casual swimmers and members.



Pool Inflatable

Use of the pool inflatable during school holidays (at set session times). This was a core initiative towards maximising participation during school holidays and offering aquatic play for older children.

Social Impact Initiatives

The Fleurieu Aquatic Centre is having a significant social impact on the local community. In addition to the positive impacts the centre is having on community health and wellbeing at an individual level, we have also partnered with various community organisations during the year on successful social impact initiatives (outlined below). YMCA has developed strong relationships with likeminded community organisations such as SAPOL, Rec Link and COTA to deliver initiatives for the benefit of Fleurieu communities.

Suspended Swim Program

The Suspended Swim program uses a pay it forward model, allowing customers the opportunity to purchase an additional swim when they are paying for their regular swimming or swimming lessons; with funds used to help those less fortunate in the community. Suspended swim donations for the year totalled \$560 with \$200 donated to subsidise disadvantaged youth at the Centre's first Blue Light event, with remaining funds going towards the AquaGuard program to be launched in 2018-19 (please see below).



Disability Action Plan

Following receipt and analysis of survey feedback provided by centre members, YMCA developed a Disability Action Plan specifically for the centre.

Feedback assisted with development of the action items in the plan. Given the centre is new and extensive planning went into the building design regarding access, the actions involve low-dollar practical solutions and upskilling of the YMCA staff team around the needs of particular user groups.



Southern Fleurieu Blue Light Pool Party

In March 2018, YMCA worked with the Southern Fleurieu Blue Light Disco Committee to hold a special Pool Party Blue Light Disco: two hours of disco and pool fun for young people aged 10-17. This was a drug and alcohol-free event in a safe, monitored environment with police officers, Blue Light Committee volunteers and trained Life Guards and included use of the inflatable and games. The centre partnered with SAPOL to deliver this event which successfully showcased the facility and helped create a positive association with aquatics for local youth. 195 young people paid entry and another 10 were supported to attend via the Suspended Swim program.



Marketing and Communications

Marketing throughout the year focused heavily on increasing participation, driving membership sales and increasing enrolments in our core program of swimming lessons. YMCA used a variety of media to promote the centre including temporary local signage, social media, local print media and E-Blasts – emails sent directly to our registered database. Promotional campaign communications and materials were aimed at increasing our reach with a range of specific target demographic groups.

Campaigns included a focus on retention of students in the swimming lessons program during autumn and winter; summer promotion of membership sales and driving recreational casual visitation during each holiday period. Marketing and promotion of the centre was also generated around the family fun day held to celebrate the centre's first birthday on 25 March 2018.

Other local promotional initiatives included:

- Launch of junior water polo (Flippa ball) in November 2017, a social adult water polo competition in December 2017 and new synchronised swimming program (Synchro) in February 2018
- Neighbourhood Watch mailout to promote the Active Adult membership and Strength for Life
- Leaflet drops to local child care centres and schools
- An awareness campaign with Victor Harbor Tourism Information Centre
- Marketing through social media targeting underrepresented demographics



Customer Feedback

Ask Nicely Net Promoter Score

In April 2018, YMCA implemented the 'Ask Nicely' Net Promoter Score (NPS) system, an online customer feedback system that sends a short survey to members and swim lesson responsible guardians daily. Five customers are randomly selected daily, and feedback is monitored by the Centre Manager to address any concerns and follow up suggestions. NPS works by asking customers to rate the centre out of 10 with a score of 0-6 classifying the person as 'a detractor', scores of 7-8 classified as 'passives' and scores of 9-10 as 'promoters'. This is a live dashboard, so the score changes daily and comments are published on the centre's website.

I go after work most nights, great Gym, personal trainers to assist and motivate you, then a dip in the pool, shower and home, convenient and a great facility.

The Fleurieu Aquatic Centre is a great community facility. My daughter has been doing swimming lessons there since it opened and the teachers she has had have been excellent. The staff are always friendly and helpful, and the facilities are kept very clean.

Absolutely brilliant. Cheap day out for families. Kids loved it.



“Terrific facility. Staff very friendly and helpful. Will come back when next we visit the area.”

Feedback from the community

The feedback we have received from the community in the last twelve months about the services and facilities at the centre has been overwhelmingly positive. Here is a selection of comments we have received on the centre Facebook page and via Google Reviews.

“Love the Fleurieu Aquatic Centre, so well thought out, good and clean facilities suitable for young and old alike, it has all you need to help with rehabilitation, maintain fitness, health, and fun. Very helpful and friendly staff go toward making this a 10 out of 10 Centre.”

Amazing facility for people of all ages, abilities and sizes. The staff are always on hand to help even with the smallest matter.... definitely worth the wait.

I love the hydrotherapy pool and the well-equipped gym. It's a great place to bring my grandchildren when they visit. Friendly staff.

This is a fabulous facility with something for everyone. Spotlessly clean with friendly helpful staff and set in beautiful landscaping with BBQs to encourage families to picnic and enjoy the whole 'pool' experience. An outstanding asset to the area.



Financial Results

Total operating revenue for 2017-18 exceeded the original budget by \$308,611. Revenue increases are in line with associated above budget growth in membership, swimming lessons, multi-visit passes and casual attendance (recreational swimming). This increased activity also had a positive flow-on effect on café and merchandise sales.

The Authority for 2016-17 and 2017-18 received contributions from constituent Councils towards net operating deficits including depreciation expense for the facility. An amount equivalent to accumulated depreciation expense is invested with the Local Government Financing Authority with investment income representing funds earned on that reserve for 2017-18.

With 2017-18 being the first full year of operations, we now have a clear understanding of the full cost of operating the centre. We have highlighted electricity and water use as the key areas where costs are high. YMCA will work with the Authority in 2018-19 to consider and develop initiatives to try and reduce these costs. Salaries and wages is another key cost pressure and is continually being addressed by YMCA through ongoing improvements in efficiency of rostering. These costs, as a percentage of revenue, are anticipated to reduce over time as revenue continues to increase without increasing costs (i.e. economies of scale). Significant staff time has been invested in 2017-18 in establishing new memberships, induction of new members and supporting members to develop personal health and fitness programs.

	Original Budget 2017/18	Actual Result 2017/18	Variance
Total operating revenue	\$1,364,050	\$1,672,661	\$308,611
Investment income	\$0	\$9,714	\$9,714
Total operating expenses	\$(1,841,633)	\$(2,190,486)	\$(348,853)
Depreciation	\$(512,500)	\$(673,452)	\$(160,952)
Authority expenses	\$(120,720)	\$(177,501)	\$(56,781)
Council (combined) contributions to operating expenses	\$1,110,803	\$1,367,052	\$256,249
Net operating surplus (deficit)	\$0	\$7,988	\$7,988

Performance Against Business Plan Objectives

Objective	Measure
To operate and maintain the facilities; and manage the services of the Fleurieu Aquatic Centre	<ul style="list-style-type: none"> Fully componentised, valuation schedule and asset register established Asset management plan developed Asset maintenance plans developed and implemented Services programmed to meet the demand of the community Management and achievement of contractual obligations by YMCA for management and operation of the centre in line with performance criteria, Key Performance Indicators, plans and budgets agreed with the Authority.
Authority meets governance requirements of Charter and legislation	<ul style="list-style-type: none"> Financial reporting for 2016-17 completed and audited by external auditor with no mandatory reports Agendas, meetings and minutes publicly available Annual report 2016-17 provided to Constituent Councils Risk Management Framework development commenced Audit & Risk Management Committee appointed Strategic Plan, Long Term Asset Management Plan and Long-Term Financial Plan developed



Competitive Neutrality

The Constituent Councils and the Authority must comply with the principles of competitive neutrality in the conduct of significant business activities. The principles of competitive neutrality do not limit the types of business activities which councils (hence the Authority) may engage in, but requires that where these business activities are significant they are provided in a manner which is competitively neutral (provided that the public benefits of doing so outweigh the costs).

The Authority is obliged by its Charter to undertake a competitive neutrality assessment of its significant business activities each year. A competitive neutrality review was completed by the Authority in July 2017 for the purposes of fulfilling this obligation and will form the base case for future annual reviews.

The South Australian Government Department of Premier and Cabinet (DPC) has received two complaints of alleged breach of competitive neutrality requirements against the Authority. The 2017 Authority competitive neutrality review report was provided to DPC to assist in its investigations.

The July 2017 review determined that of the Fleurieu Aquatic Centre business activities, swimming lessons, health and fitness activities and children's birthday parties are significant for the purposes of competitive neutrality.

By providing a corporatised entity (i.e. the Authority) to undertake the significant business activities, the Constituent Councils have already applied the highest level of private sector equivalence under the competitive neutrality principles.

An aspect of corporatisation is that outputs will be cost-reflectively priced. As part of the review process, cost-reflective prices were calculated for each of the outputs of the significant business activities of the Authority. A cost-benefit analysis was then undertaken of whether the public benefits of implementing cost reflective prices outweigh the costs. This involved comparing the cost-reflective prices to the current prices being charged by Fleurieu Aquatic Centre for those activities, and comparing them to prices charged by competing businesses to determine if there is net public benefit in applying cost-reflective prices. The result of that process was a determination by the Authority that it is not of net public benefit to apply cost-reflective prices for Fleurieu Aquatic Centre at this point in time.

Whilst the Authority has a longer-term aim to have centre pricing reflect competitively neutral costs, as a business operating in a competitive market, pricing decisions will always need to consider the prices being charged in the competitor marketplace and reflect the continual changes to competitor product and pricing strategies.



Looking Ahead

Fleurieu Aquatic Centre

Looking ahead to 2018-19, YMCA will action key initiatives outlined in the centre annual Business & Marketing Plan to achieve agreed Key Performance Indicators and Key Result Area targets. YMCA will continue to innovate in areas of programming and service delivery over the 2018-19 financial year.

The development of a number of initiatives, programs and services aimed at continued retention and growth will commence in 2018-19 including:

- Implementation of approved capital improvements to create efficiencies and improve the customer experience (including installation of blinds in the main pool hall and café/meeting room).
- Cardio Club; designed for gym users who are looking for something a little more rewarding than simply lifting weights or running on a treadmill. With a rewarding incentive program, the Cardio Club helps participants set goals and provides real motivation to achieve them (open to casual users and members).
- School holiday inflatable sessions to maximise participation and offering aquatic play for older children.
- Launch of a small selection of Les Mills group fitness programs in September 2018
- Revisit and relaunch of personal training at the centre
- Development of an allied health model including employment of an exercise physiologist
- Launch of the AquaGuards program. Targeted at teenagers looking to develop lifesaving skills, the program will be an opportunity for local youth to potentially gain employment.
- Formalisation of aquatics programs targeted at schools
- Development of National Disability Insurance Scheme service delivery in swimming lessons
- Development and recruitment of volunteer greeters at the centre
- Review and implement practical solutions around the Disability Action Plan to ensure our customers gain maximum benefit from the centre
- Keep developing the centre's community presence by working with local community groups and services to maximise usage of the centre.
- Work to minimise the operating contributions required from Councils through continued responsible management of the centre as both an asset and a business; with a focus on identifying and implementing operational and environmental efficiencies and savings.

The Authority

- Achieve or better the financial performance of the Authority as set out in the approved 2018-19 budget
- Work with YMCA to implement key actions for 2018-19 identified in the 3-Year Business Plan 2018-21 including:
 - Develop and implement a Stakeholder Engagement Plan with the aim of creating opportunities to promote the centre to new audiences and to collaborate with commercial organisations that can assist us to deliver on community needs and improve facilities, services and programs (in line with Charter objectives).
 - Establish relationships with owners of similar aquatic centres in South Australia to share intelligence and learnings
 - Review FAC facilities, programs, services and performance utilising year-on-year performance data, user demographics, customer survey feedback and industry intelligence
 - Explore opportunities for co-branding and promotion of FAC brand with aligned organisations
 - Undertake contractual and governance reviews including a formal Board performance review, a formal review of Operational Management performance and a review of Executive Officer performance
 - Reduce FAC energy consumption. Explore options to reduce electricity, water and chemical consumption and costs. Research and recommend initiatives for Authority consideration; demonstrating value in a business case.



Financial Statements 2017/18



Fleurieu Regional Aquatic Centre Authority

General Purpose Financial Reports for the year ended 30 June 2018

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Fleurieu Regional Aquatic Centre Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
INCOME			
User charges	2	3,039,713	1,000,844
Investment income	2	<u>9,714</u>	<u>139</u>
Total Income		<u>3,049,427</u>	<u>1,000,983</u>
EXPENSES			
Materials, contracts & other expenses	3	2,367,987	876,991
Depreciation, amortisation & impairment	3	<u>673,452</u>	<u>193,733</u>
Total Expenses		<u>3,041,439</u>	<u>1,070,724</u>
OPERATING SURPLUS / (DEFICIT)		7,988	(69,741)
Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>7,988</u>	<u>(69,741)</u>

This Statement is to be read in conjunction with the attached Notes.

Fleurieu Regional Aquatic Centre Authority

STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	890,386	194,137
Trade & other receivables	4	<u>8,052</u>	<u>100,101</u>
Total Current Assets		<u>898,438</u>	<u>294,238</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	5	<u>20,201,376</u>	<u>20,874,828</u>
Total Non-current Assets		<u>20,201,376</u>	<u>20,874,828</u>
Total Assets		<u>21,099,814</u>	<u>21,169,066</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	<u>93,006</u>	<u>170,246</u>
Total Current Liabilities		<u>93,006</u>	<u>170,246</u>
Total Liabilities		<u>93,006</u>	<u>170,246</u>
NET ASSETS		<u>21,006,808</u>	<u>20,998,820</u>
EQUITY			
Accumulated Surplus	7	<u>21,006,808</u>	<u>20,998,820</u>
TOTAL EQUITY		<u>21,006,808</u>	<u>20,998,820</u>

This Statement is to be read in conjunction with the attached Notes.

Fleurieu Regional Aquatic Centre Authority

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2018

		Accumulated Surplus	Capital Contributions	TOTAL EQUITY
2018	Notes	\$	\$	\$
Balance at end of previous reporting period		20,998,820	-	20,998,820
Capital Contribution from Councils			-	-
Net Surplus / (Deficit) for Year		<u>7,988</u>	<u>-</u>	<u>7,988</u>
Balance at end of period		<u>21,006,808</u>	<u>-</u>	<u>21,006,808</u>
2017				
Balance at end of previous reporting period		-	-	-
Capital Contribution from Councils		-	21,068,561	21,068,561
Net Surplus / (Deficit) for Year		<u>(69,741)</u>	<u>-</u>	<u>(69,741)</u>
Balance at end of period		<u>(69,741)</u>	<u>21,068,561</u>	<u>20,998,820</u>

This Statement is to be read in conjunction with the attached Notes.

Fleurieu Regional Aquatic Centre Authority

STATEMENT OF CASH FLOWS
for the year ended 30 June 2018

		2018	2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES	Notes		
<u>Receipts</u>			
Operating receipts		1,647,403	978,033
Investment receipts		6,000	-
<u>Payments</u>			
Operating payments to suppliers & employees		<u>(957,154)</u>	<u>(783,897)</u>
Net Cash provided by (or used in) Operating Activities	8	696,249	194,137
Net Increase (Decrease) in cash held		<u>696,249</u>	<u>194,137</u>
Cash & cash equivalents at beginning of period	8	<u>194,137</u>	<u>-</u>
Cash & cash equivalents at end of period	8	<u>890,386</u>	<u>194,137</u>

This Statement is to be read in conjunction with the attached Notes.

FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Alexandrina Council and City of Victor Harbor.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

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

2 The Local Government Reporting Entity

The Authority was established on 6 August 2015 in accordance with Section 43 of the Local Government Act 1999 & Section 25 of the Local Government Implementation Act 1999. These financial statements have been prepared for use by constituent councils of the Authority.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as income during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as income in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policy applied to financial instruments forms part of Note 8.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

An asset is recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to the entity and the asset has a cost that can be measured reliably.

An asset that qualifies for recognition as an asset will be recognised at cost as at the date of acquisition, including costs directly attributable to bringing the asset to the location and in the required condition for operation by the Authority. Where an asset is acquired at no or nominal cost, it will be recognised at its Fair Value as at the date of acquisition.

6.2 Materiality

Assets should have a useful life of greater than one year to enable capitalisation of the expenditure and should also meet a materiality test. Materiality levels are set so as not to misstate Financial Statements and to provide a guide whether it is practical from an administrative perspective that expenditure is capitalised. No capitalisation threshold is applied to the acquisition of land or interests in land.

Materiality levels for capitalisation are set at:

Furniture, Fittings and Minor Equipment	\$1,000
Plant and Major Equipment	\$5,000
Buildings	\$5,000
Infrastructure	\$5,000

6.3 Subsequent Recognition

An item that qualifies for recognition as an asset shall be measured at its cost on the date of recognition. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use. Where an asset is acquired at no cost, or for a nominal cost, the cost is its Fair Value as at the date of acquisition. The following years after asset recognition the asset will be valued at Fair value according to the revaluation program as determined.

6.4 Depreciation of Non-Current Assets

All non-current assets have a limited useful life except for land and land improvements. The depreciable amount of all non-current assets, excluding freehold land and land improvements, are systematically depreciated over their useful lives which reflects the consumption of the service potential embodied in those assets.

Depreciation of an asset begins when it is available for use i.e. when it is in the condition necessary for it to be capable of operating in the manner intended; and ends when it is classified as held for sale or when derecognised.

Depreciation of assets is calculated on a straight-line basis using the following standard estimates for useful lives. The useful lives for building, infrastructure; furniture and fittings; and plant and equipment assets have been estimated based on industry standards and consultancy advice. The actual useful life and therefore depreciation rates may be varied for specific assets where asset quality and environmental and/or operational conditions so warrant.

Useful lives and residual values for each class of asset are reviewed annually and are included in the Asset Register which is updated following adoption of the annual financial statements each year.

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

Buildings & Other Structures	7 - 40 years
Furniture & Fittings	2 - 40 years
Plant & Equipment	6 - 40 years
Infrastructure	12 - 40 years

6.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount in accordance with AASB 136.

External indicators for impairment may include significant adverse changes in the technological, market, economic or legal environment. Internal indicators may include obsolescence or physical damage of an asset.

Impairment shall be determined subject to the provisions AASB 108 Materiality, whereby the total change in the written down value for the asset or the total impact on the depreciation shall be material. An impairment loss is recognised in the Income Statement, unless the asset is carried at a revalued amount, whereby it is to be treated in the same way as a revaluation decrement against the same asset. An impairment loss can be reversed in subsequent years.

7 Payables

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

8 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers commences 1 January 2018 and hence will first affect the financial reports for 2018/19. (The commencement date has already been deferred once, and there may be further deferrals).

The commencement of the new Standard will not result in any changes to the amounts recognised in the Authority's financial statements under this classification, as the Authority does not enter into contracts with customers.

9 Member Council Contribution

The City of Victor Harbor and Alexandrina Council funded the construction of the Fleurieu Aquatic Centre facilities and purchased all plant and equipment for the Aquatic Centre. Each Council contributed 50% towards the cost of construction of the facility and purchase of the equipment. Both Councils transferred these assets to the Authority on 17 March 2017, as an equity contribution.

10 YMCA Management

The Fleurieu Regional Aquatic Centre Authority has engaged the YMCA to manage the day to day running of the Fleurieu Aquatic Centre. This management encompasses the receipting of income and outgoing of expenditure of the facility. The following income and expenditure lines relate to those managed by the YMCA:

	<u>2018</u>	<u>2017</u>
FAC Income	\$1,672,661	\$360,138
Fleurieu Aquatic Centre Expenses	\$1,685,571	\$593,825

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Note 2 - INCOME

	Notes	2018 \$	2017 \$
USER CHARGES			
Council Contribution - Alexandrina Council		683,526	320,342
Council Contribution - City of Victor Harbor		683,526	320,364
FAC Income		<u>1,672,661</u>	<u>360,138</u>
		<u>3,039,713</u>	<u>1,000,844</u>
 INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		<u>9,714</u>	<u>139</u>

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018**

Note 3 - EXPENSES

	Notes	2018 \$	2017 \$
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration		5,000	4,801
Subtotal - Prescribed Expenses		<u>5,000</u>	<u>4,801</u>
<u>Other Materials, Contracts & Expenses</u>			
Contracts		100,952	81,380
Board Expenses		15,002	11,324
Administration		56,547	34,297
IT & Telephone		731	10,511
Fleurieu Aquatic Centre Site Expenses		504,184	140,853
Fleurieu Aquatic Centre Expenses		<u>1,685,571</u>	<u>593,825</u>
Subtotal - Other Materials, Contracts & Expenses		<u>2,362,987</u>	<u>872,190</u>
		<u>2,367,987</u>	<u>876,991</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures	5	365,016	105,005
Furniture & Fittings	5	150,232	43,218
Plant & Equipment	5	61,226	17,612
Infrastructure	5	<u>96,978</u>	<u>27,898</u>
		<u>673,452</u>	<u>193,733</u>

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018**

Note 4 - CURRENT ASSETS

	2018	2017
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	8,087	114,137
Deposits at Call	882,299	80,000
	<u>890,386</u>	<u>194,137</u>
 TRADE & OTHER RECEIVABLES		
Accrued Revenues	3,853	4,537
Debtors - general	-	92,026
Prepayments	4,199	3,538
	<u>8,052</u>	<u>100,101</u>

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2017 \$				2018 \$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Buildings & Other Structures	-	12,407,742	(105,005)	12,302,737	-	12,407,742	(470,021)	11,937,721
Furniture & Fittings	-	3,818,733	(43,218)	3,775,515	-	3,818,733	(193,450)	3,625,283
Plant & Equipment	-	1,147,485	(17,612)	1,129,873	-	1,147,485	(78,838)	1,068,647
Infrastructure	-	3,694,601	(27,898)	3,666,703	-	3,694,601	(124,876)	3,569,725
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	21,068,561	(193,733)	20,874,828	-	21,068,561	(867,185)	20,201,376
Comparatives	-	-	-	-	-	21,068,561	(193,733)	20,874,828

This Note continues on the following page.

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont.)

	CARRYING AMOUNT MOVEMENTS DURING YEAR								2018	
	\$								\$	
	2017	Additions		Disposals	Depreciation	Impairment	Contributed Assets	Net Revaluation	CARRYING AMOUNT	
	CARRYING AMOUNT	New/Upgrade	Renewals							
Buildings & Other Structures	12,302,737	-	-	-	(365,016)	-	-	-	11,937,721	
Furniture & Fittings	3,775,515	-	-	-	(150,232)	-	-	-	3,625,283	
Plant & Equipment	1,129,873	-	-	-	(61,226)	-	-	-	1,068,647	
Infrastructure	3,666,703	-	-	-	(96,978)	-	-	-	3,569,725	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	20,874,828	-	-	-	(673,452)	-	-	-	20,201,376	
<i>Comparatives</i>	-	-	-	-	(193,733)	-	21,068,561	-	20,874,828	

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018**

Note 6 - LIABILITIES

		2018		2017	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		48,647	-	30,403	-
Other		44,359	-	139,843	-
		<u>93,006</u>	<u>-</u>	<u>170,246</u>	<u>-</u>

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 7 - RECONCILIATION TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. 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:

	Notes	2018 \$	2017 \$
Total cash & equivalent assets	4	<u>890,386</u>	<u>194,137</u>
Balances per Cash Flow Statement		<u>890,386</u>	<u>194,137</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	7,988	(69,741)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	<u>673,452</u>	<u>193,733</u>
	<u>681,440</u>	<u>123,992</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	92,049	(100,101)
Net increase (decrease) in trade & other payables	<u>(77,240)</u>	<u>170,246</u>
Net Cash provided by (or used in) operations	<u>696,249</u>	<u>194,137</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Non-cash grants & contributions	-	<u>21,068,561</u>
<i>Amounts recognised in Statement of Changes in Equity</i>	<u>-</u>	<u>21,068,561</u>

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Corporate Credit Cards	5,000	5,000
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Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 8 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Deposits at call have an average maturity of 90 days and an average interest rate of 1.95%. (2017: 90 days, 1.5%)</p> <p>Carrying amount: Approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p>Carrying amount: Approximates fair value.</p>

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 8 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	890,386	-	-	890,386	890,386
Receivables	8,052	-	-	8,052	8,052
Total	898,438	-	-	898,438	898,438
Financial Liabilities					
Payables	93,006	-	-	93,006	93,006
Total	93,006	-	-	93,006	93,006

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	194,137	-	-	194,137	194,137
Receivables	100,101	-	-	100,101	100,101
Total	294,238	-	-	294,238	294,238
Financial Liabilities					
Payables	170,246	-	-	170,246	170,246
Total	170,246	-	-	170,246	170,246

The following interest rates were applicable to the Authority's borrowings at balance date:

	Weighted Average Interest Rate	Carrying Value 2018	Carrying Value 2017
	%	\$	
Overdraft	-	-	-
Non Interest Bearing	-	93,006	170,246
		<u>93,006</u>	<u>170,246</u>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any allowance for doubtful debts. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 4 in relation to individual classes of receivables, exposure is concentrated within the Authority's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018**

Note 9 - COMMITMENTS FOR EXPENDITURE

Services	Contractor	Period of contract	Brief description
Operational Management – Fleurieu Aquatic Centre	YMCA SA	3 years (1 November 2016 - 31 October 2019)	Provision of aquatic centre facility management and operating services for the Fleurieu Aquatic Centre (management of all aspects of daily operations and maintenance of the facility)
External Audit Services - Fleurieu Regional Aquatic Centre Authority	Dean Newbery & Partners	3 years (1 June 2017 - 31 May 2020)	Provision of an independent audit opinion of the accounts and annual financial reports of the Authority for financial years 2016/17, 2017/18 and 2018/19

Note 10 - OPERATING LEASES

The Authority as at 30 June 2018 had not entered in to any operating leases.

Note 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2018 had not recognised any contingency.

Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2018 that need to be disclosed in the financial statements.

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018**

Note 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair, the Board and Executive Officer prescribed as officers under section 112 of the Local Government Act 1999. In all, Key Management Personnel were paid the following total compensation:

	2018	2017
Salaries, allowances & other short term benefits	\$ 102,671	\$ 89,925
Post-employment benefits	\$ -	\$ -
Long term benefits	\$ -	\$ -
Termination Benefits	\$ -	\$ -
TOTAL	\$ 102,671	\$ 89,925

Transactions with Related Parties:

The following transactions occurred with Related Parties during the financial year ended 30 June 2018:

Related Party Entity	Sale of Goods & Services (\$,000)	Amounts Outstanding from Related Parties (\$,000)	Description of Services Provided to Related Parties
Alexandrina Council	684	-	Provision of regional aquatic facilities
City of Victor Harbor	684	-	Provision of regional aquatic facilities

Amounts recorded as outstanding from Related Parties are recorded in trade and other receivables in Note 4.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial operating decisions of the Authority. No one Member Council individually has control of those policies.

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018**

Note 14 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2018 \$	2017 \$
Income	3,049,427	1,000,983
less Expenses	<u>3,041,439</u>	<u>1,070,724</u>
Operating Surplus / (Deficit)	7,988	(69,741)
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
less Depreciation, Amortisation and Impairment	673,452	193,733
less Proceeds from Sale of Replaced Assets	<u>-</u>	<u>-</u>
	(673,452)	(193,733)
Net Lending / (Borrowing) for Financial Year	<u>681,440</u>	<u>123,992</u>

Note 15 - ECONOMIC DEPENDENCY

There maybe a requirement for additional financial contributions to be made by Constituent Councils if there is insufficient working capital available to meet the Authority's financial obligations. The Authority may be reliant on this additional financial support being provided to enable it to continue to operate on a going concern basis.

Fleurieu Regional Aquatic Centre Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Fleurieu Regional Aquatic Centre Authority to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



.....
Leonie Boothby
EXECUTIVE OFFICER



.....
David Cooke
CHAIRPERSON

Date: 28 September 2018


FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2018, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.


.....
Glenn Rappensberg
CHIEF EXECUTIVE OFFIER
Alexandrina Council

Date: 27 / 8 / 2018

FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2018, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Victoria MacKirdy
CHIEF EXECUTIVE OFFIER
City of Victor Harbor

Date: 27. 08. 2018

Auditor's Independence Declaration under Section 22 of the Local Government (Financial Management) Regulations 2011 to the Fleurieu Regional Aquatic Centre Authority.

I confirm that, for the audit of the financial statements of the Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



JIM KEOGH
PARTNER

Signed on the 21st day of August 2018,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

INDEPENDENT AUDITOR'S REPORT**To the members of the Fleurieu Regional Aquatic Centre Authority****Report on the Audit of the Financial Report****Opinion**

We have audited the accompanying financial report, being a general purpose financial report, of the Fleurieu Regional Aquatic Centre Authority (the entity), which comprises the Certification of Financial Statements on the annual statements giving a true and fair view of the financial position and performance of the entity, the Statement of Comprehensive Income, the Statement of Financial Position, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended 30 June 2018 and the notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report of the Fleurieu Regional Aquatic Centre Authority is in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011*, including;

- (i) giving a true and fair view of the entity's financial position as at 30 June 2018 and of its performance and cash flows for the year then ended; and
- (ii) that the financial records kept by the entity are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the auditor independence requirements of 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 opinion.

Responsibilities of the Executive Officer for the Financial Report

The Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. This responsibility includes determining that the basis of preparation described in Note 1 is appropriate to meet the need of the members. The Executive Officer's responsibility also includes designing, implementing and maintaining internal controls relevant to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Officer is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Executive Officer of the Fleurieu Regional Aquatic Centre Authority is responsible for overseeing the entity's financial reporting process.

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 the 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 financial report.

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

- 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.
- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management'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 entity'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 entity to cease to continue as a going concern.
- 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.

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



JIM KEOGH
PARTNER

Signed on the 28th day of September 2018,
at 214 Melbourne Street, North Adelaide

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Further information about the Fleurieu Aquatic Centre facilities, programs and memberships is available online at www.fleurieuaquaticcentre.com.au or by calling (08) 7078 4150.

Fleurieu Regional Aquatic Centre Authority

Address | PO Box 267, Angaston SA 5353

Phone | 0418 296 767

Email | leonie@leonieboothby.com.au