



Fleurieu Regional  
**Aquatic Centre**

Authority



**Annual Report** 2018-19

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# Chairperson's Message



The Fleurieu Aquatic Centre celebrated a successful second full year of operations in March 2019.

The Centre has a current membership base of 1,172 people (representing growth of 7% on the Centre's year) and achieved 7% growth in swimming lessons over the year with an average 477 students per week. These students are learning crucial water skills that will allow them to safely enjoy the Australian coastal lifestyle many of us take for granted.

Overall Centre visitations grew by 7% in 2018-19 with 212,406 people attending the centre and accessing the quality facilities and programs on offer. YMCA SA are contracted to manage centre operations and this year delivered a broad range of programs, reinforcing the centre as important community infrastructure and a valuable investment.

Although growth was good, some key performance targets were not met due to target setting and no historical data or comparable data available to base initial KPIs. The growth in memberships has also impacted forecast casual visitations. As a result, future targets have been adjusted accordingly as patterns become more evident.

The Fleurieu (a joint subsidiary of the City of Victor Harbor 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 financial contributions provided by the Councils.

The Fleurieu Regional Aquatic Centre Authority Board established the Charter and a range of high quality ten-year plans including the Centre's Strategic Plan, Asset Management Plan and Long Term Financial Plan.

2018-19 was a year of building on this base and refinements. This included Authority Board Member renewal in April 2019, as per the Charter. This saw new Members Mark Easton and myself, the continuation of member, Deputy Chairperson John Coombe OAM, and new Council representatives Councillor Margaret Gardner for Alexandrina Council, Councillor David Kemp for City of Victor Harbor and Councillor Peter Charles as deputy elected member representative for City of Victor Harbor.

As incoming Chairperson in the final quarter of 2018-19 year, I take this opportunity to acknowledge the commitment, hard work and significant achievements of the previous Board and outgoing Board members: Independent Chairperson David Cooke; Independent Member Alison Kimber; Councillor Grant Gartrell and proxy Councillor Woolford from Alexandrina Council; Councillor Pat Chigwidden and deputy Mayor Philp from City of Victor Harbor; and more recently Councillor Melissa Rebbeck and deputy Councillor Bronwyn Lewis from Alexandrina Council. The Authority Executive Officer Leonie Boothby worked closely with the YMCA to identify initiatives to drive both cost efficiencies and revenue growth to improve financial performance. I also take this opportunity to thank Leonie, who recently moved on, for her 'above and beyond' approach and professionalism to support the Board and Authority to deliver this year's outcomes. At the time of writing a recruitment process is underway to find a suitably qualified replacement. I also thank Constituent Councils and contractor partners YMCA SA for their dedication, support, hard work and contribution to the performance of the centre.

The core focus over the last twelve months has been building on the success of the centre's first year. We now have real data from patron use patterns that will guide business development, improvement and inform future decision making. The centre continues to contribute significantly to the region in economic and social impact terms. From an economic perspective, the centre employs 74 people from the region, engages local suppliers and contractors; provides key infrastructure that assists attract 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 and community perspective, the centre is providing a much need facility and place for local people to meet and socialise while they train, get fit and improve their health. The centre is now a much loved, valued community asset and meeting place.

We are excited about what the next twelve months hold for the centre as we refine and explore new aquatic, fitness and social impact programs and we look forward to continuing to make a positive difference for the Fleurieu.

Dean Newbery & Partners has audited the 2018-19 Financial Statements which have been provided to both Constituent Councils. The



Audited Financial Statements for the year have confirmed the Authority's results and performance. A complete copy of the Audited Financial Statement 2019 forms part of this report.

On behalf of the Board of the Authority, it is my pleasure to present the Annual Report for the 2018-19 financial year.



Matt Grant  
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 car parking, 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 FAC
2. To foster and maximise social inclusion
3. To preserve and maximise the brands (FAC & FRACA) 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; has 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

## Board members

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).

Members include (pictured left to right):

- Matt Grant (Chairperson / Independent member)
- John Coombe OAM (Deputy Chairperson / Independent member)
- Mark Easton (Independent Member)
- Cr Margaret Gardner (Alexandrina Council)
- Cr David Kemp (City of Victor Harbor)
- Cr Peter Charles (Deputy Elected Member Representative)

\*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.

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.

# Audit & Risk Management Committee

## Committee

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.

Members Include:

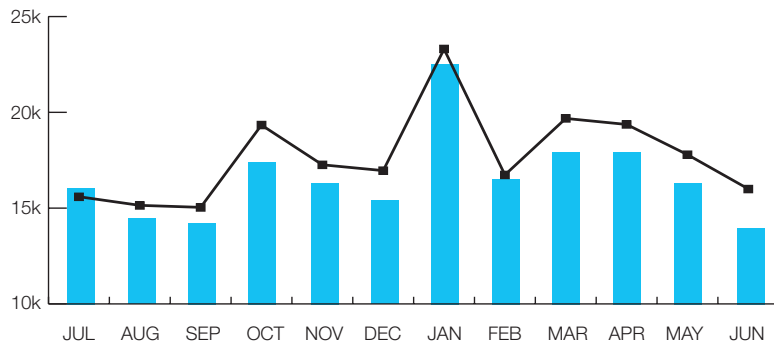
- Mr Ian Swan, Independent Chairperson
- Mr John Coombe, Independent Board Member
- Cr David Kemp (City of Victor Harbor)
- City of Victor Harbor Group Manager Governance and Finance, Ms Kellie Knight-Stacey (as the Council Officer representative on the Committee); and
- Alexandrina Council General Manager Resources, Ms Elizabeth Williams (as the Council Officer representative on the Committee)





# Key Statistics

## SITE ATTENDANCE



■ 2017 - 2018  
— 2018 - 2019

212,406 <sup>↑ 7%</sup>



**Peak Membership**

**1,172** <sup>7%</sup>



**Peak Swimming Lessons Participants**

**523** <sup>↑ 1%</sup>



**Employees as of 30 June 2019**

**74** [FTE 15.5]

**3,857** 🧒

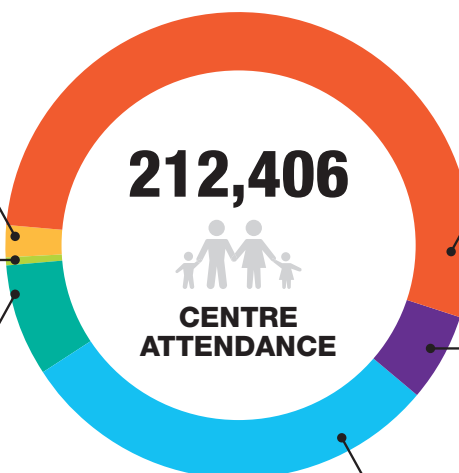
birthday parties / Playclub

**1,219** 🧘

health and fitness

**15,221** 🏊

swimming lessons



**212,406**



**CENTRE ATTENDANCE**

**105,669** 👤

members

**11,801** 👤

visit passes

**58,424** 🏊

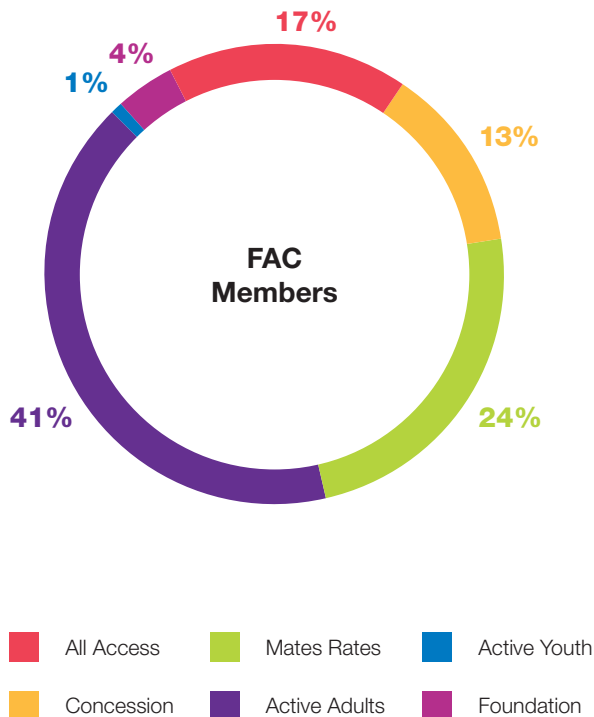
casual swim



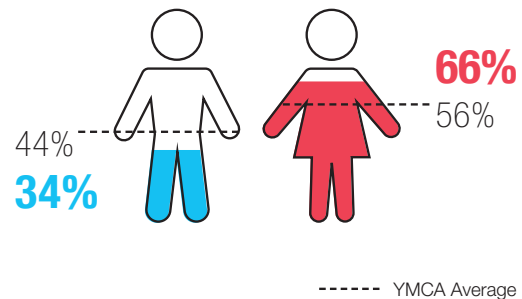
[www.fleurieuaquaticcentre.com.au](http://www.fleurieuaquaticcentre.com.au)

# MEMBERS

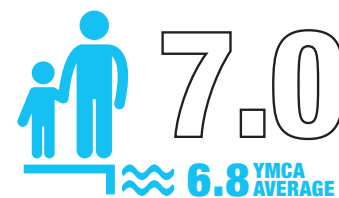
## MEMBERSHIP TYPE BREAKDOWN



## GENDER

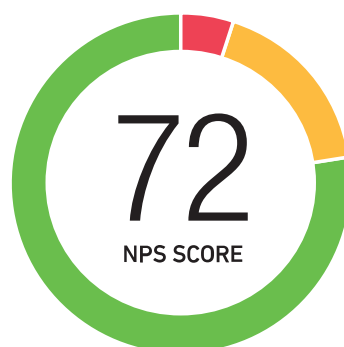
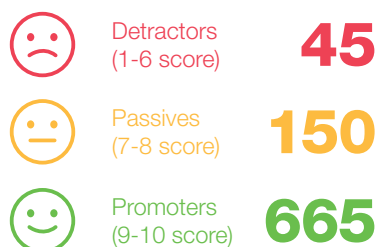


## SWIMMING LESSON AVERAGE AGE



# COMMUNITY

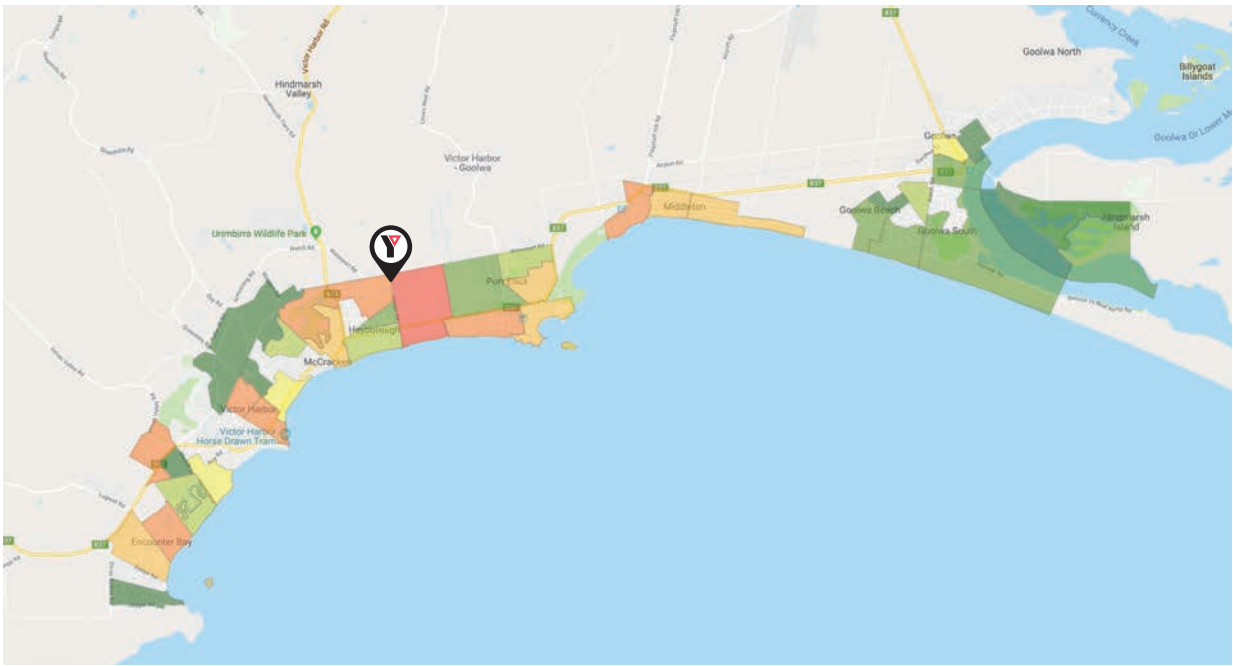
## NET PROMOTER SCORE



YMCA Benchmark Score  
**50**  
Good Industry Score  
**25-50**  
Excellent Industry Score  
**50+**

# MEMBER LOCATION

Members



Swim Lesson Students



Density



# 2018-19 Achievements



# Centre Performance

## Key Achievements

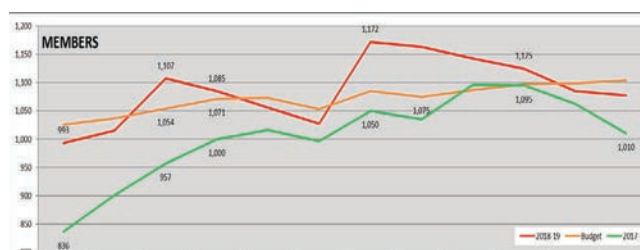
Increased membership to 1,172 at peak with this averaged at 1,087 over the year

- 8% increase in direct paid visit participation
- All maintenance contracts negotiated for preventative maintenance for a 12 month period
- Implementation of cardio club, providing our gym users with a way to track cardio work outs and gain prizes and recognition for their efforts we have over 100 members actively engaging with this program
- Capital expenditure plan implemented including, the installation of the poolside blinds to help to reduce glare increasing another comfort and safety. The les Mills group fitness programs were implemented to facilitate the membership growth and diversify the member base
- 7% growth in swimming lessons program over the year with average enrolments of 477 compared to 17/18 of 449 the peak month was February where the program reached 523 enrolments.

	Original Budget 2018-19	Actual Result 2018-19	Variance
Membership	1,104	1,172	68
Swimming Lessons	530	523	(7)
Total Attendance	227,284	212,406	(14,878)

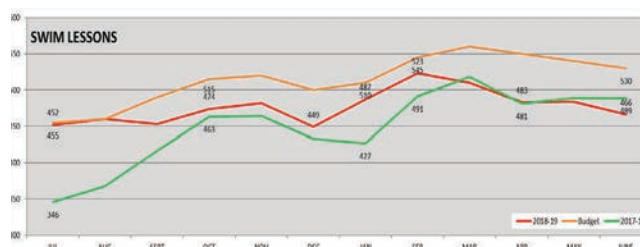
## Membership

Memberships peaked at 1,172 in January and finished at 1,077 in June the peak budget number was 1,104 in June. This is a significant achievement for the Centre as the member base becomes more stable this allows revenue to be forecast with a higher degree of accuracy.



## Swimming lessons

The Swimming lessons program reached a peak of 523 in against a budgeted peak of 560 in March. The program experienced a 7% annualized growth rate this is 3% over the national average of 4%. The success of the program has been consistent and high quality instruction. The YMCA has a nationally recognized program.





# Social Impact Initiatives

Fleurieu Aquatic Centre has had an incredible social impact on the local community, this is something that is always challenging to measure. We have included a sample of our member testimonials below demonstrating the impact of the Centre on our individual members over the financial year.

The YMCA continue to partner with like-minded community organization's such as SAPOL, Rec Link and COTA and Great Southern Swimming Club to deliver opportunities for local residents.

The below testimonials are samples from our Member of month collection throughout the year.



Brad (pictured above) joined the Fleurieu Aquatic Centre September 2018. He uses both the pool and the gym. Since being a member Brad has increased fitness, muscle tone and general health. He is also making better food choices. Brad feels working with gym staff to create an appropriate program has helped him achieve these results.

“ The gym is my time. It helps me relax and to be motivated for the rest of the day. I'm pushing myself to do better than I did yesterday.

- Brad Hogan



Mandy (pictured below) joined the Centre in July 2018. She participates mostly in Pilates classes but does enjoy the odd aqua aerobics class. She also does 2 gym sessions a week and feels that has helped her become stronger. Her flexibility has improved too. Mandy suffers from regular pain and with exercise she has managed this better physically and mentally. With great improvements this keeps Mandy motivated to keep exercising.

“ If you are starting out, most importantly is to start off slowly. Exercise is a life style.

- Mandy Stacey



April-Lee (pictured above) joined the Fleurieu Aquatic Centre in April 2019. She uses all the gym equipment and is one of our cardio club members and has just reached her first incentive prize. April-Lee has lost 12kg since joining in April but has lost 26kg in total. She says, making better food choices has helped with this weight loss. Seeing these results helps keeps April motivated to keep up with her exercise.

“ Be kind to yourself and take it one day at a time.

- April- Lee Whittingham





# Customer Feedback

YMCA implemented the Net Promoter Score (NPS) system in April 2018. This is an online customer feedback system that sends a short survey to members and swim lesson responsible guardians daily, only 5 customers are selected on a daily basis and feedback is monitored by the Centre Manager daily to address any concerns. The Net promoter score works by asking customers to rate the Centre out of 10 anyone scoring 0-6 is a detractor 7-8 are passives and 9-10 are promoters. NPS

scores vary across different industries, but a positive NPS (i.e., one that is higher than zero) is generally deemed good, a NPS of +50 is generally deemed excellent, and anything over +70 is exceptional.

This is a live dashboard so the score changes daily below are screen shots of the dashboard for a 12 month trend and comments published to the Centre's website.



“

The services offered are reliable, the staff is helpful and friendly and the amenities...

LS

Lyn Swincer  
19 minutes ago

“

The staff and classes are wonderful, and so are the coffees ☺

HG

Helen Gaul  
40 minutes ago

“

It's just a great space for relaxation, exercise, injury recovery, the staff, life...

DW

Dianne Winnard  
2 months ago

“

Clean, tidy warm water, pleasant staff, good facilities

HM

Helen Meyer  
2 months ago

“

Great facilities and wonderful staff

SS

Sonya Sayer  
2 months ago

“

Great facility and good value for money. Clean and well run.

JW

Judy Williams  
2 months ago

# Marketing and Communications

Our marketing throughout the year focused heavily on increasing participation, driving membership sales and increasing enrolments in our core program of swimming Lessons.

- Program retention for the swimming lessons program during autumn and winter
- Internal member communication via email E-Blast
- Spring and summer promotion of membership sales and driving recreational casual entries over holiday periods

- YMCA has used a variety of media to promote the Centre from temporary local signage, online, print media releases database mail shots to increase our reach and target specific demographic groups

Some of the highlights from our marketing and promotions are featured below:



# Financial Results

Total operating revenue for 2018-19 fell short of the original budget by \$129,446. The main revenue streams that did not meet the original budget are in the areas of swimming lessons and recreational swimming. The reduction in this unanticipated attendance also had a negative effect on merchandise sales.

The Authority for 2018-19 received contributions from Constituent Councils towards net operating deficits excluding depreciation expense for the facility. The Constituent Councils during 2018-2019 resolved not to cash fund depreciation expense for the Authority. As a result the Authority expects operating deficits equivalent to depreciation for future years.

The Authority holds sufficient funds to meet asset renewal requirements for the facility for the next 11 years, invested with the Local Government Financing Authority.

Fleurieu Aquatic Centre expenses for 2018-19 were generally lower than original budget. An area of note is YMCA salaries and wages which tracked over budget and considering the lower than expected FAC income, rostering may need reviewing. It is worth highlighting that electricity and water were both less than expected original budget – 10% and 52% respectively. Electricity costs are in line with 2017-18 and water down on 2017-18.

2018-19 saw the second full year of operations for the facility, providing a clearer understanding of the full cost of operating the centre. YMCA will continue to work with the Authority in 2019-20 to consider and develop initiatives to increase patronage and reduce costs.

Water savings were realised by accessing a YMCA contract resulting in significant savings for the Authority.

	Original Budget 2018-19	Actual Result 2018-19	Variance
Total operating revenue	\$1,910,037	\$1,780,591	(\$129,446)
Investment income	\$15,620	\$20,391	\$4,771
Total operating expenses	(\$2,399,307)	(\$2,303,820)	\$95,487
Depreciation	(\$706,927)	(\$677,597)	\$29,330
Authority expenses	(\$146,119)	(\$188,546)	(\$42,427)
Council (combined) contributions to operating expenses	\$1,326,696	\$619,768	(\$706,928)
Net operating surplus (deficit)	\$0	(\$749,213)	(\$749,213)



# Performance Against Business Plan Objectives

OBJECTIVE	MEASURE
To maintain community participation and enthusiasm for FAC	<ul style="list-style-type: none"> <li>Year on year growth in FAC performance in line with agreed Annual Key Performance Indicators (KPIs) (membership, swimming lessons, casual admittance and overall attendance)</li> <li>Member / customer satisfaction surveys; at least 85% of respondents rate their satisfaction as fairly satisfied or better</li> </ul>
To foster and maximise social inclusion	<ul style="list-style-type: none"> <li>Member/customer satisfaction surveys; at least 85% of respondents rate their satisfaction as fairly satisfied or better</li> <li>Operational safety and compliance audits, in line with agreed Annual Key Performance Indicators</li> <li>Disability Action Plan implementation</li> </ul>
To preserve and maximise the brands (FAC & Authority) as high value, recognised, trusted and valued in the community	<ul style="list-style-type: none"> <li>Member/customer satisfaction surveys; at least 85% of respondents rate their satisfaction as fairly satisfied or better</li> <li>Year on year growth in FAC performance in line with agreed Annual KPIs (membership, swimming lessons, casual admittance and overall attendance)</li> </ul>
To act as a conduit for commercial and community partnerships and collaboration	<ul style="list-style-type: none"> <li>Year on year growth in FAC performance in line with agreed Annual KPIs</li> </ul>
To care for, protect and improve FAC in line with changing community needs	<ul style="list-style-type: none"> <li>Services delivered in line with agreed Service Levels per Asset Management Plan</li> <li>Asset maintenance delivered in line with Preventative Maintenance Plan and Asset Management Plan</li> <li>Member / customer satisfaction surveys; at least</li> <li>85% of respondents rate their satisfaction as fairly satisfied or better</li> <li>Reduction in energy and water use over time</li> <li>Risk Management Framework implemented</li> </ul>
To, as far as possible, be financially self-sufficient	<ul style="list-style-type: none"> <li>Year on year growth in FAC performance (in line with agreed annual KPIs)</li> <li>New (profitable) revenue streams established</li> <li>Net financial benefit of efficiency and effectiveness measures implemented</li> <li>Reduced quantum of financial contribution required from constituent Councils</li> </ul>

# Competitive Neutrality

The Authority is obliged by its Charter to undertake a competitive neutrality assessment of its significant business activities each year and to implement the principles of competitive neutrality where it is appropriate to do so. The principles of competitive neutrality do not limit the types of business activities which may be undertaken by the Constituent Councils (and hence the Authority). The principles of competitive neutrality require that where business activities undertaken by local government entities are significant, they are provided in a manner which is competitively neutral (provided that the public benefits of doing so outweigh the costs).

In compliance with the obligation under its Charter, the Authority undertook a competitive neutrality assessment for the 2018-19 period. By providing a corporatised entity (i.e. the Authority), 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 of significant business activities will be cost-reflectively priced where the public benefits of doing so outweigh the costs.

The 2018-19 review determined that swimming lessons, health and fitness activities and children's birthday parties undertaken at the Fleurieu Aquatic Centre are significant business activities of the Authority for the purposes of competitive neutrality.

The Authority utilised cost and patronage data for the period 2018-2019 to calculate cost-reflective prices for the outputs

of its significant business activities. The Authority engaged an independent consultant to review the Authority's financial calculations. The consultant also created a detailed costing model which can be used by the Authority to undertake future cost-reflective pricing calculations.

Following the calculation of the cost-reflective prices, the Authority assessed whether the public benefits of applying these prices to its significant business activities would outweigh the costs. In undertaking this assessment, the Authority considered the public policy outcomes which are sought to be achieved by the Constituent Councils in establishing and operating the Fleurieu Recreation Aquatic Centre, as well as the prices being charged in relevant markets. The outcome of this assessment was that the public benefits of applying cost-reflective pricing do not outweigh the costs at this time.

The South Australian Government Department of Premier and Cabinet (DPC) received two complaints of alleged breach of competitive neutrality requirements against the Authority in 2017. The complaints have been referred by DPC to the Essential Services Commission of South Australia for investigation. The Authority has provided information to ESCOSA to assist in its investigation.

# Looking Ahead

## Fleurieu Aquatic Centre

Looking ahead to 2019-20 the Centre will concentrate in a number of areas as outlined in the Business Marketing and Communications Plan and agreed 2019-20 Key Performance Indicators (KPI's). These will be reported through the monthly and quarterly reports the YMCA will work with the FRAC Authority to ensure corrective measures are taken where necessary to best deliver the services to the local community in line with the agreed and Key performance indicators.

The business is now reaching maturity and YMCA will aim to refine program offerings and manage efficient service delivery whilst controlling costs.

The development of a number of programs and services aimed at retention and growth will commence in

2019-20 including:

- Launch of Salti boards group fitness classes
- Implementation of new large pool inflatable
- Continued development of social water polo competition
- Implementation of free under 10's membership and reciprocal rights
- Launch of Strength for Life aqua classes in late October

The YMCA will continue to put the customer experience at the forefront of all that we do and invest heavily in staff development through internal and external training, we will review and implement practical solutions around the Disability Action Plan to ensure our customers gain maximum benefit from the Centre, we will keep developing our community presence by working with local community groups and services to maximise the usage of the Fleurieu Aquatic Centre.

The Centre has the potential to provide much needed services to the local community and achieving great social and health outcomes whilst minimizing the subsidy through continued responsible management of both the asset and the business.

## The Authority

- Achieve or better the financial performance of the Authority as set out in the approved 2019-20 budget
- Work with YMCA to implement key actions for 2019-20 identified in the 3-Year Business Plan 2019-22 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 2018-19



# **Fleurieu Regional Aquatic Centre Authority**

## **General Purpose Financial Reports for the year ended 30 June 2019**

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#### **Certification of Financial Statements**

##### **2019 Auditors Report**

##### **Constituent Councils Certification of Auditor Independence**

##### **Audit Certificate of Audit Independence**

**Fleurieu Regional Aquatic Centre Authority**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>INCOME</b>			
User charges	2	2,398,118	3,039,713
Investment income	2	<u>22,632</u>	<u>9,714</u>
<b>Total Income</b>		<u><b>2,420,750</b></u>	<u><b>3,049,427</b></u>
<b>EXPENSES</b>			
Materials, contracts & other expenses	3	2,492,366	2,367,987
Depreciation, amortisation & impairment	3	<u>677,597</u>	<u>673,452</u>
<b>Total Expenses</b>		<u><b>3,169,963</b></u>	<u><b>3,041,439</b></u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(749,213)</b>	7,988
Amounts received specifically for new or upgraded assets	2	<u>41,840</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>(707,373)</b></u>	<u><b>7,988</b></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 2019**

		<b>2019</b>	<b>2018</b>
	Notes	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	<b>917,016</b>	890,386
Trade & other receivables	4	<b>132,224</b>	8,052
<b>Total Current Assets</b>		<b><u>1,049,240</u></b>	<b><u>898,438</u></b>
<b>Non-current Assets</b>			
Infrastructure, Property, Plant & Equipment	5	<b>19,562,603</b>	20,201,376
<b>Total Non-current Assets</b>		<b><u>19,562,603</u></b>	<b><u>20,201,376</u></b>
<b>Total Assets</b>		<b><u>20,611,843</u></b>	<b><u>21,099,814</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	6	<b>312,408</b>	93,006
<b>Total Current Liabilities</b>		<b><u>312,408</u></b>	<b><u>93,006</u></b>
<b>Total Liabilities</b>		<b><u>312,408</u></b>	<b><u>93,006</u></b>
<b>NET ASSETS</b>		<b><u>20,299,435</u></b>	<b><u>21,006,808</u></b>
<b>EQUITY</b>			
Accumulated Surplus		<b>(769,126)</b>	(61,753)
Capital Contributions		<b>21,068,561</b>	21,068,561
<b>TOTAL EQUITY</b>		<b><u>20,299,435</u></b>	<b><u>21,006,808</u></b>

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 2019

		Accumulated Surplus	Capital Contributions	TOTAL EQUITY
2019	Notes	\$	\$	\$
Balance at end of previous reporting period		(61,753)	21,068,561	21,006,808
Capital Contribution from Councils		-	-	-
<b>Net Surplus / (Deficit) for Year</b>		<b>(707,373)</b>	<b>-</b>	<b>(707,373)</b>
<b>Balance at end of period</b>		<b>(769,126)</b>	<b>21,068,561</b>	<b>20,299,435</b>
2018				
Balance at end of previous reporting period		(69,741)	21,068,561	20,998,820
Capital Contribution from Councils		-	-	-
<b>Net Surplus / (Deficit) for Year</b>		<b>7,988</b>	<b>-</b>	<b>7,988</b>
<b>Balance at end of period</b>		<b>(61,753)</b>	<b>21,068,561</b>	<b>21,006,808</b>

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 2019

		2019	2018
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Notes		
<u>Receipts</u>			
Rates - general & other			
Fees & other charges			
Operating receipts		2,480,046	1,647,403
Investment receipts		22,599	6,000
<u>Payments</u>			
Employee Costs			
Contractual services & materials			
Operating payments to suppliers & employees		(2,479,031)	(957,154)
Finance payments		-	-
<b>Net Cash provided by (or used in) Operating Activities</b>	8	23,614	696,249
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		41,840	-
<u>Payments</u>			
Expenditure on new/upgraded assets		(38,824)	-
<b>Net Cash provided by (or used in) Investing Activities</b>		3,016	-
<b>Net Increase (Decrease) in cash held</b>		26,630	696,249
Cash & cash equivalents at beginning of period	8	890,386	194,137
<b>Cash &amp; cash equivalents at end of period</b>	8	917,016	890,386

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 2019

### 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. 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.

## **Fleurieu Regional Aquatic Centre Authority**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019**

Note 1 - Significant Accounting Policies (cont)

#### **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.

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

## **Fleurieu Regional Aquatic Centre Authority**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019**

#### **Note 1 - Significant Accounting Policies (cont)**

##### **6.5 Impairment**

Assets that have an indefinite useful life are not subject to depreciation and are reviewed periodically 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 New Accounting Standards**

In the current year, the Authority adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised standards and interpretations has not resulted in any material changes to the Authority's accounting policies.

Certain new accounting standards have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

The Authority is required to implement *AASB 15 Revenue from Contracts* and *AASB 1058 Income for Not-for-profit Entities* as from 1 July 2019. As at the time of preparing these financial statements, an assessment has not been completed to quantify whether the introduction of the new accounting standards will have a material impact on the Authority's accounting policies and future reported financial performance and position.

##### **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.

The Authority for 2018/19 received contributions from Constituent Councils towards net operating deficits excluding depreciation expense for the facility. The Constituent Councils during 2018/19 resolved not to cash fund depreciation expense for the Authority. As a result the Authority expects operating deficits equivalent to depreciation expense for future years.

##### **10 YMCA Management**

The 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>2019</u>	<u>2018</u>
FAC Income	\$1,778,350	\$1,672,661
Fleurieu Aquatic Centre Expenses	<u>\$1,837,449</u>	<u>\$1,685,571</u>
Net Result	(\$59,099)	(\$12,910)

## **Fleurieu Regional Aquatic Centre Authority**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019**

Note 1 - Significant Accounting Policies (cont)

#### **11 Leases**

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contract – except leases with a maximum term of 12 months and leases for non-material amounts – be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, the Authority has no lease to which this treatment will need be applied.



# **Fleurieu Regional Aquatic Centre Authority**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

for the year ended 30 June 2019

### **Note 2 - INCOME**

	Notes	2019 \$	2018 \$
<b>USER CHARGES</b>			
Council Contribution - Alexandrina Council		309,884	683,526
Council Contribution - City of Victor Harbor		309,884	683,526
FAC Income		1,778,350	1,672,661
		<u>2,398,118</u>	<u>3,039,713</u>

Variance of Council Contribution between years due to Contituent Council resolution in 2018/19 to no longer fund depreciation as a cash component.

### **INVESTMENT INCOME**

Interest on investments			
Local Government Finance Authority		<u>22,632</u>	<u>9,714</u>

### **GRANTS, SUBSIDIES, CONTRIBUTIONS**

Amounts received specifically for new or upgraded assets		<u>41,840</u>	<u>-</u>
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# Fleurieu Regional Aquatic Centre Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

### Note 3 - EXPENSES

	Notes	2019 \$	2018 \$
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration		<u>5,150</u>	<u>5,000</u>
Subtotal - Prescribed Expenses		<u>5,150</u>	<u>5,000</u>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contracts		71,088	100,952
Board Expenses		13,842	15,002
Administration		97,583	56,547
IT & Telephone		883	731
Fleurieu Aquatic Centre Site Expenses		466,371	504,184
Fleurieu Aquatic Centre Expenses		<u>1,837,449</u>	<u>1,685,571</u>
Subtotal - Other Materials, Contracts & Expenses		<u>2,487,216</u>	<u>2,362,987</u>
		<u>2,492,366</u>	<u>2,367,987</u>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures	5	365,016	365,016
Furniture & Fittings	5	154,378	150,232
Plant & Equipment	5	61,225	61,226
Infrastructure	5	<u>96,978</u>	<u>96,978</u>
		<u>677,597</u>	<u>673,452</u>

**Fleurieu Regional Aquatic Centre Authority**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2019**

**Note 4 - CURRENT ASSETS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>CASH &amp; EQUIVALENT ASSETS</b>	<b>Notes</b>	
Cash on Hand and at Bank	<b>94,044</b>	8,087
Deposits at Call	<b>822,972</b>	882,299
	<b><u>917,016</u></b>	<b><u>890,386</u></b>
 <b>TRADE &amp; OTHER RECEIVABLES</b>		
Accrued Revenues	<b>7,274</b>	3,853
Debtors - General	<b>121,166</b>	-
Prepayments	<b>3,784</b>	4,199
	<b><u>132,224</u></b>	<b><u>8,052</u></b>

**Fleurieu Regional Aquatic Centre Authority**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2019**

**Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

	2018 \$				2019 \$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Buildings & Other Structures	-	12,407,742	(470,021)	11,937,721	-	12,407,742	(835,037)	11,572,705
Furniture & Fittings	-	3,818,733	(193,450)	3,625,283	-	3,857,557	(347,828)	3,509,729
Plant & Equipment	-	1,147,485	(78,838)	1,068,647	-	1,147,485	(140,063)	1,007,422
Infrastructure	-	3,694,601	(124,876)	3,569,725	-	3,694,601	(221,854)	3,472,747
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	-	21,068,561	(867,185)	20,201,376	-	21,107,385	(1,544,782)	19,562,603
<b>Comparatives</b>	-	<b>21,068,561</b>	<b>(193,733)</b>	<b>20,874,828</b>	-	<b>21,068,561</b>	<b>(867,185)</b>	<b>20,201,376</b>

*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 2019**

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

	CARRYING AMOUNT MOVEMENTS DURING YEAR								
	2018	\$						2019	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Contributed Assets	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals							
Buildings & Other Structures	11,937,721	-	-	-	(365,016)	-	-	-	11,572,705
Furniture & Fittings	3,625,283	38,824	-	-	(154,378)	-	-	-	3,509,729
Plant & Equipment	1,068,647	-	-	-	(61,225)	-	-	-	1,007,422
Infrastructure	3,569,725	-	-	-	(96,978)	-	-	-	3,472,747
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	20,201,376	38,824	-	-	(677,597)	-	-	-	19,562,603
Comparatives	20,874,828	-	-	-	(673,452)	-	-	-	20,201,376

**Fleurieu Regional Aquatic Centre Authority**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2019**

**Note 6 - LIABILITIES**

		2019		2018	
		\$		\$	
<b>TRADE &amp; OTHER PAYABLES</b>	Notes	Current	Non-current	Current	Non-current
Goods & Services		87,187	-	48,647	-
Other		225,221	-	44,359	-
		<u>312,408</u>	<u>-</u>	<u>93,006</u>	<u>-</u>

**Fleurieu Regional Aquatic Centre Authority**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2019**

**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	2019 \$	2018 \$
Total cash & equivalent assets	4	<u>917,016</u>	<u>890,386</u>
Balances per Cash Flow Statement		<u>917,016</u>	<u>890,386</u>

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

Net Surplus (Deficit)	(707,373)	7,988
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	<u>677,597</u>	<u>673,452</u>
	(29,776)	681,440
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(166,012)	92,049
Net increase (decrease) in trade & other payables	<u>219,402</u>	<u>(77,240)</u>
<b>Net Cash provided by (or used in) operations</b>	<u>23,614</u>	<u>696,249</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 2019

#### Note 8 - FINANCIAL INSTRUMENTS

##### Recognised Financial Instruments

<b>Bank, Deposits at Call</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits at call have an average maturity of 90 days and an average interest rate of 2.05%. (2018: 90 days, 1.95%)</p> <p><b>Carrying amount:</b> Approximates fair value due to the short term to maturity.</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts.</p> <p><b>Terms &amp; conditions:</b> 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><b>Carrying amount:</b> Approximates fair value (after deduction of any allowance).</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> 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><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> Approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p><b>Carrying amount:</b> Approximates fair value.</p>



## Fleurieu Regional Aquatic Centre Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

#### Note 8 - FINANCIAL INSTRUMENTS (cont.)

##### Liquidity Analysis

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	917,016	-	-	917,016	917,016
Receivables	132,224	-	-	132,224	132,224
<b>Total</b>	<b>1,049,240</b>	<b>-</b>	<b>-</b>	<b>1,049,240</b>	<b>1,049,240</b>
<b>Financial Liabilities</b>					
Payables	312,408	-	-	312,408	312,408
<b>Total</b>	<b>312,408</b>	<b>-</b>	<b>-</b>	<b>312,408</b>	<b>312,408</b>

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

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

	30 June 2019	
	Weighted Average Interest Rate	Carrying Value 2019
	%	\$
Overdraft	-	-
Non Interest Bearing	-	312,408
		<b>312,408</b>

	Carrying Value 2018
	-
	93,006
	<b>93,006</b>

#### 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 2019**

**Note 9 - COMMITMENTS FOR EXPENDITURE**

Services	Contractor	Period of contract	Brief description
Operational Management – Fleurieu Aquatic Centre	YMCA SA	3 years (1 November 2016 - 30 June 2020)	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 2019 had not entered in to any operating leases.

**Note 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED**

The Authority as at 30 June 2019 had not recognised any contingency.

**Note 12 - EVENTS OCCURRING AFTER REPORTING DATE**

There were no events subsequent to 30 June 2019 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 2019**

**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:

	<b>2018</b>	<b>2018</b>
Salaries, allowances & other short term benefits	\$ 76,725	\$ 102,671
Post-employment benefits	\$ -	\$ -
Long term benefits	\$ -	\$ -
Termination Benefits	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 76,725</b>	<b>\$ 102,671</b>

**Transactions with Related Parties:**

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

<b>Related Party Entity</b>	<b>Sale of Goods &amp; Services (\$,000)</b>	<b>Amounts Outstanding from Related Parties (\$,000)</b>	<b>Description of Services Provided to Related Parties</b>
Alexandrina Council	310	-	Provision of regional aquatic facilities
City of Victor Harbor	310	-	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 2019

### 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

	2019 \$	2018 \$
Income	2,420,750	3,049,427
Expenses	(3,169,963)	(3,041,439)
<b>Operating Surplus / (Deficit)</b>	<b>(749,213)</b>	<b>7,988</b>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Add back Depreciation, Amortisation and Impairment	677,597	673,452
Proceeds from Sale of Replaced Assets	-	-
	<b>677,597</b>	<b>673,452</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	(38,824)	-
Amounts received specifically for New and Upgraded Assets	41,840	-
	<b>3,016</b>	<b>-</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(68,600)</b>	<b>681,440</b>

### Note 15 - ECONOMIC DEPENDENCY

Per section 5.2 of the Authority's Charter 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 2019**

#### **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 2019 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



Matt Grant  
**CHAIR PERSON**

Date 27 September 2019

# **Fleurieu Regional Aquatic Centre Authority**

## **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019**


### **CERTIFICATION OF AUDITORS 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 2019, 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 2011 made under that Act

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011




Matt Grant  
CHAIR PERSON



Ian Swan  
AUDIT & RISK CHAIR PERSON

Date 25 September 2019




# FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

### 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 2019, 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 OFFICER**  
Alexandrina Council

Date: 21 August 2019

# **FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY**

## **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019**

### **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 2019, 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 2011 made under that Act.

This statement is prepared in accordance with the requirements of Section 22 (3) *Local Government (Financial Management) Regulations 2011*.



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

Date: 22 August 2019

**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 2019, 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 10<sup>th</sup> day of September 2019,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY****Opinion**

We have audited the financial report of the Fleurieu Regional Aquatic Centre Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations).

**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 Authority in accordance with 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.

**Other Information other than the Financial Report and Auditor's Report Thereon**

The Authority is responsible for the other information. The other information comprises the information included in the Authority's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility for the Financial Report**

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. The Authority's responsibility includes establishing and maintaining internal control relevant to preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority is responsible for assessing the Authority'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.

Those charged with governance are responsible for overseeing the Authority'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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Authority'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 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 Authority 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 1<sup>st</sup> day of October 2019,  
at 214 Melbourne Street, North Adelaide



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

**Fleurieu Regional Aquatic Centre Authority**

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