



**Present:**

|                          |  |
|--------------------------|--|
| <b>Presiding Member</b>  | <b>David Powell</b>  |
| <b>Committee Members</b> | <b>The Right Honourable the Lord Mayor Sandy Verschoor</b> |
|                          | <b>Paula Davies</b>  |
|                          | <b>John Oliver</b>   |
|                          | <b>Simon Rodger</b>  |
|                          | <b>Councillor Franz Knoll</b>                              |

**1 Item 1 - Acknowledgement of Country**

The Presiding Member stated:

‘Council acknowledges that we are meeting on traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past and present. We recognize and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today.

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.’

Councillor Knoll, entered the Colonel Light Room at 8.32am.

**2 Item 2 - Apologies and Leave of Absence**

Nil

**3 Item 3 - Confirmation of Minutes**

Moved by John Oliver,  
Seconded by Paula Davies -

That the Minutes of the meeting of the Audit & Risk Committee held on 4 August 2022 be taken as read and be confirmed as an accurate record of proceedings.

Carried

**4 Presiding Member Reports**

Nil

**5 Reports**

**6 Item 5.1 - Matters Arising from External Audit**

Grace Pelle, Manager Finance & Procurement, City of Adelaide provided an overview of the report and tabled revised versions of Attachments P & S.

Paul Gosnold, Partner and Linh Dao, Associate Director Audit & Assurance, BDO provided comments on the report.

Discussion ensued during which Paul Gosnold, Linh Dao and Grace Pelle responded to questions.

It was then –

Moved by Paula Davies,  
Seconded by Simon Rodger -

**THAT THE AUDIT AND RISK COMMITTEE**

1. Notes the ‘City of Adelaide Annual Completion Report for the year ended 30 June 2022’ from Council’s

external auditors, BDO, contained in Attachment A to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held 30 September 2022.

2. Notes the 'Adelaide Central Market Authority Annual Completion Report for the year ended 30 June 2022' from Council's external auditors, BDO, contained in Attachment B to Item 5.1 on the Agenda for the meeting of the Audit and Risk Committee held 30 September 2022.

Carried

Revised Attachments P & S are attached for reference at the conclusion of the Minutes of this meeting.

## **7 Item 5.2 - Audited Financial Statements & Report on Financial Results**

Grace Pelle provided an overview of the report.

Discussion ensued during which Grace Pelle and Clare Mockler, Chief Executive Officer, City of Adelaide responded to questions.

It was then –

Moved by Simon Rodger,  
Seconded by John Oliver -

### THAT THE AUDIT AND RISK COMMITTEE RECOMMENDS TO COUNCIL

#### That Council

1. Considers that the Consolidated Financial Statements present fairly the financial position of the City of Adelaide, having reviewed the Consolidated Financial Statements for 2021-22, contained in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.
2. Receives the City of Adelaide's Consolidated Financial Statements for 2021-22, contained in Attachment A to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, subject to minor administrative changes and subsequent balance date event adjustments, to be certified by the Chief Executive Officer and the Lord Mayor.
3. Considers it is appropriate that the representation letter requested by the external auditor, contained in Attachment B to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
4. Notes the Certification of Auditor Independence contained in Attachment C to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
5. Notes the audited Adelaide Central Market Authority Financial Statements for 2021-22 as contained in Attachment D to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, have been reviewed by the Adelaide Central Market Authority Board at its meeting on 22 September 2022. These financial results have been included in the Consolidated Financial Statements of the City of Adelaide and:
  - 5.1. Considers the Financial Statements for 2021-22 present fairly the financial position of the Adelaide Central Market Authority.
  - 5.2. Considers it is appropriate that the representation letter requested by the external auditor of the Adelaide Central Market Authority, contained in Attachment F to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
  - 5.3. Notes the Certification of Auditor Independence in relation to Adelaide Central Market Authority, contained in Attachment E to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 is signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
  - 5.4. Notes the representation letter requested by the external auditor of the Central Market Marketing Fund, contained in Attachment H to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
  - 5.5. Notes the audited Central Market Marketing Fund (CMMF) Financial Statements for 2021-22 as contained in Attachment G to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, have been audited and present fairly the position of the

CMMF.

6. Notes the Adelaide Economic Development Agency Financial Statements for 2021-22, contained in Attachment I to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, have been reviewed by the Adelaide Economic Development Agency Board at its meeting on 26 September 2022. These financial results are included in the Consolidated Financial Statements of the City of Adelaide, and
  - 6.1. Considers the Financial Statements for 2021-22 present fairly the financial position of the Adelaide Economic Development Agency.
  - 6.2. Notes the Certification of Auditor Independence in relation to Adelaide Economic Development Agency, contained in Attachment J to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 is signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
  - 6.3. Notes the representation letter requested by the external auditor of the Adelaide Economic Development Agency, contained in Attachment K to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
7. Notes the Adelaide Park Lands Authority Financial Statements for 2021-22, contained in Attachment L to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, are included in the Consolidated Financial Statements of the City of Adelaide, and
  - 7.1. Considers the Financial Statements for 2021-22 present fairly the financial position of the Adelaide Park Lands Authority and can be certified by the Lord Mayor as Chair of Adelaide Park Lands Authority.
  - 7.2. Considers it is appropriate that the representation letter requested by the external auditor of the Adelaide Park Lands Authority, contained in Attachment M to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, is signed by management.
  - 7.3. Notes the Certification of Auditor Independence in relation to the Adelaide Park Lands Authority, contained in Attachment N to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022, and considers it is appropriate to be signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
8. Notes the Brown Hill and Keswick Creeks Stormwater Board's Financial Statements for 2021-22 as contained in Attachment O to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022. Council's equity interest of 8% is included in the Consolidated Financial Statements of the City of Adelaide.
9. Recommends the 2021-22 Consolidated Financial Statements of the City of Adelaide, and the Financial Statements of the Adelaide Park Lands Authority, Adelaide Central Market Authority and Brown Hill and Keswick Creeks Stormwater Board be presented to Council for noting on 11 October 2022 and inclusion in the adopted Annual Report.
10. Notes the 2021-22 Report on the financial results for the City of Adelaide and its subsidiaries, contained in Attachments P, Q, R and S to Item 5.2 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.

Carried

Discussion ensued

#### **8 Item 5.2 - COO Undertaking - Footpath Re-Evaluation Process**

In response to the meeting the Manager Finance & Procurement gave an undertaking to provide clarification around the footpath re-valuation process to Audit and Risk Committee Members.

#### **9 Item 5.2 - COO Undertaking - Audited Financial Statements - Note 1 - Superannuation**

In response to the meeting the Manager Finance & Procurement gave an undertaking to include additional details within Note 1 in relation to surplus funds being returned to the City of Adelaide.

**10 Item 5.3 - Review Council's Annual Report**

Bree Goodchild, Manager Strategy & Insights, City of Adelaide provided an overview of the report.

Discussion ensued during which Clare Mockler, Bree Goodchild and Grace Pelle responded to questions.

It was then –

Moved by Simon Rodger,  
Seconded by John Oliver -

**THAT THE AUDIT AND RISK COMMITTEE**

1. Notes the draft City of Adelaide Annual Report 2021-2022 as provided in Attachment A to Item 5.3 on the Agenda for the meeting of Audit and Risk Committee held on 30 September 2022.
2. Notes the draft Adelaide Central Market Authority Annual Report 2021-2022 as provided in Attachment B to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.
3. Notes the draft Adelaide Economic Development Agency Annual Report 2021-2022 as provided in Attachment C to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.
4. Notes the draft Kadaltilla / Park Lands Authority Annual Report 2021-2022 as provided in Attachment D to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.
5. Notes the draft Brown Hill and Keswick Creeks Stormwater Board Annual Report 2021-2022 as provided in Attachment E to Item 5.3 on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022.

Carried

**11 Item 5.3 - COO Undertaking - Review of Council's Annual Report**

In response to the meeting the Manager Strategy & Insights gave an undertaking to make the following changes to the Annual Report:

- City of Adelaide Community Page (page 231 of Audit and Risk Committee Agenda for 30 September 2022) – Table – use full numbers rather than 'k'
- 'A snapshot of what we have been delivering since 2020:' (page 238 of Audit and Risk Committee Agenda for 30 September 2022) – Separate out items from 2020 and 2021
- 'Highlights from the 2021 – 22 Business Plan and Budget include:' – last dot point (page 246 of Audit and Risk Committee Agenda for 30 September 2022) – provide detail of what the Vanguard State Agreement is (ie alliance to end homelessness)
- Employees section (page 254 of Audit and Risk Committee Agenda for 30 September 2022) – move 'For further detail, please refer to the Audited Financial Statements.' Up to Leadership Group section
- Include additional details in relation to small business growth using information from the review of the Strategic Plan performance

**12 Emerging Key Risks**

Nil

**13 Independent Member Discussion**

Nil

**14 Other Business**

Discussion ensued

**15 Exclusion of the Public**

In accordance with sections 90(2),(3) and (7) of the *Local Government Act 1999 (SA)* the Audit and Risk Committee considered whether to discuss in confidence the reports contained within section 10 of the Agenda.

**16 Item 9 - Order to Exclude for Item 10.1**

Moved by Simon Rodger,  
Seconded by Paula Davies -

**THAT THE AUDIT AND RISK COMMITTEE**

1. Having taken into account the relevant consideration contained in section 90(3) (b) and section 90(2) & (7) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 30 September 2022 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 10.1 [Confidential Meeting with External Auditors] listed on the Agenda in a meeting open to the public would on balance be contrary to the public interest.

**Grounds and Basis**

This Item is confidential because in accordance with Section 7.7.3 of the Audit and Risk Committee Terms of Reference, the Audit and Risk Committee is required to meet with the external auditors at least once per year, without management present in order to discuss their responsibilities and any issues arising from the external audit.

The disclosure of information in this report may result in the release of information that would breach the Audit and Risk Committee's Terms of Reference and may adversely impact the commercial position of the Council.

**Public Interest**

The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of this information may result in the release of information of a commercial advantage that may adversely impact the Council and would breach the Terms of Reference of the Audit and Risk Committee.

2. Pursuant to section 90(2) of the *Local Government Act 1999 (SA)* (the Act), this meeting of the Audit and Risk Committee dated 30 September 2022 orders that the public (with the exception of members of Corporation staff and any person permitted to remain) be excluded from this meeting to enable this meeting to receive, discuss or consider in confidence Item 10.1 [Confidential Meeting with External Auditors] listed in the Agenda, on the grounds that such item of business, contains information and matters of a kind referred to in section 90(3) (b) of the Act.

Carried

All members of corporation staff and the Lord Mayor left the Colonel Light Room at 10.14am.



**17 Confidential Item**

**18 Item 10.1 - Confidential Meeting with External Auditors [Section 90(3) (b) of the Act]**

The meeting reopened to the public at 10.25am

Confidentiality Order

**Minute 18 - Item 10.1** – Confidential Meeting with Internal Auditors

Resolution & Confidentiality Order

THAT THE AUDIT AND RISK COMMITTEE

1. Receives a verbal report in confidence from Council's external auditors, BDO.
2. In accordance with Section 91 (7) & (9) of the Local Government Act 1999 (SA) (the Act) and because Item 10.1 listed on the Agenda for the meeting of the Audit and Risk Committee held on 30 September 2022 was received, discussed and considered in confidence pursuant to Section 90(3)(b) of the Act, this meeting of the Audit and Risk Committee do order that:
  - 2.1. The resolution and report become public information and included in the Minutes of the meeting.
  - 2.2. The discussion, and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2029.
  - 2.3. The confidentiality of the matter be reviewed in December 2023.
  - 2.4. The Chief Executive Officer be delegated the authority to review and revoke all or part of the order herein and directed to present a report containing the item for which the confidentiality order has been revoked.

**Closure**

The meeting closed at 10.25 am

Mr David Powell  
Presiding Member  
City of Adelaide Audit and Risk Committee

Documents Attached:

Minute 6 - Item 5.1 – Tabled document – Revised Attachment P

Minute 6 - Item 5.1 – Tabled document – Revised Attachment S



**Report on Financial Results for City of Adelaide**  
**Statement of Comprehensive Income**  
for the year ended 30 June 2022

| 2018-19<br>Actuals* | 2019-20<br>Actuals | 2020-21<br>Actual | 2021-22<br>Actual  | 2021-22<br>Adopted<br>Budget | Variance       | 2021-22 Actual vs Budget Commentary |  |  |
|---------------------|--------------------|-------------------|--|------------------------------|----------------|-------------------------------------|--|--|
| \$ '000             |                    |                   |  |                              |                |                                     |  |  |
| <b>Income</b>       |                    |                   |  |                              |                |                                     |  |  |
| <b>108,846</b>      | <b>115,634</b>     | <b>118,510</b>    | <b>Rates Revenues</b>  | <b>121,350</b>               | <b>121,190</b> | <b>160</b> <b>0%</b>                |  |  |
| <b>13,313</b>       | <b>11,770</b>      | <b>10,709</b>     | <b>Statutory Charges</b>   | <b>10,208</b>                | <b>11,601</b>  | <b>(1,393)</b> <b>-12%</b>          | Lower than expected income for expiation fees and associated revenue \$3.3m, offset by better than expected income for Development Act Fees. |  |
| 10,854              | 9,952              | 10,695            | <i>Parking Fees</i>  | 10,302                       | 11,778         | (1,476)                             | -13%   | Lower than expected on-street parking ticket machine income.   |
| 11,201              | 10,947             | 9,805             | <i>Property Lease</i>  | 9,727                        | 8,205          | 1,522                               | 19%  | Additional income from the Central Market Arcade due to project retiming   |
| 6,228               | 4,900              | 4,551             | <i>Adelaide Aquatic Centre Charges</i>                                 | 5,526                        | 6,086          | (560)                               | -9%  | Lower than expected income as a result of extended restrictions due to COVID-19.   |
| 2,056               | 2,232              | 3,234             | <i>North Adelaide Golf Course</i>                                      | 3,554                        | 2,420          | 1,134                               | 47%  | Additional income due to COVID-19 not impacting income streams.  |
| 30,016              | 26,285             | 27,341            | <i>Off-Street Parking</i>  | 27,911                       | 28,415         | (504)                               | -2%  | Lower than expected income as a result of extended restrictions due to COVID-19 and the impact of city workers working from home.                              |
| 3,480               | 3,741              | 3,231             | <i>Property Recovery</i>   | 3,087                        | 2,495          | 592                                 | 24%  | Additional income partly due to the Central Market Arcade project retiming, as well as other recoveries  |
| 3,485               | 2,979              | 2,393             | <i>Other User Charges</i>  | 3,025                        | 2,870          | 155                                 | 5%   | Individually immaterial items  |
| <b>67,320</b>       | <b>61,036</b>      | <b>61,250</b>     | <b>Total User Charges</b>  | <b>63,132</b>                | <b>62,267</b>  | <b>865</b>                          | <b>1%</b>  |  |
| <b>3,751</b>        | <b>8,560</b>       | <b>5,432</b>      | <b>Grants, Subsidies and Contributions</b>                             | <b>9,375</b>                 | <b>3,274</b>   | <b>6,101</b>                        | <b>186%</b>  | including Reignite, Adelaide Unleashed and Mainstreets funding, in addition the we received an additional 25% early payment of the Financial Assistance Grant. |
| <b>298</b>          | <b>231</b>         | <b>276</b>        | <b>Investment Income</b>   | <b>341</b>                   | <b>20</b>      | <b>321</b>                          | <b>1594%</b>   | Investment Property Rental Income \$187k, Budgeted within User Charges.  |
| <b>1,502</b>        | <b>1,443</b>       | <b>665</b>        | <b>Reimbursements</b>  | <b>934</b>                   | <b>541</b>     | <b>393</b>                          | <b>73%</b>   | Increase in private works reimbursement  |
| <b>631</b>          | <b>539</b>         | <b>540</b>        | <b>Other Income</b>  | <b>366</b>                   | <b>3,029</b>   | <b>(2,663)</b>                      | <b>-88%</b>  | Budget included a 50% allocation of the \$4.75m budget repair item.  |
| <b>79</b>           | <b>-</b>           | <b>-</b>          | <b>Net Gain - Equity Accounted Council Businesses</b>                  | <b>-</b>                     | <b>-</b>       | <b>-</b>                            | <b>0%</b>  |  |
| <b>195,740</b>      | <b>199,213</b>     | <b>197,382</b>    | <b>Total Income</b>  | <b>205,706</b>               | <b>201,923</b> | <b>3,783</b>                        | <b>2%</b>  |  |
| <b>Expenses</b>     |                    |                   |  |                              |                |                                     |  |  |
| <b>76,916</b>       | <b>79,757</b>      | <b>74,410</b>     | <b>Employee Costs</b>  | <b>69,092</b>                | <b>73,950</b>  | <b>(4,858)</b>                      | <b>-7%</b>   | Due to tight vacancy management.   |
| 6,585               | -                  | -                 | <i>Minimum Lease Payments (Replaced by AASB16 Leases from 2019-20)</i> | -                            | -              | -                                   | -  |  |
| 23,108              | 23,854             | 17,329            | <i>Contractors</i>   | 14,558                       | 9,179          | 5,379                               | 59%  | Budget included a 50% allocation of the \$4.75m budget repair item.  |
| 8,729               | 8,629              | 7,954             | <i>Maintenance</i>   | 8,144                        | 8,929          | (785)                               | -9%  | Increase on budget due to and increase in COVID-19 response measures including Adelaide Unleashed, Christmas festival and New Years Eve.                       |
| 1,525               | 1,445              | 1,531             | <i>Legal Expenses</i>  | 1,428                        | 1,108          | 320                                 | 29%  | Reduced spend on maintenance activities.   |
| 2,182               | 2,241              | 2,354             | <i>Levies Paid to Government - including NRM Levy</i>                  | 2,346                        | 2,299          | 47                                  | 2%   | Additional legal spend in relation to People Services and other legal matters.   |

|                                   |                 |                 |  |               |               |               |                |   |
|-----------------------------------|-----------------|-----------------|--|---------------|---------------|---------------|----------------|---|
| 5,801                             | 6,353           | 4,774           | Parts, Accessories & Consumables                         | 5,892         | 6,310         | (418)         | -7%            | Reduced spend in line with reduction in maintenance activity.   |
| 7,245                             | 7,419           | 4,134           | Professional Services                                    | 3,932         | 5,334         | (1,402)       | -26%           | Following reshaping our organisation, we identified opportunities to reduce the requirement for professional services.  |
| 3,718                             | 2,681           | 2,581           | Advertising and Promotion                                | 4,068         | 2,929         | 1,139         | 39%            | As a result of Reignite and Adelaide Unleashed campaigns to entice the community back into the City.  |
| 1,118                             | 994             | 988             | Bank Charges and Cash Collection                         | 1,034         | 980           | 54            | 5%             |   |
| 2,833                             | 2,904           | 3,094           | Cleaning   | 2,962         | 2,904         | 58            | 2%             |   |
| 9,156                             | 8,981           | 7,592           | Energy and Water   | 7,857         | 10,043        | (2,186)       | -22%           | Due to favourable prices in new renewable electricity   |
| 2,060                             | 2,075           | 2,165           | Insurance  | 2,237         | 2,204         | 33            | 1%             |   |
| -                                 | -               | -               | Project Related Expenditure                              | -             | 1,543         | (1,543)       | -100%          | Actuals of \$1,215k have been allocated to the individual expense categories in line with the nature of the expense. i.e. contractors.  |
| 2,123                             | 2,267           | 1,839           | Security   | 2,025         | 2,121         | (96)          | -5%            |   |
| 9,082                             | 4,719           | 6,975           | Sponsorships, Contributions and Donations                | 10,829        | 6,872         | 3,957         | 58%            | Due to COVID-19 support provided through grant programs, as well as contributions to third party infrastructure.  |
| 1,171                             | 1,255           | 1,670           | Subscriptions  | 1,684         | 1,517         | 167           | 11%            | Due to an increase in cloud based software subscriptions  |
| 1,370                             | 1,512           | 1,674           | Waste Services   | 1,673         | 1,707         | (34)          | -2%            |   |
| 6,455                             | 6,465           | 4,699           | Other expenses   | 7,096         | 7,522         | (426)         | -6%            | Individually immaterial items   |
| <b>94,261</b>                     | <b>83,794</b>   | <b>71,353</b>   | <b>Total Materials, Contracts &amp; Other Expenses</b>   | <b>77,765</b> | <b>73,501</b> | <b>4,264</b>  | <b>6%</b>      |   |
| <b>44,292</b>                     | <b>51,869</b>   | <b>56,808</b>   | <b>Depreciation, Amortisation &amp; Impairment</b>       | <b>56,568</b> | <b>52,614</b> | <b>3,954</b>  | <b>8%</b>      | Additional depreciation as a result of the impact of revaluations.  |
| <b>1,448</b>                      | <b>2,121</b>    | <b>1,740</b>    | <b>Finance Costs</b>                                     | <b>1,277</b>  | <b>1,826</b>  | <b>(549)</b>  | <b>-30%</b>    | Reduced interest expense as a result of lower than anticipated borrowings.  |
| -                                 | 18              | 4               | <b>Net loss - Equity Accounted Council Businesses</b>    | 27            | -             | 27            | -              | Share of operating loss in Brown Hill and Keswick Creeks Stormwater Board.  |
| 216,917                           | 217,559         | 204,315         | <b>Total Expenses</b>                                    | 204,729       | 201,891       | 2,838         | 1%             |   |
| <b>(21,177)</b>                   | <b>(18,346)</b> | <b>(6,933)</b>  | <b>Operating Surplus / (Deficit)</b>                     | <b>977</b>    | <b>31</b>     | <b>946</b>    | <b>3008%</b>   |   |
| -                                 | -               | 450             | Physical Resources Receive Free of Charge                | 373           | -             | 373           | -              | North Terrace   |
| <b>(4,838)</b>                    | <b>1,092</b>    | <b>(6,527)</b>  | <b>Asset Disposal &amp; Fair Value Adjustments</b>       | <b>(658)</b>  | <b>(861)</b>  | <b>203</b>    | <b>-24%</b>    |   |
| <b>5,625</b>                      | <b>1,205</b>    | <b>2,698</b>    | <b>Amounts Received Specifically for New or Upgraded</b> | <b>3,411</b>  | <b>156</b>    | <b>3,255</b>  | <b>2087%</b>   | Grant funding recognised in the current period relating to New and Upgraded Assets including LRCI funding, Whitmore Square Greening, City Deals and other funding partnership programs.               |
| <b>(20,390)</b>                   | <b>(16,049)</b> | <b>(10,312)</b> | <b>Net Surplus / (Deficit)</b>                           | <b>4,103</b>  | <b>(674)</b>  | <b>4,777</b>  | <b>-709%</b>   |   |
| <b>Other Comprehensive Income</b> |                 |                 |  |               |               |               |                |   |
| <b>181,546</b>                    | <b>16,222</b>   | <b>48,206</b>   | <b>Changes in Revaluation Surplus - I,PP&amp;E</b>       | <b>84,305</b> | -             | <b>84,305</b> | -              | The movement represents an accounting adjustment for the net increase in the asset valuations conducted during the year for Footpaths, Park Lands and Open Space, and a methodology review for Roads. |
| <b>90</b>                         | <b>(47)</b>     | <b>203</b>      | <b>Net actuarial gains/(losses) on CCASP sub-fund</b>    | <b>(206)</b>  | -             | <b>(206)</b>  | -              | Net less on the defined benefit plan, which was closed in March 2022.   |
| <b>181,636</b>                    | <b>16,175</b>   | <b>48,409</b>   | <b>Total Other Comprehensive Income</b>                  | <b>84,099</b> | -             | <b>84,099</b> |                |   |
| <b>161,246</b>                    | <b>126</b>      | <b>38,097</b>   | <b>Total Comprehensive Income</b>                        | <b>88,202</b> | <b>(674)</b>  | <b>88,876</b> | <b>-13188%</b> |   |

\* The new AASB16 accounting standards for leases was adopted in 2019-20, whereby Council as a lessee treats leases as a finance lease. Previous to this, the leases were treated as minimum lease payments.

*Minute 6 - Item 5.1 - Tabled Document - Revised Attachment P*

**Statement of Financial Position  
as at 30 June 2022**

| 2018-19<br>Actuals             | 2019-20<br>Actuals | 2020-21<br>Actual | \$ '000  | 2021-22<br>Actual | 2021-22<br>Adopted<br>Budget | Variance        | 2021-22 Actual vs Budget Commentary |   |
|--------------------------------|--------------------|-------------------|--|-------------------|------------------------------|-----------------|-------------------------------------|---|
| <b>ASSETS</b>                  |                    |                   |  |                   |                              |                 |                                     |   |
| <b>Current Assets</b>          |                    |                   |  |                   |                              |                 |                                     |   |
| 6,069                          | 945                | 1,912             | Cash and Cash Equivalents                        | 2,984             | 800                          | 2,184           | 273%                                | Timing of cash flow. Normal cash balance of \$500k is kept in the trading bank accounts, with daily sweeps to offset borrowings   |
| 10,548                         | 14,117             | 16,299            | Trade & Other Receivables                        | 15,774            | 13,489                       | 2,285           | 17%                                 | Timing, overdue debtors are chased and put on a payment plan where necessary. Aged debt is provided for in doubtful debts.  |
| 159                            | 51                 | -                 | Other Financial Assets                           | -                 | 41                           | (41)            | -100%                               | Ergo Apartments are classified as Non-Current   |
| 641                            | 576                | 506               | Inventories                                      | 541               | 576                          | (35)            | -6%                                 |   |
| -                              | -                  | 958               | Non-Current Assets Held for Sale                 | 5,965             | -                            | 5,965           | -                                   | Residential Housing classified as Held For Sale at 30 June, expected to be sold in FY23.  |
| 17,417                         | 15,689             | 19,675            | <b>Total Current Assets</b>                      | <b>25,264</b>     | <b>14,907</b>                | <b>10,357</b>   |                                     |   |
| <b>Non-Current Assets</b>      |                    |                   |  |                   |                              |                 |                                     |   |
| 278                            | 308                | 376               | Financial Assets                                 | 466               | 249                          | 217             | 87%                                 | Ergo Apartments   |
| 629                            | 672                | 1,119             | Equity Accounted Investments in Council Business | 1,412             | 605                          | 807             | 133%                                | Equity Share Brown Hill and Keswick Creeks Stormwater Board, increase is in line with the capital investment made during the period.  |
| 1,659                          | 2,161              | 2,107             | Other Non-Current Assets                         | 42,473            | 2,600                        | 39,873          | 1534%                               | Includes the Non-Current Receivable for the future cash flows of major projects, and Deferred rent as a result of COVID-19 measures.<br>Note - the Employee benefits (unfunded superannuation asset fund) was closed in March 2022. |
| 1,817,364                      | 1,860,634          | 1,897,255         | Infrastructure, Property, Plant & Equipment      | 1,906,716         | 1,882,879                    | 23,837          | 1%                                  | Movements in the capital program, including revaluations offset against asset sales.  |
| 2,865                          | 2,860              | 2,870             | Investment Property                              | 2,870             | 2,161                        | 709             | 33%                                 | Investment Property is in line with FY21 actuals.   |
| 1,822,795                      | 1,866,635          | 1,903,727         | <b>Total Non-Current Assets</b>                  | <b>1,953,937</b>  | <b>1,888,494</b>             | <b>65,443</b>   |                                     |   |
| 1,840,212                      | 1,882,324          | 1,923,402         | <b>TOTAL ASSETS</b>                              | <b>1,979,201</b>  | <b>1,903,400</b>             | <b>75,801</b>   |                                     |   |
| <b>LIABILITIES</b>             |                    |                   |  |                   |                              |                 |                                     |   |
| <b>Current Liabilities</b>     |                    |                   |  |                   |                              |                 |                                     |   |
| 28,529                         | 18,557             | 24,843            | Trade & Other Payables                           | 24,286            | 18,837                       | 5,449           | 29%                                 | Timing of payments received in advance for projects to be delivered in future years.  |
| -                              | 4,837              | 4,690             | Borrowings (Finance Leases)                      | 4,842             | 5,093                        | (251)           | -5%                                 |   |
| 13,879                         | 14,606             | 13,320            | Provisions                                       | 13,605            | 12,305                       | 1,300           | 11%                                 | Employee provisions.  |
| 42,408                         | 38,000             | 42,853            | <b>Total Current Liabilities</b>                 | <b>42,733</b>     | <b>36,236</b>                | <b>6,497</b>    |                                     |   |
| <b>Non-Current Liabilities</b> |                    |                   |  |                   |                              |                 |                                     |   |
| 293                            | 293                | 1,293             | Trade & Other Payables                           | 293               | 1,293                        | (1,000)         | -77%                                | Payables expected to settle greater than 12 months.   |
| 41,450                         | 51,600             | 34,700            | Borrowings                                       | 8,000             | 77,483                       | (69,483)        | -90%                                | Borrowings were significantly lower than anticipated due to the operating result, as well as the timing of spend on Infrastructure.   |
| -                              | 36,296             | 50,463            | Borrowings (Finance Leases)                      | 46,041            | 46,783                       | (742)           | -2%                                 |   |
| 2,007                          | 1,955              | 1,816             | Provisions                                       | 1,655             | 1,616                        | 39              | 2%                                  | Employee provisions.  |
| 43,750                         | 90,144             | 88,272            | <b>Total Non-Current Liabilities</b>             | <b>55,989</b>     | <b>127,174</b>               | <b>(71,185)</b> |                                     |   |
| 86,158                         | 128,144            | 131,125           | <b>TOTAL LIABILITIES</b>                         | <b>98,722</b>     | <b>163,410</b>               | <b>(64,688)</b> |                                     |   |

|                |                |                |  |                  |                |                |   |
|----------------|----------------|----------------|--|------------------|----------------|----------------|---|
| 1,754,054      | 1,754,180      | 1,792,277      | <b>Net Assets</b>  | 1,880,479        | 1,739,990      | 140,489        |   |
| <b>EQUITY</b>  |                |                |  |                  |                |                |   |
| <b>834,607</b> | <b>818,558</b> | <b>806,973</b> | <b>Accumulated Surplus</b>                                 | <b>792,262</b>   | <b>802,195</b> | <b>(9,933)</b> | A result of the operating position.   |
| <b>917,788</b> | <b>934,010</b> | <b>982,216</b> | <b>Asset Revaluation Reserves</b>                          | <b>1,066,618</b> | <b>934,010</b> | <b>132,608</b> | Movement as a result of revaluations in the period, as well as adjustment for assets disposed of during the period, which previously had been revalued. |
| 1,659          | 1,612          | 1,815          | <i>Defined Benefit - Unfunded Superannuation Liability</i> | -                | 1,612          | (1,612)        | The defined benefit plan was closed during the period.  |
| -              | -              | 1,273          | <i>Future Fund Reserve</i>                                 | 21,599           | 2,173          | 19,426         | Increase is a result of underperforming properties divested during the period.  |
| <b>1,659</b>   | <b>1,612</b>   | <b>3,088</b>   | <b>Total Other Reserves</b>                                | <b>21,599</b>    | <b>3,785</b>   | <b>17,814</b>  |   |
| 1,754,054      | 1,754,180      | 1,792,277      | <b>Total Council Equity</b>                                | 1,880,479        | 1,739,990      | 140,489        |   |

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## Financial Indicators for the year ended 30 June 2022

2018-19  
Actuals

2019-20  
Actuals

2020-21  
Actual \$ '000

2021-22  
Actual

2021-22  
Adopted  
Budget

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

### 1. Operating Surplus Ratio

|   | 2018-19 Actuals | 2019-20 Actuals | 2020-21 Actual | 2021-22 Actual | 2021-22 Adopted Budget |
|---|-----------------|-----------------|----------------|----------------|------------------------|
|   |                 |                 | -6,933         | 977            |                        |
|   |                 |                 | 197,382        | 205,706        |                        |
|   | -11%            | -10%            | -4%            | 0%             | 0%                     |
| <i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i> |                 |                 |                |                |                        |

### 2. Net Financial Liabilities Ratio

|  | 2018-19 Actuals | 2019-20 Actuals | 2020-21 Actual | 2021-22 Actual | 2021-22 Adopted Budget |
|--|-----------------|-----------------|----------------|----------------|------------------------|
|  |                 |                 | 112,538        | 79,498         |                        |
|  |                 |                 | 197,382        | 205,706        |                        |
|  | 35%             | 57%             | 57%            | 39%            | 48%                    |
| <i>Net financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue (excluding NRM levy). A negative figure denotes a Net Financial Asset Position.</i> |                 |                 |                |                |                        |

### 3. Asset Sustainability Ratio

|  | 2018-19 Actuals | 2019-20 Actuals | 2020-21 Actual | 2021-22 Actual | 2021-22 Adopted Budget |
|--|-----------------|-----------------|----------------|----------------|------------------------|
|  |                 |                 | 22,390         | 29,987         |                        |
|  |                 |                 | 31,107         | 65,854         |                        |
|  | 76%             | 40%             | 72%            | 46%            | 60%                    |
| <i>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.</i> |                 |                 |                |                |                        |

## Report on Financial Results for Adelaide Central Market Authority

### Statement of Comprehensive Income

for the year ended 30 June 2022

| \$ '000  | Actual       | Budget       | Variance   |       | 2021-22 Actual vs Budget Commentary  |
|--|--------------|--------------|------------|-------|--|
| <b>Income</b>  |              |              |            |       |  |
| Property Lease                                       | 3,441        | 3,308        | 133        | 4%    | Due to higher occupancy in the Market.   |
| Off-Street Parking                                   | -            | -            | -          | -     | Car Park income returned to CoA following the amendments to the ACMA charter.  |
| Property Recovery                                    | 705          | 629          | 76         | 12%   | Recovery of outgoings from Tenants.  |
| Investment Income                                    | -            | -            | -          | -     |  |
| Other Income   | 136          | -            | 136        | -     | Commission on ACMA online and Merchandise sales  |
| <b>Total Income</b>                                  | <b>4,282</b> | <b>3,937</b> | <b>345</b> |       |  |
| <b>Expenses</b>                                      |              |              |            |       |  |
| Auditors Remuneration                                | 10           | 11           | (1)        | -9%   |  |
| Bad and Doubtful debts                               | -            | -            | -          | -     |  |
| Board Fees   | 103          | 118          | (15)       | -13%  | 72 actual attendances v 84 budgeted attendances  |
| Lease Expense - Variable payment                     | -            | -            | -          | -     |  |
| Contractors  | 1,040        | 1,039        | 1          | 0%    |  |
| Energy   | 497          | 572          | (75)       | -13%  | Reduced Electricity, mainly in the market Complex due to reduced consumption and new contract  |
| Maintenance  | 335          | 269          | 66         | 25%   | Increased Electrical and Fire Protection expenses in Complex (inc. hydrant services, fire sprinkler tests)   |
| Legal Expenses                                       | 14           | 15           | (1)        | -7%   |  |
| Levies Paid to Government - including Landscape levy | 23           | 26           | (3)        | -12%  |  |
| Parts, Accessories & Consumables                     | 59           | 7            | 52         | 743%  | Stationery, Promotional, Uniforms & Kiosk Goods increased with the inclusion of the Market Desk, increased labour resources and Central Market Arcade Redevelopment activity |
| Professional Services                                | 69           | 172          | (103)      | -60%  | Reduced Consultancy spend, mainly due to the delay in Central Market Arcade Redevelopment \$57k  |
| Advertising and Promotion                            | 149          | 135          | 14         | 10%   | Increased Advertising spend due to increased activity as a result of the Central Market Arcade Redevelopment   |
| Bank Charges and Cash Collection                     | 15           | -            | 15         | -     | Merchant Fees  |
| Catering   | 12           | 0            | 12         | 3482% | Christmas partnership with Catherine House   |
| Cleaning   | 927          | 976          | (49)       | -5%   | Budget assumed a higher cleansing requirement due to SA Health recommendations.  |



|   |              |              |              |       |  |
|---|--------------|--------------|--------------|-------|--|
| Water                                       | 53           | 88           | (35)         | -40%  | Reduced usage  |
| External Plant Hire                         | 16           | -            | 16           | -     | Coolroom hire for Online Market Shop   |
| Insurance                                   | 57           | 56           | 1            | 2%    |  |
| Minor Plant and Equipment                   | 4            | 8            | (4)          | -50%  |  |
| Printing, Freight and Postage               | 75           | 6            | 69           | 1150% | Due to delivery charges through ACMA online  |
| Rates and Taxes                             | 39           | 49           | (10)         | -20%  | Payroll Tax and FBT less than expected. FBT on employee parking reduced              |
| Security                                    | 567          | 563          | 4            | 1%    |  |
| Subscriptions                               | 7            | 4            | 3            | 75%   |  |
| Training and Development                    | 6            | 4            | 2            | 50%   |  |
| Waste services                              | 302          | 350          | (48)         | -14%  | Reduced wastage  |
| Off Street Parking Management Fee           | -            | 24           | (24)         | -100% | Due to Car Park income returned to CoA following the amendments to the ACMA charter. |
| Other                                       | 46           | 111          | (65)         | -59%  | Individually insignificant expenses  |
| Depreciation, Amortisation & Impairment     | 3            | -            | 3            | -     | New lease entered into for the ACMA online space                                     |
| Finance Costs                               | -            | -            | -            | -     | Interest on loan and lease liability   |
| <b>Total Expenses</b>                       | <b>4,428</b> | <b>4,604</b> | <b>(176)</b> |       |  |
| <b>Operating Surplus / (Deficit)</b>        | <b>(146)</b> | <b>(667)</b> | <b>521</b>   |       |  |
| Asset Disposal & Fair Value Adjustments     | -            | -            | -            |       |  |
| <b>Net Surplus / (Deficit) <sup>1</sup></b> | <b>(146)</b> | <b>(667)</b> | <b>521</b>   |       |  |
| <b>Total Comprehensive Income</b>           | <b>(146)</b> | <b>(667)</b> | <b>521</b>   |       |  |

## Report on Financial Results for Adelaide Central Market Authority

Statement of Financial Position  
as at 30 June 2022

| \$ '000                                     | Actual     | Budget       | Variance |       | 2020-21 Actual vs Budget Commentary                                 |
|---|------------|--------------|----------|-------|---|
| <b>ASSETS</b>                               |            |              |          |       |   |
| <b>Current Assets</b>                       |            |              |          |       |   |
| Cash and Cash Equivalents                   | -          | 4            | (4)      | -100% | All cash held by CoA following the change to the Charter.           |
| Trade & Other Receivables                   | 127        | 979          | (852)    | -87%  | Debtor balances have been tightly managed                           |
| Inventories                                 | 13         | 23           | (10)     | -43%  | Due to lower merchandise stock held                                 |
| Other Current Assets                        | 128        | -            | 128      | 100%  | Current portion of the rent relief, amortised over the lease terms  |
| Other Non Current Assets Held for Sale      | -          | -            | -        | 0%    |   |
| <b>Total Current Assets</b>                 | <b>268</b> | <b>1,006</b> |          |       |   |
| <b>Non-Current Assets</b>                   |            |              |          |       |   |
| Infrastructure, Property, Plant & Equipment | 114        | -            | 114      | -     | New lease entered into during the period for the ACMA online space. |
| Other Non-Current Assets                    | 100        | 100          | -        | 0%    |   |
| <b>Total Non-Current Assets</b>             | <b>214</b> | <b>100</b>   |          |       |   |
| <b>Total Assets</b>                         | <b>482</b> | <b>1,106</b> |          |       |   |
| <b>LIABILITIES</b>                          |            |              |          |       |   |
| <b>Current Liabilities</b>                  |            |              |          |       |   |
| Trade & Other Payables                      | 368        | 165          | 203      | 123%  | Due to timing of payments at 30 June.                               |
| Borrowings                                  | 37         | -            | 37       | -     | Lease liability   |
| <b>Total Current Liabilities</b>            | <b>405</b> | <b>165</b>   |          |       |   |
| <b>Non-Current Liabilities</b>              |            |              |          |       |   |
| Borrowings                                  | 77         | -            | 77       | -     | Lease liability   |
| <b>Total Non-Current Liabilities</b>        | <b>77</b>  | <b>-</b>     |          |       |   |
| <b>Total Liabilities</b>                    | <b>482</b> | <b>165</b>   |          |       |   |
| <b>Net Assets</b>                           | <b>-</b>   | <b>941</b>   |          |       |   |

**EQUITY**

|                     |          |            |         |       |
|---------------------|----------|------------|---------|-------|
| Accumulated Surplus | (795)    | 941        | (1,736) | -184% |
| Other Reserves      | 795      | -          | 795     | -     |
| <b>Total Equity</b> | <b>-</b> | <b>941</b> |         |       |

Minute 6 - Item 5.1 - Tabled Document - Revised Attachment S