

**Fleurieu Regional Waste Authority**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2020**

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**Fleurieu Regional Waste Authority**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2020**

	Notes	2020 \$	2019 \$
<b>INCOME</b>			
User charges	2	9,083,674	7,848,469
Grants, subsidies and contributions	2	234,771	302,166
Investment income	2	2,581	2,876
Reimbursements	2	15,349	9,871
Other income	2	9,064	16,843
<b>Total Income</b>		<b>9,345,439</b>	<b>8,180,225</b>
<b>EXPENSES</b>			
Employee costs	3	3,115,286	3,018,245
Materials, contracts & other expenses	3	5,356,982	4,540,002
Depreciation, amortisation & impairment	3	706,091	543,092
Finance costs	3	114,629	85,413
<b>Total Expenses</b>		<b>9,292,988</b>	<b>8,186,752</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>52,451</b>	<b>(6,527)</b>
Asset disposal & fair value adjustments	4	40,653	(20,536)
<b>NET SURPLUS / (DEFICIT) (transferred to Equity Statement)</b>		<b>93,104</b>	<b>(27,063)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>93,104</b>	<b>(27,063)</b>

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

# FLEURIEU REGIONAL WASTE AUTHORITY



## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

### CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the 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.

  
.....  
Michael Kellady  
CHAIR OF THE BOARD

  
.....  
Simon Grenfell  
EXECUTIVE OFFICER

Date: 23 September 2020

**Fleurieu Regional Waste Authority**  
**Statement of Financial Position**  
**as at 30 June 2020**

		2020	2019
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	1,983,227	474,409
Trade & other receivables	5	492,572	380,329
Inventories	5	94,273	164,040
		<u>2,570,072</u>	<u>1,018,778</u>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	6	4,154,770	3,641,795
<b>Total Non-current Assets</b>		<u>4,154,770</u>	<u>3,641,795</u>
<b>Total Assets</b>		<u>6,724,842</u>	<u>4,660,573</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	7	1,918,201	1,132,293
Contract liabilities	7	360,745	23,645
Borrowings	7	461,466	335,516
Provisions	7	228,203	181,530
Other current liabilities	8	333,367	124,944
<b>Total Current Liabilities</b>		<u>3,301,982</u>	<u>1,797,929</u>
<b>Non-current Liabilities</b>			
Borrowings	7	2,458,850	2,015,684
Provisions	7	89,273	65,326
<b>Total Non-current Liabilities</b>		<u>2,548,123</u>	<u>2,081,010</u>
<b>Total Liabilities</b>		<u>5,850,105</u>	<u>3,878,939</u>
<b>NET ASSETS</b>		<u>874,736</u>	<u>781,634</u>
<b>EQUITY</b>			
Accumulated Surplus		874,736	781,632
<b>TOTAL EQUITY</b>		<u>874,736</u>	<u>781,632</u>

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

**Fleurieu Regional Waste Authority**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2020**

		Accumulated Surplus	TOTAL EQUITY
2020	Notes	\$	\$
Balance at end of previous reporting period		781,632	781,632
<b>Net Surplus / (Deficit) for Year</b>		<b>93,104</b>	<b>93,104</b>
<b>Other Comprehensive Income</b>		-	-
<b>Balance at end of period</b>	9	<b>874,736</b>	<b>874,736</b>

  

2019			
Balance at end of previous reporting period		808,695	808,695
<b>Net Surplus / (Deficit) for Year</b>		<b>(27,063)</b>	<b>(27,063)</b>
<b>Other Comprehensive Income</b>		-	-
<b>Balance at end of period</b>	9	<b>781,632</b>	<b>781,632</b>

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

**Fleurieu Regional Waste Authority**  
**Statement of Cash Flows**  
**for the year ended 30 June 2020**

		2020	2019
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Notes</b>		
<i><b>Receipts:</b></i>			
User charges		9,172,959	7,726,473
Investment receipts		2,581	2,876
Grants utilised for operating purposes		154,771	152,166
Reimbursements		-	9,871
Other revenues		-	17,248
<i><b>Payments:</b></i>			
Employee costs		(3,115,286)	(3,018,245)
Materials, contracts & other expenses		(4,066,457)	(4,371,812)
Finance payments		(110,455)	(87,674)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>9</b>	<b>2,038,113</b>	<b>430,903</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i><b>Receipts:</b></i>			
Amounts specifically for new or upgraded assets		80,000	150,000
Sale of replaced assets		108,545	20,000
<i><b>Payments:</b></i>			
Expenditure on renewal/replacement of assets		(1,173,926)	(755,181)
Expenditure on new/upgraded assets		(113,030)	(688,542)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(1,098,411)</b>	<b>(1,273,723)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>\$</b>	<b>\$</b>
<i><b>Receipts:</b></i>			
Proceeds from borrowings		1,166,664	1,189,730
<i><b>Payments:</b></i>			
Repayments of borrowings		(597,547)	(495,271)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>569,117</b>	<b>694,459</b>
<b>Net Increase (Decrease) in cash held</b>		<b>1,508,819</b>	<b>(148,361)</b>
 Cash & cash equivalents at beginning of period	<b>9</b>	<b>474,409</b>	<b>622,770</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>9</b>	<b>1,983,227</b>	<b>474,409</b>

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

# FLEURIEU REGIONAL WASTE 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 financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 23 September 2020.

#### **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 Fleurieu Regional Waste Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 1226 Port Elliot Road, Goolwa South Australia 5214. These financial statements include the Authority's direct operations and all entities through which the Authority controls resources to carry on its functions. In the process of reporting on the Authority as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

### **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.

#### *Council contributions*

Revenue from Council contributions is recognized as the services are performed over the financial year.

#### *Waste Disposal Operations*

Revenue from waste disposal operations is recognized at the point in time the service is provided to the customer.

# FLEURIEU REGIONAL WASTE AUTHORITY

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

## Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

### **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.

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 policies applied to financial instruments also form part of Note 10.

### **5 Inventories**

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

### **6 Infrastructure, Property, Plant & Equipment**

#### **6.1 Initial Recognition**

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

#### **6.2 Materiality**

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

#### **6.3 Subsequent Recognition**

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

#### **6.4 Depreciation of Non-Current Assets**

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Authority, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of assets are reviewed annually.



# FLEURIEU REGIONAL WASTE AUTHORITY

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

## Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

### 6.5 *Impairment*

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, are not assessed for impairment.

Other 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 amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

### 7 *Payables*

#### 7.1 *Goods & Services*

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 *Contract Liabilities*

Contract liabilities represent the Authority's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Authority recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Authority has transferred the goods or services to the customer.

The Board approved the retention of a surplus as at 30 June 2020 for each Constituent Council, up to the value of estimated additional recycling cost in the 2020/21 year, to be offset against additional costs as they are incurred.

### 9 *Borrowings*

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

### 10 *Employee Benefits*

#### 10.1 *Salaries, Wages & Compensated Absences*

Liabilities for employees' entitlements to salaries, wages and compensated absences 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.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

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.

#### *Superannuation*

The Authority makes employer superannuation contributions in respect of its employees to the employees' nominated superannuation fund. No changes in accounting policy have occurred during either the current or previous reporting periods.

# FLEURIEU REGIONAL WASTE AUTHORITY

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

## Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

### 11 *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.

### 12 *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 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, and as such there was no impact on the financial statements from the adoption of the new standards as at 1 July 2019.

#### *Adoption of AASB 16 Leases (AASB 16)*

AASB 16 Leases, which commenced 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 the Authority has no leases to which this treatment needs to be applied, other than the for the office and workshop premises at Goolwa. However, as the Authority is currently negotiating a lease agreement for this premise with Alexandrina Council and no lease payments have been made to date, the value of the right-of-use asset and lease liability is deemed to be nil.

### 13 *Comparative figures*

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year. Comparative figures for 'Revenue received in advance' were previously presented within 'Trade and Other Payables'. They are now presented within 'Contract Liabilities' as a result of adopting the new accounting standard AASB 15 Revenue from Contracts with Customers.

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

**Note 2 - INCOME**

	Notes	2020 \$	2019 \$
<b><u>Revenue from Contracts with Customers:</u></b>			
<b>USER CHARGES</b>			
Council Contributions		5,621,498	5,658,579
Waste Disposal Operations		3,462,176	2,189,890
		<u>9,083,674</u>	<u>7,848,469</u>
<b><u>Other Revenue and Other Income:</u></b>			
<b>INVESTMENT INCOME</b>			
Interest on investments:			
Banks & other		2,581	2,876
		<u>2,581</u>	<u>2,876</u>
<b>REIMBURSEMENTS</b>			
- other		15,349	9,871
		<u>15,349</u>	<u>9,871</u>
<b>OTHER INCOME</b>			
Sundry		9,064	16,843
		<u>9,064</u>	<u>16,843</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Other grants, subsidies and contributions		234,771	302,166
		<u>234,771</u>	<u>302,166</u>
<b><i>Sources of grants</i></b>			
State government		234,771	302,166
		<u>234,771</u>	<u>302,166</u>
<b><i>Conditions over grants &amp; contributions</i></b>			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		-	90,000
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>			
<i>Plant &amp; Equipment</i>		-	(90,000)
<i>Subtotal</i>		-	(90,000)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Plant &amp; Equipment</i>		-	-
<i>Subtotal</i>		-	-
<i>Unexpended at the close of this reporting period</i>		-	-

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

**Note 3 - EXPENSE**

	Notes	2020 \$	2019 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		2,489,385	2,488,717
Employee leave expense		241,711	141,935
Superannuation	16	211,018	221,876
Superannuation - defined benefit plan contributions	16	11,065	5,336
Workers' Compensation Insurance		109,080	106,251
Other		53,027	54,130
<b>Total Operating Employee Costs</b>		<b>3,115,286</b>	<b>3,018,245</b>
<b>Total Number of Employees</b>		<b>34</b>	<b>34</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		11,670	9,980
- Auditing of Internal Controls		2,000	1,970
Bad and Doubtful Debts		-	70,000
Board members' expenses		24,839	25,379
Rental charge - accrued		84,000	80,000
Subtotal - Prescribed Expenses		<b>122,509</b>	<b>187,329</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		1,664,662	1,044,974
Energy		607,232	618,875
Waste Disposal		1,680,254	1,595,931
Maintenance		380,836	374,365
Legal Expenses		41,739	87,600
Parts, accessories & consumables		191,611	105,097
Professional services		61,911	126,500
Sundry		606,228	399,331
Subtotal - Other Materials, Contracts & Expenses		<b>5,234,473</b>	<b>4,352,673</b>
		<b>5,356,982</b>	<b>4,540,002</b>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Plant, machinery & equipment		706,091	543,092
		<b>706,091</b>	<b>543,092</b>
<b>FINANCE COSTS</b>			
Interest on Loans		114,629	85,413
		<b>114,629</b>	<b>85,413</b>

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

**Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS**

	Notes	2020 \$	2019 \$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i><b>Assets renewed or directly replaced</b></i>			
Proceeds from disposal		<b>108,544</b>	20,000
Less: Carrying amount of assets sold		<b>(67,891)</b>	(40,536)
<b>Gain (Loss) on disposal</b>		<b>40,653</b>	(20,536)
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		<b>40,653</b>	(20,536)

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**  
**Note 5 - CURRENT ASSETS**

	Notes	2020 \$	2019 \$
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		<b>1,456,657</b>	100,188
Deposits at Call		<b>526,570</b>	374,221
		<b>1,983,227</b>	<b>474,409</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Debtors - general		<b>477,991</b>	414,186
Prepayments		<b>14,581</b>	36,143
Total		<b>492,572</b>	450,329
Less: Provision for Impairment		-	(70,000)
		<b>492,572</b>	<b>380,329</b>
<i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i>		-	-
<b>INVENTORIES</b>			
Stores & Materials		<b>94,273</b>	164,040
		<b>94,273</b>	<b>164,040</b>

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

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**Note 6 - 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
Plant, machinery & equipment	3,641,795	7,235,643	(3,593,848)	3,641,795	<b>4,154,770</b>	<b>7,364,399</b>	<b>(3,209,629)</b>	<b>4,154,770</b>
Office equipment, Furniture & fittings	-	20,634	(20,634)	-	-	<b>3,280</b>	<b>(3,280)</b>	-
Buildings & other structures	-	3,181	(3,181)	-	-	<b>3,181</b>	<b>(3,181)</b>	-
<b>Total IPP&amp;E</b>	3,641,795	7,259,458	(3,617,663)	3,641,795	4,154,770	7,370,860	(3,216,090)	<b>4,154,770</b>
<i>Comparatives</i>	<b>2,781,701</b>	<b>6,524,054</b>	<b>(3,742,353)</b>	<b>2,781,701</b>	<b>3,641,795</b>	<b>7,259,458</b>	<b>(3,617,663)</b>	<b>3,641,795</b>

Plant, machinery & equipment Total IPP&E  Comparatives	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		
	3,641,795		113,030	1,173,926	(67,891)	(706,091)	-	-	-	-	4,154,770
	3,641,795	-	113,030	1,173,926	(67,891)	(706,091)	-	-	-	-	4,154,770
2,781,701	-									3,641,795	

*This note continues on the following pages.*

**FLEURIEU REGIONAL WASTE AUTHORITY**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 6 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

**Buildings & Other Structures**

Buildings and other structures are recognised on a cost basis.

**Plant, Furniture & Equipment**

These assets are recognised on a cost basis.

**Capitalisation thresholds** used by the Authority for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$5,000
Other Plant & Equipment	\$5,000
Buildings - new construction/extensions	\$10,000

**Estimated Useful Lives:** Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment	3 to 20 years
Building & Other Structures	30 to 80 years



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

**Note 7 - LIABILITIES**

		2020		2019	
		\$		\$	
<b>TRADE &amp; OTHER PAYABLES</b>	<b>Notes</b>	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Goods & Services		<b>690,903</b>		502,222	
Accrued expenses - employee entitlements		<b>258,491</b>		392,911	
Accrued expenses - other		<b>968,807</b>		237,162	
		<b>1,918,201</b>	<b>-</b>	<b>1,132,295</b>	<b>-</b>
<b>BORROWINGS</b>					
Loans		<b>461,466</b>	<b>2,458,850</b>	335,516	2,015,684
		<b>461,466</b>	<b>2,458,850</b>	<b>335,516</b>	<b>2,015,684</b>
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		<b>186,802</b>	<b>89,273</b>	146,530	65,326
Other Provisions		<b>41,401</b>		35,000	
		<b>228,203</b>	<b>89,273</b>	<b>181,530</b>	<b>65,326</b>
<b>CONTRACT LIABILITIES</b>					
Revenue received in advance					
- additional collection services		<b>53,745</b>	<b>-</b>	23,645	-
- council contributions		<b>307,000</b>	<b>-</b>	-	-
		<b>360,745</b>	<b>-</b>	<b>23,645</b>	<b>-</b>

*The Board approved the retention of a surplus of Council contributions as at 30 June 2020 for each Constituent Council for the value of estimated additional recycling cost in the 2020/21 year.*

# FLEURIEU REGIONAL WASTE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 8 - OTHER CURRENT LIABILITIES

		2020 \$	2019 \$
<b>OTHER</b>	Notes		
Provision for rock crushing		333,367	124,944
		<u>333,367</u>	<u>124,944</u>

*An additional crushing expenditure provision for Kangaroo Island was implemented during the year to manage large volumes of construction and demolition waste created by bushfires on the island.*

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

**Note 9 - 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	<u>1,983,227</u>	474,409
Balances per Cash Flow Statement		<u>1,983,227</u>	<u>474,409</u>

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

Net Surplus (Deficit)	93,104	(27,063)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	706,091	543,092
Net increase (decrease) in unpaid employee benefits	64,219	29,588
Grants for capital acquisitions treated as Investing Activity	(80,000)	(150,000)
Net (Gain) Loss on Disposals	(40,653)	20,536
	<u>742,761</u>	<u>416,153</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(112,243)	(57,324)
Net (increase) decrease in inventories	69,767	(38,845)
Net increase (decrease) in trade & other payables	1,123,004	146,284
Net increase (decrease) in other provisions	6,401	159,947
Net increase (decrease) in other liabilities	208,423	(195,312)
<b>Net Cash provided by (or used in) operations</b>	<u><b>2,038,113</b></u>	<u><b>430,903</b></u>

**(c) Financing Arrangements**

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

Corporate Credit Cards	10,000	10,000
LGFA Cash Advance Debenture facility	613,715	868,520

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**  
**Note 10 - FINANCIAL INSTRUMENTS**

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

**Accounting Policies - Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Bank deposits are measured at amortised cost, interest is recognised when earned</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 0.01% and 0.05% (2019: 0.10% and 0.15%).</p>
<b>Receivables</b> - Fees & other charges	<p><b>Accounting Policy:</b> Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.</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>
<b>Liabilities</b> - Creditors and Accruals	<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>
<b>Liabilities</b> - Interest Bearing Borrowings	<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 in six monthly instalments; interest is charged at fixed or variable rates between 1.80% and 4.80% (2019: 3.10% and 4.80%)</p>

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

**Note 10 - FINANCIAL INSTRUMENTS (con't)**

**Liquidity Analysis**

<b>2020</b>	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b><u>Financial Assets</u></b>	\$	\$	\$	\$	\$
Cash & Equivalents	1,983,227			1,983,227	1,983,227
Receivables	477,991			477,991	492,572
<b>Total</b>	<b>2,461,218</b>	<b>-</b>	<b>-</b>	<b>2,461,218</b>	<b>2,475,799</b>
<b><u>Financial Liabilities</u></b>					
Payables	1,051,648			1,051,648	1,051,648
Current Borrowings	544,351			544,351	461,466
Non-Current Borrowings		1,487,610	1,151,021	2,638,631	2,458,850
<b>Total</b>	<b>1,595,999</b>	<b>1,487,610</b>	<b>1,151,021</b>	<b>4,234,630</b>	<b>3,971,964</b>

  

<b>2019</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b><u>Financial Assets</u></b>	\$	\$	\$	\$	\$
Cash & Equivalents	474,409			474,409	474,409
Receivables	344,186			344,186	380,329
<b>Total</b>	<b>818,595</b>	<b>-</b>	<b>-</b>	<b>818,595</b>	<b>854,738</b>
<b><u>Financial Liabilities</u></b>					
Payables	525,867			525,867	525,867
Current Borrowings	431,866			431,866	335,516
Non-Current Borrowings		1,808,076	492,084	2,300,160	2,015,685
<b>Total</b>	<b>957,733</b>	<b>1,808,076</b>	<b>492,084</b>	<b>3,257,893</b>	<b>2,877,068</b>

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

	<b>30 June 2020</b>		<b>30 June 2019</b>	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Variable Rates	<b>2.20</b>	<b>990,285</b>	3.10	735,480
Fixed Interest Rates	<b>2.72</b>	<b>1,930,031</b>	2.08	1,615,720
		<b><u>2,920,316</u></b>		<b><u>2,351,200</u></b>

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

**Note 10 - FINANCIAL INSTRUMENTS (con't)**

**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 5 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.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Authority has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

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

**Note 11 - COMMITMENTS FOR EXPENDITURE**

	2020	2019
Notes	\$	\$
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Board & Employee Remuneration Contracts	<b>916,539</b>	248,500
Maintenance Contracts	-	63,333
	<b>916,539</b>	311,833
These expenditures are payable:		
Not later than one year	<b>208,557</b>	281,138
Later than one year and not later than 5 years	<b>707,982</b>	30,695
Later than 5 years	-	-
	<b>916,539</b>	311,833

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

**Note 12 - FINANCIAL INDICATORS**

	2020	2019	2018
<b>Operating Surplus Ratio</b>			
<u>Operating Surplus</u>	0.56%	-0.33%	1.10%
Total Operating Income			

This ratio expresses the operating surplus as a percentage of total operating revenue.

**Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	37%	37%	27%
Total Operating Income			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

**Asset Renewal Funding Ratio**

<u>Net Outlays on Existing Assets</u>	87%	63%	99%
Net Asset Renewals - IAMP			

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.



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

**Note 13 - 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 Authorities in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

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

	2020	2019
	\$	\$
Income	9,345,439	8,180,225
Expenses	<u>(9,292,988)</u>	<u>(8,186,752)</u>
<b>Operating Surplus / (Deficit)</b>	<b>52,451</b>	<b>(6,527)</b>
 <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	(1,173,926)	(755,181)
Add back Depreciation, Amortisation and Impairment	706,091	543,092
Proceeds from Sale of Replaced Assets	<u>108,545</u>	<u>20,000</u>
	<b>(359,290)</b>	<b>(192,089)</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>	(113,030)	(688,542)
Amounts received specifically for New and Upgraded Assets	80,000	150,000
	<u>(33,030)</u>	<u>(538,542)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>(339,869)</u></b>	<b><u>(737,158)</u></b>

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

**Note 14 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

The Key Management Personnel of the Authority include the Independent Board Chair, External Member of the Internal Audit Committee and Executive Officer under section 112 of the Local Government Act 1999.

In all, three persons were paid the following total compensation:

	<b>2020</b>	2019
	\$	\$
Salaries, allowances & other short term benefits	109,852	169,697
Post-employment benefits	8,867	18,418
Long term benefits	48,633	4,073
Termination benefits	184,876	-
<b>TOTAL</b>	<b>352,228</b>	192,188

**FLEURIEU REGIONAL WASTE AUTHORITY**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2020**

**Note 15 – SUPERANNUATION**

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

**Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2019-20; 9.50% in 2020-21). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2018-19) of "superannuation" salary.

In addition, the Authority makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), the Authority does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

**Contributions to Other Superannuation Schemes**

The Authority also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Authority.

# **FLEURIEU REGIONAL WASTE AUTHORITY**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020**

### **Note 16 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION**

At times there are contingencies, assets and liabilities that do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to the user of the financial report in making and evaluating decisions about the allocation of scarce resources. From our knowledge there are no known contingencies, assets or liabilities that should be disclosed that have not been included in the balance sheet.

# **FLEURIEU REGIONAL WASTE AUTHORITY**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020**

### **Note 17 - EVENTS OCCURING AFTER REPORTING DATE IN THE BALANCE SHEET**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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