



Fleurieu Regional
Aquatic Centre

Authority



Annual Report 2019-20

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Chairperson's Message



As the Chairperson of the Authority it is my privilege to take this opportunity to reflect on both the achievements and challenges of the past financial year. In the Fleurieu Aquatic Centre's third full year of operations, amid a global pandemic, it is fair to say that there has been a significant number of both. The Authority's year-end result is a testament to the team of dedicated professionals who have effectively led our organisation in a complex and changing Covid-19 environment. In partnership with the YMCA, the Authority acted swiftly to protect our community, while maximising access to services through alternative models at a time when it was most needed. As the Centre transitions back to a more traditional service model, we are committed to retaining the best of our Covid-19 learnings while focusing on our vision for a healthy regional community. The Authority continues to receive wonderful support from the YMCA who has been our valued partner since the establishment of the Centre. This year the Centre was a finalist in the Australian Fitness Awards, and we are proud to have the quality of our operations recognised at an industry level.

In overall terms, the first half of the year successfully delivered on the Authority's growth strategy, with membership and swimming lesson enrollments for the year reaching peak levels in January and February respectively. Continued expansion of the Centre's service offering delivered greater benefits to members and the community through additional classes, new group programs, reciprocal membership rights, and free memberships for children under 10. Customer approval ratings remained high, with the twelve-month average increasing in comparison to the previous period. Sadly for our community the impact of Covid-19 expanded into the Fleurieu, and an initial downturn in March culminated in the temporary closure of the Centre in the last quarter of the year.

Throughout the year the Centre facilitated 173,405 visits, including 11,175 swimming lessons, delivering significant social value of \$2,466,650 to the broader community. Robust cost management activities in the face of the Covid-19 downturn and revenue from the Job Keeper program were key drivers of the Authority's final position. As a Board we remain focused on operating within our means and finding as many opportunities as possible to raise funds and control costs to ensure the impact at the Council and community level is minimised.

The Centre maintains a focus first and foremost on ensuring a safe environment, while providing an exceptional customer experience, great value for members, and opportunities for networking, socialising and fun. The Board has maintained a sharp focus on service quality, ensuring that the Centre remains a unique and valued community asset. After re-opening in June we are excited to progress towards a return to full operations and envisage that the next twelve months will be one of rebuilding, refining and exploring new aquatic, fitness and social impact programs. We look forward to continuing to make a positive difference on the Fleurieu.

The Board is fortunate to have exceptional corporate and governance support from our Audit & Risk Management sub-committee, and I sincerely thank Ian Swan as the Chairperson for his ongoing commitment. I would also like to acknowledge Elizabeth Williams and Kellie Knight-Stacey from our Constituent Councils for their valuable contributions to this sub-committee.

Finally, it would be remiss of me not to recognise the collective effort that facilitates Authority meetings throughout the year. It is with great appreciation that we recognise outgoing Chairperson Matt Grant, outgoing Deputy Chairperson John Coombe OAM, and outgoing Executive Officer Deb Palmer for their significant contributions. I would also specifically like to thank incoming Director Trish Kirkland for the drive and energy she has brought to our organisation, and Mark Easton for his critical support to the Board undertaking the additional duties of Acting Chairperson.

Dean Newbery & Partners has audited the 2019-20 Financial Statements which have been provided to both Constituent Councils. A complete copy of the Audited Financial Statements forms part of this report.

On behalf of the Board of the Authority it is my pleasure to present the Annual Report for the 2019-2020 financial year.

Steve Mathewson
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 two Constituent Councils: City of Victor Harbor and Alexandrina Council. It was established to enable joint ownership and management of the Fleurieu Aquatic Centre after an investment of \$6.5 million from each council, \$7.5 million from the Australian Government, \$500,000 from the South Australian Government, and a generous land donation from Beyond Today.

The governance of 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 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; and
- 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 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; and
- 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 Fleurieu Aquatic Centre (FAC) and Fleurieu Regional Aquatic Centre Authority (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 has been developed including; the Strategic Plan 2018-2027, Asset Management Plan 2018-2027 and Long-Term Financial Plan 2018-2027. These strategic documents inform and are supported by the Authority 3-Year Business Plan (incorporating the Authority 2019-20 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):

- Steve Mathewson (Chairperson / Independent Member);
- Mark Easton (Deputy Chairperson / Independent Member);
- Trish Kirkland (Independent Member);
- Cr Margaret Gardner (Alexandrina Council);
- Cr David Kemp (City of Victor Harbor); and
- Cr Peter Charles (Deputy Elected Member Representative for Victor Harbor*).

*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;
- Ms Trish Kirkland, 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).

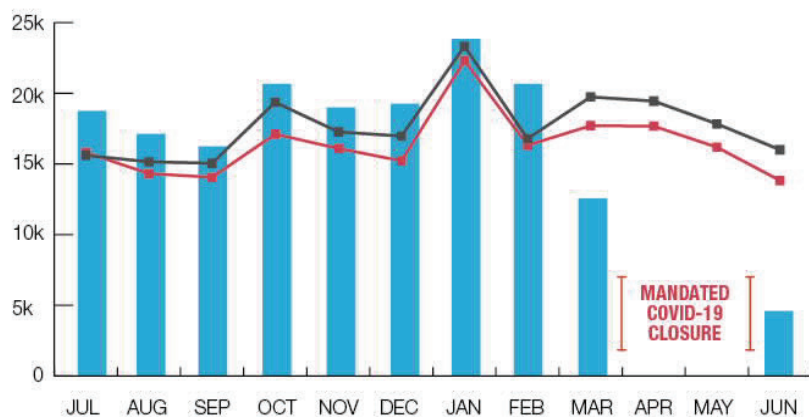


2019-20 Achievements



Key Statistics

SITE ATTENDANCE



■ 2019 - 2020
— 2018 - 2019
— 2017 - 2018

↓ 29%

173,405



Peak
Membership

1,316 ↑ 12%



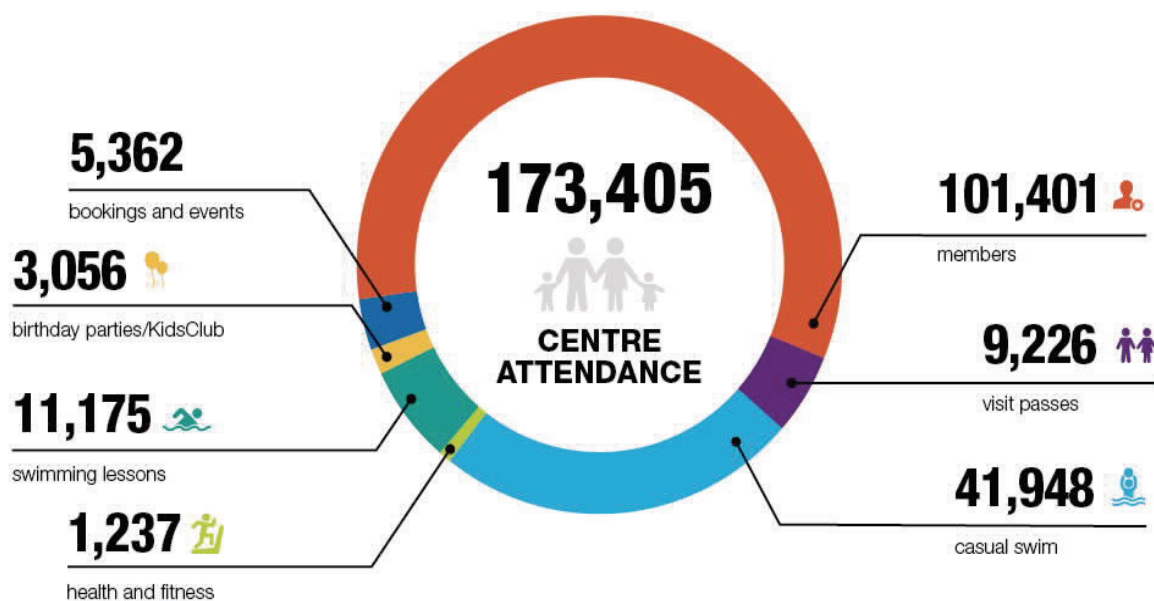
Peak Swimming
Lessons Participants

503 ↓ 4%



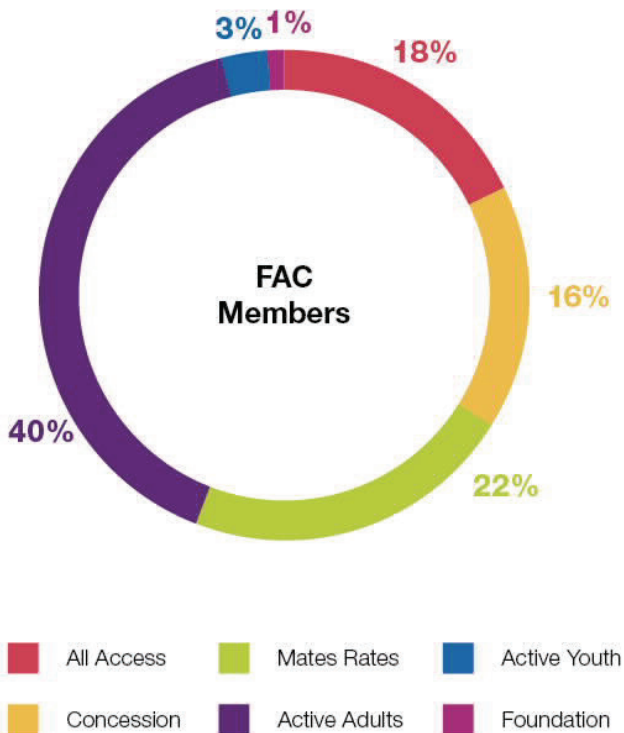
Employees as of
30 June 2020

16 [FTE]

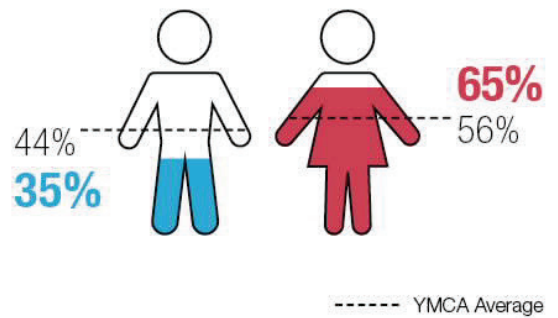


MEMBERS

MEMBERSHIP TYPE BREAKDOWN



GENDER

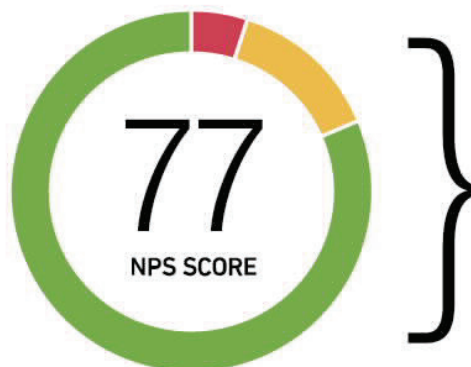


SWIMMING LESSON AVERAGE AGE



COMMUNITY

NET PROMOTER SCORE



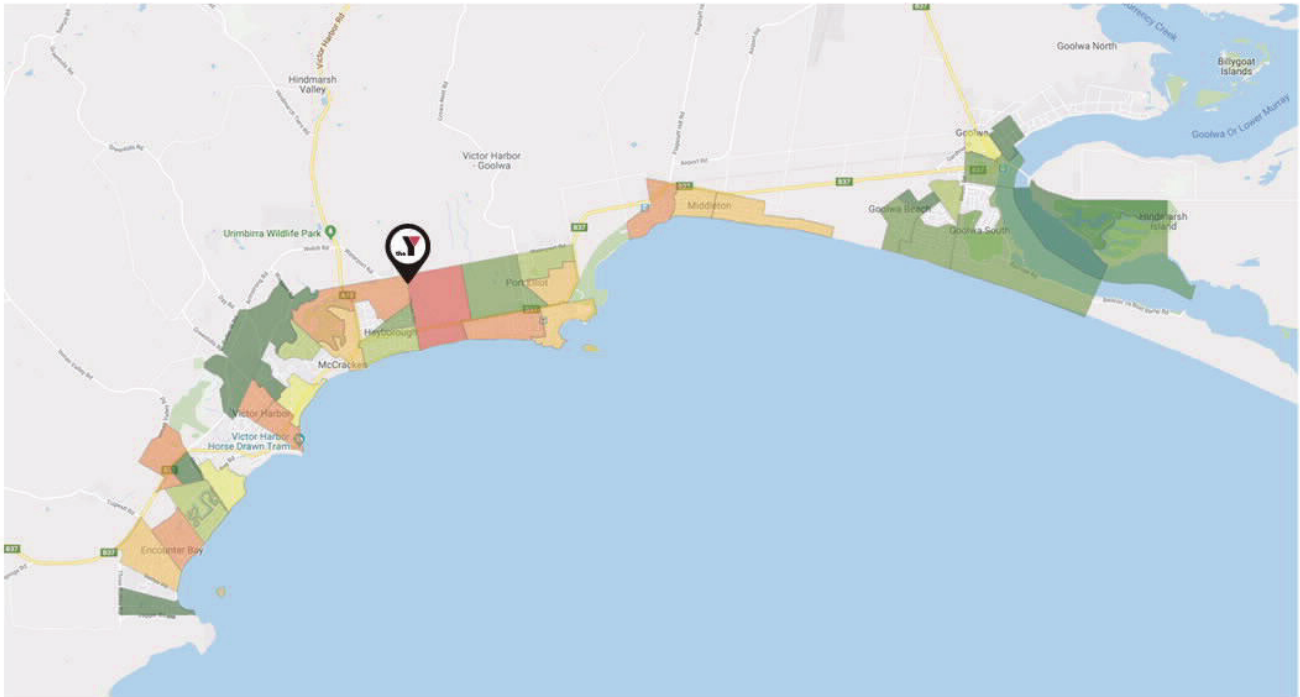
YMCA Benchmark Score
50

Good Industry Score
25-50

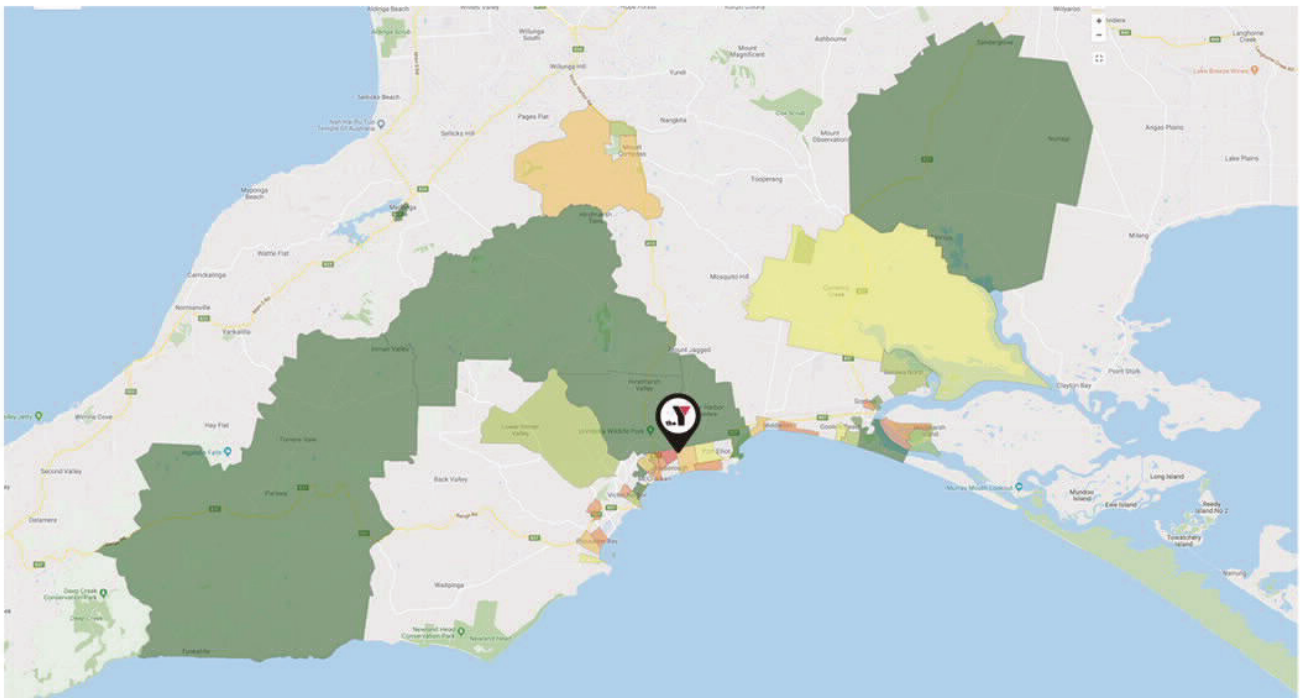
Excellent Industry Score
50+

MEMBER LOCATION

Members



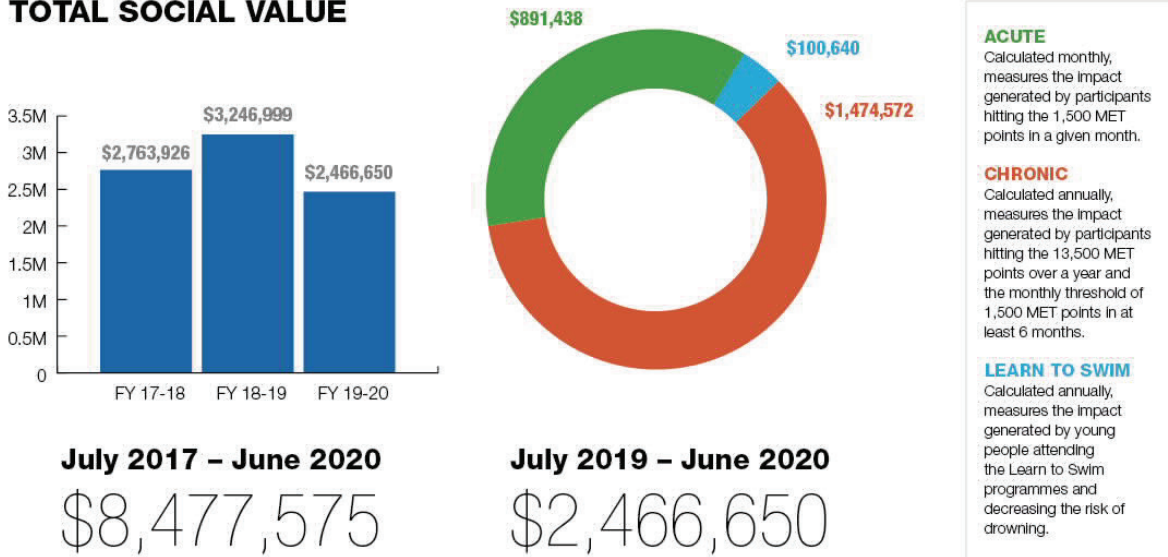
Swim Lesson Students



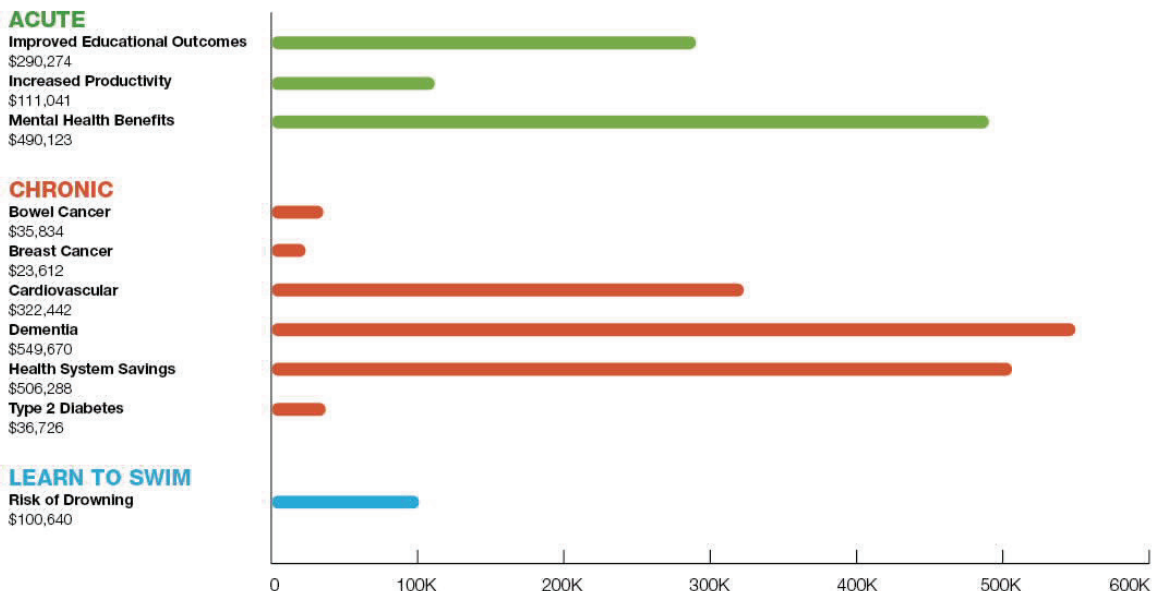
COMMUNITY WELLBEING

The Fleurieu Aquatic Centre represents a significant investment by the two Constituent Councils in the wellbeing of our regional community. Using the ActiveXchange business intelligence model, the YMCA is for the first time in 2019-20 able to calculate the social return on investment delivered by the facility through positive health and social outcomes.

TOTAL SOCIAL VALUE



COMMUNITY SAVINGS BY INDICATOR 2019/2020



A MET (metabolic equivalent of task) is the accepted measurement of physical activity. For reference an Aqua Fitness class is a 6 MET activity (6 x 45 min class = 270 MET-minutes of physical activity).

Performance Against Business Plan Objectives

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

Social Impact

Fleurieu Aquatic Centre has had a incredible social impact on the local community. This is something that is always challenging to measure and so we have included a sample of our member testimonials below demonstrating the impact of the Centre on our individual members over the 2019-20 financial year.

YMCA continues to partner with like-minded community

organisation's such as SAPOL, Rec Link, COTA and Great Southern Swimming Club to deliver outstanding opportunities for local residents.

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

Member of the Month



LEE-ANN TURNER (pictured above) Lee-Ann Turner has been a member since August 2019. She joined the centre mainly for the gym and wanted to improve her strength and fitness and learn how to activate her core. From support from gym instructors Lee-Ann has had a gym program written with appropriate exercises. Lee-Ann is so happy with her progress and gym staff have noticed the change her body as well as her confidence. She mentioned she has improved some of her mental health issues and now uses the gym instead of her medication.

Cardio Club



QUENTIN MUNRO (pictured above) has achieved 2138km using various cardio equipment in the gym since November 2018. He has been monitoring his kilometres and reaching incentive prizes along the way. By reaching over 2000km, he has now received a 2 week free membership!

Cardio Club



AUDREY KNIGHT (pictured above) has completed 2327km and started tracking her km in June 2019. Audrey sets a goal of doing 18km each gym visit she makes it apart of her regular routine. Audrey appreciates gym staff motivating her along the way. By being apart of the cardio club and achieving over 2000km she has reached her incentive prize of 2 weeks free!

“Don't be discouraged, with correct use of equipment you will notice improvements in yourself.”

- Lee-Ann Turner

Centre Performance

Key Achievements

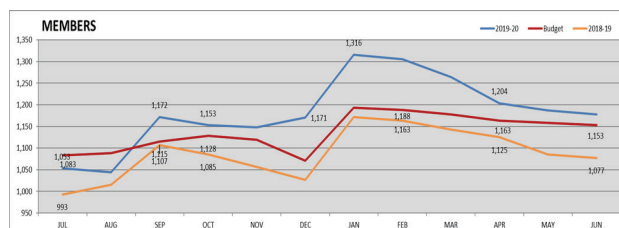
- increased membership to 1316 at peak with an average of 1183 over the year;
- 18.4% decrease in direct paid visit participation due to the Centre closure from 23 March to 9 June;
- all maintenance contracts negotiated for preventative maintenance for a 12 month period;
- capital expenditure plan implemented including the launch of Mega Splash and Salti boards;
- the Centre became an accredited Fitness Australia business and made the national finals for accredited business of the year;
- launch of Strength for Life Aqua providing opportunities for older adults to exercise in the Hydrotherapy pool;
- management of the Covid-19 closure and subsequent re-opening of the Centre; and
- launch of the My Wellness app to ensure customers could book sessions and access the Centre when it reopened in June. This has now been refined to allow for group fitness bookings and management of member programs.

People & Culture

- total head count at the end of June is 62; and
- FTE as at the 30th of June was 17 (based on the last pay period in June).

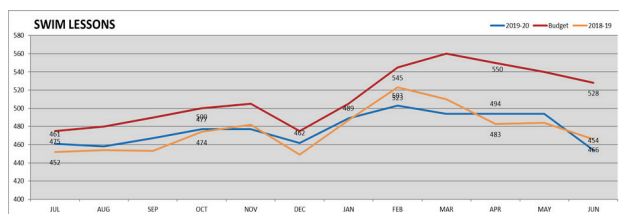
Membership

Memberships peaked at 1316 in January and finished at 1178 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. Given the Covid-19 closure the Centre's membership base has remained very stable.



Swimming Lessons

The swimming lessons program reached a peak of 503 enrolments in February against a budgeted peak of 523. Covid-19 impacts were felt from the middle of February with lower attendances and a reduction in new enrolments prior to the closure of the Centre on the 23 March.



Financial Results

The Centre has achieved a (\$30,814) negative variance to budget and income was \$207,928 behind budget. The detailed analysis has been provided in each monthly report and quarterly reports throughout the year. In summary, the Covid-19 shut down has impacted the overall income of the Centre. Job keeper payments totaling \$357,258 for the year have assisted in reducing the overall impact.

Expenses were well managed overall with savings of \$177,113k against budget, with \$80k of savings attributed to utilities.

	Actual (\$)	Budget (\$)	Variance (\$)
Income	\$1,778,453	\$1,986,381	(\$207,928)
Expense	\$2,306,859	\$2,483,973	\$177,113
Net Profit/Loss	(\$528,405)	(\$497,591)	(\$30,814)



Customer Feedback

YMCA implemented the Ask nicely 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 is a screen shot of the dashboard for a 12 month trend with the Centre averaging 78.1.



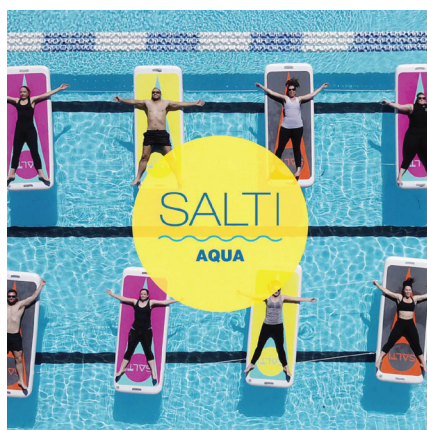
Marketing and Communications

Our marketing throughout the year focused heavily on increasing participation, driving membership sales and increasing enrolments in swimming lessons, including:

- 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;
- implementation of free under 10's membership and reciprocal rights;

- strength for life aqua classes; and
- promotion of new programs including Salti boards and Mega Splash days.

YMCA has used a variety of media to promote the Centre from temporary local signage, online, print media releases, and database mail shots to increase our reach and target specific demographic groups. Some of the highlights from our marketing and promotions over the 2019-20 period are below:



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 outlined in the 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 2018-19 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 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 were investigated by the Essential Services Commission of South Australia and the Competition Commissioner. The Competition Commissioner's final report, with recommendations, was received in February 2020. After considering the final report, the Authority resolved in June 2020 to accept the Competition Commissioner's recommendations and work has commenced to establish a revised competitive neutral fee structure for the Fleurieu Aquatic Centre's business activities in the 2020-21 financial year.

Looking Ahead

The Year Ahead

Looking ahead to 2020-21 the Centre will concentrate on areas as outlined in the Business Marketing and Communications Plan and agreed 2020-21 Key Performance Indicators (KPI's). These will be reported through the monthly and quarterly reports and the YMCA will work with the FRAC Authority to ensure corrective measures are taken where necessary to best deliver services to the local community in line with the agreed and KPI's.

The business is now in a rebuilding phase due to Covid-19 and YMCA will aim to refine program offerings and manage efficient service delivery whilst controlling costs. YMCA will be as nibble as possible to ensure services are appropriately managed should Covid-19 restrictions change.

The development of a number of programs and services aimed at retention and growth will commence in 2020-21 including:

- launch of a water volleyball competition; and
- implementation of 2 new free community programs funded with HACC grant funds.

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, and we will keep developing our community presence by working with local community groups and services to maximise the usage of 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 minimising the subsidy through continued responsible management of both the asset and the business.

The YMCA has recently been successful in obtaining some HACC transition grant funding through our community strengthening team. The YMCA will be funding two new free programs to commence in August 2020. One will be a walking program aimed at 18-65 year olds to promote active lifestyles, and the other is a gym based youth program with some additional support around youth mental health. Both programs will be free to the local community until January 2021 with our local team investigating ways to make the programs sustainable in to the future.

The Authority

During the 2020-21 financial year the Authority will continue to focus on key priorities identified in the 3-Year Business Plan, including:

- decreased energy consumption and costs with the exploration of alternative energy and environmental solutions supported by a business case;
- development and implementation of a Stakeholder Engagement Plan to engage new audiences and develop new opportunities for service provision that meet the needs of the Community in accordance with the Charter's objectives;
- ongoing review of facilities, programs and services using performance data and customer feedback; and
- developing innovative solutions to control costs and maximise revenue, increasing the Authority's Own Source Income Ratio.

In addition to these priorities, during 2020-21 the Authority will also undertake a review of its Charter and implement the recommendations of the Competitive Neutrality assessment adopted by the Board.

Financial Statements 2019-20



Fleurieu Regional Aquatic Centre Authority
General Purpose Financial Reports
for the year ended 30 June 2020

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Fleurieu Regional Aquatic Centre Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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 2020 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.



.....
Steve Mathewson
CHAIR PERSON

Date: 25/8/2020

Fleurieu Regional Aquatic Centre Authority
Statement of Comprehensive Income
for the year ended 30 June 2020

		2020	2019
	Notes	\$	\$
INCOME			
User charges	2	2,453,245	2,398,118
Investment income	2	10,406	22,632
Other income	2	3,948	-
Total Income		<u>2,467,599</u>	<u>2,420,750</u>
EXPENSES			
Employee costs	3	43,402	-
Materials, contractors & other expenses	3	2,444,490	2,492,366
Depreciation, amortisation & impairment	3	685,733	677,597
Total Expenses		<u>3,173,625</u>	<u>3,169,963</u>
OPERATING SURPLUS / (DEFICIT)		<u>(706,026)</u>	<u>(749,213)</u>
Amounts received specifically for new or upgraded assets	2	41,966	41,840
TOTAL COMPREHENSIVE INCOME		<u>(664,060)</u>	<u>(707,373)</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 2020

		2020	2019
ASSETS	Notes	\$	\$
Current Assets			
Cash and cash equivalents	4	836,562	917,016
Trade & other receivables	4	16,045	132,224
Total Current Assets		852,607	1,049,240
Non-current Assets			
Infrastructure, property, plant & equipment	5	18,916,905	19,562,603
Total Non-current Assets		18,916,905	19,562,603
Total Assets		19,769,512	20,611,843
LIABILITIES			
Current Liabilities			
Trade & other payables	6	132,022	312,408
Provisions	6	2,115	-
Total Current Liabilities		134,137	312,408
Total Liabilities		134,137	312,408
NET ASSETS		19,635,375	20,299,435
EQUITY			
Accumulated Surplus		(1,433,186)	(769,126)
Capital Contributions		21,068,561	21,068,561
TOTAL EQUITY		19,635,375	20,299,435

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 2020

		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$	\$
<i>Receipts:</i>			
User charges		2,819,736	2,480,046
Investment receipts		17,410	22,599
Other revenues		3,072	-
<i>Payments:</i>			
Employee costs		(41,287)	-
Materials, contractors & other expenses		(2,881,316)	(2,479,031)
Net Cash provided by (or used in) Operating Activities		(82,385)	23,614
 CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		41,966	41,840
<i>Payments:</i>			
Expenditure on new/upgraded assets		(40,035)	(38,824)
Net Cash provided by (or used in) Investing Activities		1,931	3,016
Net Increase (Decrease) in cash held		(80,454)	26,630
 Cash & cash equivalents at beginning of period	7	917,016	890,386
Cash & cash equivalents at end of period	7	836,562	917,016

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 2020
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 Fleurieu Regional Aquatic Centre 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 and Section 25 of the Local Government Implementation Act 1999. These financial statements have been prepared for use by constituent councils for the Authority.

3 Income recognition

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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.

5 Infrastructure, Property, Plant & Equipment

5.1 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 attributed to bringing the asset to the location and in the required condition for operation by the Authority. Where it is practical from an administrative perspective that expenditure is capitalised.

5.2 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

5.3 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.

5.4 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 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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

5.5 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.

6 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.

7 Employee Benefits

Liabilities for employees' entitlements are expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

No accrual is made for sick leave as the Authority experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

The Authority makes employer superannuation contributions in respect of its employee's choice of superannuation fund.

8 Leases

Accounting Policy applicable for the year ending 30 June 2019 (comparatives):

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117. The Authority did not have any lease arrangements to account for at 30 June 2019.

Accounting policy applicable from 01 July 2019:

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Authority did not have any lease arrangements to account for at 30 June 2020.

The Authority as a lessee

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

i) Right-of-use assets

The Authority recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

9 Constituent Council Contributions

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 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

11 New and amended standards and interpretations

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities:

The Authority applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related interpretations.

The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). The Authority has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations.

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

Financial statement line items have not been affected as at the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058.

Adoption of AASB 16 Leases (AASB 16):

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for low-value assets - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2020, Council has no leases to which this treatment will need to be applied.

12 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>2020</u>	<u>2019</u>
FAC Income	\$1,778,453	\$1,778,350
Fleurieu Aquatic Centre Expenses	<u>\$1,884,184</u>	<u>\$1,837,449</u>
Net Result	(\$105,731)	(\$59,099)

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 2 - INCOME

	Notes	2020 \$	2019 \$
USER CHARGES			
Council Contribution - Alexandrina Council		337,396	309,884
Council Contribution - City of Victor Harbor		337,396	309,884
FAC Income		1,778,453	1,778,350
		2,453,245	2,398,118
INVESTMENT INCOME			
Interest on investments:			
Local Government Finance Authority		10,406	22,632
OTHER INCOME			
Other Income		3,948	-
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		41,966	41,840

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3 - EXPENSE

	2020	2019
Notes	\$	\$
EMPLOYEE COSTS		
Salaries and Wages	35,963	-
Employee leave expense	2,766	-
Superannuation	3,478	-
Workers' Compensation Insurance	600	-
Other	595	-
Total Operating Employee Costs	43,402	-
 Total Number of Employees	 0.5	 -
<i>(Full time equivalent at end of reporting period)</i>		
MATERIALS, CONTRACTORS & OTHER EXPENSES		
<u>Prescribed Expenses</u>		
Auditor's Remuneration		
- Auditing the financial reports	4,600	5,150
Subtotal - Prescribed Expenses	4,600	5,150
<u>Other Materials, Contractors & Expenses</u>		
Contractors	24,668	71,088
Board Expenses	12,519	13,842
Administration	88,155	98,466
Fleurieu Aquatic Centre Site Expenses	430,364	466,371
Fleurieu Aquatic Centre Expenses	1,884,184	1,837,449
Subtotal - Other Materials, Contractors & Expenses	2,439,890	2,487,216
	2,444,490	2,492,366
 DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Buildings & Other Structures	365,016	365,016
Furniture & Fittings	155,093	154,378
Plant & Equipment	68,646	61,225
Infrastructure	96,978	96,978
	685,733	677,597

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 4 - CURRENT ASSETS

		2020	2019
CASH & EQUIVALENT ASSETS	Notes	\$	\$
Cash on Hand and at Bank		105,382	94,044
Deposits at Call		731,180	822,972
		<u>836,562</u>	<u>917,016</u>
TRADE & OTHER RECEIVABLES			
Accrued Revenues		270	7,274
Debtors - General		-	121,166
Prepayments		15,775	3,784
		<u>16,045</u>	<u>132,224</u>

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)

	2019 \$'000				2020 \$'000			
	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Buildings & Other Structures	-	12,407,742	(835,037)	11,572,705	-	12,407,742	(1,200,053)	11,207,689
Furniture & Fittings	-	3,857,557	(347,828)	3,509,729	-	3,860,167	(502,921)	3,357,246
Plant & Equipment	-	1,147,485	(140,063)	1,007,422	-	1,184,910	(208,708)	976,202
Infrastructure	-	3,694,601	(221,854)	3,472,747	-	3,694,601	(318,833)	3,375,768
Total IPP&E	-	21,107,385	(1,544,782)	19,562,603	-	21,147,420	(2,230,515)	18,916,905
Comparatives	-	21,068,561	(867,185)	20,201,376	-	21,107,385	(1,544,782)	19,562,603

This Note continues on the following pages.

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

2019		CARRYING AMOUNT MOVEMENTS DURING YEAR								2020
\$		\$								\$
Carrying Amount	Net Adjust AASB 16	Additions		Disposals	Dep'n	Impair't	Transfers		Net Reval'n	Carrying Amount
		New / Upgrade	Renewals				In	Out		
Buildings & Other Structures		-	-	-	(365,016)	-	-	-	-	11,207,689
Furniture & Fittings		2,610	-	-	(155,093)	-	-	-	-	3,357,246
Plant & Equipment		37,425	-	-	(68,646)	-	-	-	-	976,202
Infrastructure		-	-	-	(96,978)	-	-	-	-	3,375,768
Total IPP&E	-	40,035	-	-	(685,733)	-	-	-	-	18,916,905
Comparatives		38,824	-	-	(677,597)	-	-	-	-	19,562,603
20,201,376										

This note continues on the following pages.

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 6 - LIABILITIES

		2020		2019	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		77,380		87,187	
Accrued expenses		53,430	-	-	-
Other payables		1,212	-	225,221	-
		<u>132,022</u>	<u>-</u>	<u>312,408</u>	<u>-</u>
PROVISIONS					
Employee entitlements (including oncosts)		2,115	-	-	-
		<u>2,115</u>	<u>-</u>	<u>-</u>	<u>-</u>

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

(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 Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2020 \$	2019 \$
Total cash & equivalent assets	5	836,562	917,016
Balances per Statement of Cash Flows		836,562	917,016

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

Net Surplus (Deficit)	(664,060)	(707,373)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	685,733	677,597
Net increase (decrease) in unpaid employee benefits	2,115	-
Amounts for capital acquisitions treated as Investing Activity	(41,966)	-
	(18,178)	(29,776)
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	116,179	(166,012)
Net increase (decrease) in trade & other payables	(180,386)	219,402
Net Cash provided by (or used in) operations	(82,385)	23,614

(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 2020

Note 8 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<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 0.45%. (2019: 90 days, 2.05%)</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 allowances 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 & 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>

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 8 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2020	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	836,562			836,562	836,562
Receivables	270	-	-	270	270
Total	836,832	-	-	836,832	836,832
<u>Financial Liabilities</u>					
Payables	78,592	-	-	78,592	78,592
Total	78,592	-	-	78,592	78,592

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

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

	30 June 2020		30 June 2019	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Non Interest Bearing	-	78,592	-	312,408
		78,592		312,408

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 8 - FINANCIAL INSTRUMENTS (con't)

Net Fair Value

All carrying values are 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 impairment. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 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 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 2020

Note 9 - EXPENDITURE COMMITMENTS

Service	Contractor	Period of contract	Brief description
Operational Management – Fleurieu Aquatic Centre	YMCA SA	This contract expired 30 June 2020. YMCA agree to operate in good faith until the new contract is executed.	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 April 2020 - 31 December 2022)	Provision of an independent audit opinion of the accounts and annual financial reports of the Authority for financial years 2019/20, 2020/21 and 2021/22.

Note 10 - OPERATING LEASES

The Authority as at 30 June 2020 had not entered into any operating leases.

Note 11 - CONTINGENCIES, ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2020 had not recognise any contingency.

Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2020 that need to be disclosed in the financial statements.

Note 13 - 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
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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

	2020	2019
	\$	\$
Income	2,467,599	2,420,750
Expenses	(3,173,625)	(3,169,963)
Operating Surplus / (Deficit)	(706,026)	(749,213)

Net Outlays on Existing Assets

Capital Expenditure on renewal and replacement of Existing Assets	-	-
Add back Depreciation, Amortisation and Impairment	685,733	677,597
Proceeds from Sale of Replaced Assets	-	-
	685,733	677,597

Net Outlays on New and Upgraded Assets

Capital Expenditure on New and Upgraded Assets	(40,035)	(38,824)
Amounts received specifically for New and Upgraded Assets	41,966	41,840
	1,931	3,016
Net Lending / (Borrowing) for Financial Year	(18,362)	(68,600)

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 15 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

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:

	2020 \$	2019 \$
Salaries, allowances & other short term benefits	55,615	76,725
Post-employment benefits	-	-
Long term benefits	-	-
Termination benefits	-	-
TOTAL	55,615	76,725

Transactions with Related Parties:

The following transactions occurred with Related Parties during the financial year ended 30 June 2020:

Related Party Entity	Sale of Goods & Services (\$,000)	Amounts Outstanding from Related Parties (\$,000)	Description of Services Provided to Related Parties
Alexandrina Council	337	-	Provision of regional aquatic facilities
City of Victor Harbor	337	-	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 Constituent Councils. Constituent 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 Constituent Council individually has control of those policies.

FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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 2020, 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 Section 22 (3) Local Government (Financial Management) Regulations 2011.


.....
Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date:

25 / 8 / 2020

FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

CERTIFICATION OF AUDITOR INDEPENDENCE

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



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

Date: 25/8/2020

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2020, 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*.

**Samantha Creten****Partner****DEAN NEWBERY & PARTNERS****CHARTERED ACCOUNTANTS****Dated the 8th day of July 2020**



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

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