

Report on Financial Results for City of
Adelaide
Statement of Comprehensive Income
for the year ended 30 June 2024

2020-21 Actual	2021-22 Actual	2022-23 Actual	\$ '000	2023-24 Actual	2023-24 Adopted Budget	Variance	2023-24 Actual vs Budget	Commentary
Income								
118,510	121,350	124,957	Rates Revenues	135,538	135,395	143	0%	Largely driven by an increase in penalties for late payments Due to higher level of late payment fees \$395k, Temporary
10,709	10,208	12,160	Statutory Charges	15,598	14,683	915	6%	Parking Controls \$321k and City Works Permits \$250k
10,695	10,302	11,393	Parking Fees	12,913	12,955	(42)	0%	In line with budget
9,805	9,727	8,933	Property Lease	11,002	10,068	934	9%	Increase is a result of additional income due to Advertising
4,551	5,526	6,545	Adelaide Aquatic Centre Charges	6,701	6,591	110	2%	Income, and lower vacancies across the city
3,234	3,554	3,624	North Adelaide Golf Course	4,679	3,304	1,375	42%	In line with budget
313	1,434	2,194	Adelaide Town Hall	2,367	2,631	(264)	-10%	Ongoing increased activity
81	138	223	Event Fees	1,013	740	273	37%	Due to a reduction in events held as a result of Town Hall preservation works being undertaken
27,341	27,911	30,804	Off-Street Parking	31,784	29,055	2,729	9%	Event fees reintroduced in FY24 were higher than anticipated
3,231	3,087	1,737	Property Recovery	2,259	1,848	411	22%	Due to patronage returning to pre-COVID levels as well as 2 additional carparks added during the year for 218 Flinders Street and 247 Pirie Street
2,080	1,453	1,463	Other User Charges	1,717	2,810	(1,093)	-39%	In line with increased property income above.
61,250	63,132	66,916	Total User Charges	74,435	70,002	4,433	6%	Individually immaterial items including Nursery Sales, Park Lands Event Fees and Rundle Mall Concession Income
5,432	9,375	7,696	Grants, Subsidies and Contributions	8,638	4,449	4,189	94%	Due to the recognition of grants associated with the Resilient flood mapping project (originally budgeted in 2022/23) of \$2,527k, City Deal Funding \$1,800k, Capital City Funding Committee Funding for Heritage Incentive Scheme \$250k, Adaptive Reuse \$395k, Offset by Financial Assistance Grant funding recognised in 2022/23 \$973k.
276	341	1,146	Investment Income	1,265	150	1,115	743%	Due to unwinding of PV discount of 88OC \$566k, Investment Property Income \$206k, Fair Value increase of Investment Properties \$106k as well as interest on cash positive balances
665	934	1,164	Reimbursements	1,639	338	1,301	385%	Increase in private works reimbursement
540	366	1,436	Other Income	1,292	465	827	178%	Due to the release of property development provision \$293k, and an increase in insurance & other recoverments \$200k, Commission and merchandise sales \$100k
-	-	10	Net Gain - Equity Accounted Council Businesses	3	-	3	0%	Share of operating surplus in Brown Hill and Keswick Creeks Stormwater Board.
197,382	205,706	215,485	Total Income	238,408	225,481	12,927	6%	
Expenses								
74,410	69,092	72,478	Employee Costs	77,786	81,586	3,800	5%	Due to vacancies across the organisation offset by an increase in temporary labour.
17,329	14,558	15,947	Contractors	24,701	8,466	(16,235)	-192%	Due to an increase in temporary labour \$6,600k (including apprentices), as well as external contractors for the delivery of Resilient flood mapping project \$2,688k, City maintenance \$2,210k, Information Management project delivery \$1,258k and stormwater cleansing \$959k
7,954	8,144	9,044	Maintenance	9,267	10,349	1,082	10%	Higher level of maintenance activities delivered using internal resources. Spend is in line with 2022/23
1,531	1,428	1,587	Legal Expenses	1,716	1,214	(502)	-41%	Additional spend in relation to court costs to recover expropriations and other late payments \$185k, People Services \$68k and other legal matters \$249k.
2,354	2,346	2,546	Levies Paid to Government - including NRM levy	2,317	2,279	(38)	-2%	
4,774	5,892	5,416	Parts, Accessories & Consumables	5,354	5,210	(144)	-3%	Spend in line with 2022/23
4,134	3,932	6,710	Professional Services	6,348	10,149	3,801	37%	Budget included a number of activities where actual spend is in line with the nature of the expense, such as Commercial Events Sponsorship (grant) \$500k, Stormwater cleaning \$500k (contractors), City Activation and Wellfest \$800k (grant), Destination Adelaide \$300k (Advertising)
2,581	4,068	3,644	Advertising and Promotion	3,786	2,589	(1,197)	-46%	Continued increase in Advertising and promotion to entice the community back into the City, including Adelaide Fashion Week \$253k, Destination Adelaide \$300k, an increase in overall advertising/promotion of Rundle Mall \$217k, and AEDA \$112k
988	1,034	1,103	Bank Charges and Cash Collection	971	1,140	169	15%	Savings in part due to the transition of transactional banking provider
3,094	2,962	2,671	Cleaning	2,848	2,978	130	4%	Savings in cleaning due to new contract entered into in FY24
7,592	7,857	9,149	Energy and Water	9,315	9,219	(96)	-1%	Increase in recycled water consumption due to dry summer \$533k, offset by lower electricity levels due to spot price and consumption \$324k, and gas \$99k
2,165	2,237	2,528	Insurance	2,897	2,498	(399)	-16%	Increase in Insurance premiums, as well as the mix of assets insured
1,839	2,025	2,255	Security	2,452	2,308	(144)	-6%	Increase in services, partially due to additional events run in FY24 as well as an increase in presence following antisocial behaviour
6,975	10,829	11,348	Sponsorships, Contributions and Donations	8,238	6,128	(2,110)	-34%	Increase includes Commercial Events Sponsorship \$600k, Wellfest \$529k, City Activation \$390k originally budgeted within Professional Services. As well as additional funding for Strategic Partnerships \$232k, Social Planning homelessness \$208k, and Cultural Strategy \$193k
1,670	1,684	1,779	Subscriptions	1,697	1,917	220	11%	Reduced spend on server and cloud administration in line with contract terms
1,674	1,673	3,593	Waste Services	3,742	4,437	695	16%	Spend in line with 2022/23
4,699	7,096	8,756	Other expenses	10,598	14,219	3,621	25%	Individually immaterial items
71,353	77,765	88,076	Total Materials, Contracts & Other Expenses	96,247	85,100	(11,147)	-13%	
56,808	56,568	52,287	Depreciation, Amortisation & Impairment	55,008	56,040	1,032	2%	Reduced depreciation through the recalculation of useful lives of Buildings as well as the impact of a number of capital projects continuing into 2024-25
1,740	1,277	952	Finance Costs	891	835	(56)	-7%	Finance costs associated with leases
4	27	-	Net loss - Equity Accounted Council Businesses	-	-	-	-	
204,315	204,729	213,793	Total Expenses	229,932	223,561	6,371	3%	
(6,933)	977	1,692	Operating Surplus / (Deficit)	8,476	1,920	6,556	341%	
450	373	2,280	Physical Resources Receive Free of Charge	464	-	464		Gifted Assets
(6,527)	(658)	(14,747)	Asset Disposal & Fair Value Adjustments	(6,160)	1,125	(7,285)	-648%	Includes the carrying amount (remaining useful lives) of assets renewed or directly replaced in the period
2,698	3,411	6,655	Amounts Received Specifically for New or Upgraded Assets	5,521	14,075	(8,554)	-61%	Due to reduced grant funding recognised on Assets still under construction including Visitor Experience Adelaide \$3,959m, Hutt & Melbourne St Improvements \$2,222m, Park 27B \$1,365m, Rymill Park Lake \$0.734m, and Place of Courage \$0.100m
(10,312)	4,103	(4,120)	Net Surplus / (Deficit)	8,301	17,120	(8,819)	-52%	
Other Comprehensive Income								
48,206	84,305	(6,328)	Changes in Revaluation Surplus - I,PP&E	158,673	-	158,673		The movement represents an accounting adjustment for the asset valuations conducted during the year for Roads, Kerb & Water Table, Bridges, Water Infrastructure and a desktop indexation for Footpaths
			Share of other comprehensive income - equity accounted council businesses	2,125		2,125		Share of Brown Hill Brown Hill and Keswick Creeks Stormwater Board other Comprehensive income from external grant funding received
		(41,967)	Impairment (expense) / Recoupments offset to Asset Revaluation Reserve	-	-	-		
203	(206)	-	Rehabilitation Provision recognised directly in the asset revaluation reserve	(4,950)		(4,950)		Aquatic Centre demolition provision
48,409	84,099	(48,295)	Net actuarial gains/(losses) on CCASP sub-fund	-	-	-		
			Total Other Comprehensive Income	155,848	-	155,848		
38,097	88,202	(52,415)	Total Comprehensive Income	164,149	17,120	147,029	859%	

Statement of Financial Position as at 30 June 2024								
2020-21 Actual	2021-22 Actual	2022-23 Actual	\$ '000	2023-24 Actual	2023-24 Adopted Budget	Variance	2023-24 Actual vs Budget Commentary	
ASSETS								
Current Assets								
1,912	2,984	871	Cash and Cash Equivalents	2,077	800	1,277	160%	Cash on hand as at 30 June
16,299	15,774	22,049	Trade & Other Receivables	38,314	35,560	2,754	8%	Timing, overdue debtors are pursued and put on a payment plan where necessary. Aged debt is provided for in doubtful debts.
-	-	10,633	Other Financial Assets	-	-	-	100%	
506	541	741	Inventories	804	541	263	49%	higher level of stock on hand
958	5,965	26,000	Non-Current Assets Held for Sale	-	-	-	-	
19,675	25,264	60,294	Other Current Assets	18,500	-	18,500	-	Final payment to be received for 88 O'Connell Street expected in FY25
			Total Current Assets	59,695	36,901	22,794		
Non-Current Assets								
376	466	838	Financial Assets	932	377	555	147%	Increase due to Finance Lease Receivable recognised
1,119	1,412	1,618	Equity Accounted Investments in Council Businesses	4,066	1,928	2,138	111%	Equity Share Brown Hill and Keswick Creeks Stormwater Board. Increase is a result of the recognition of CoA's share of the external funding received
2,107	42,473	44,452	Other Non-Current Assets	26,153	26,155	(2)	0%	Includes the Non-Current Receivable for the future cash flows of major projects, and Deferred Rent as a result of COVID-19 measures.
1,897,255	1,906,716	1,823,299	Infrastructure, Property, Plant & Equipment	2,009,872	1,942,188	67,684	3%	Movements in the capital program, including revaluations offset against asset sales. Note, CF of \$37m into 23/24
2,870	2,870	2,910	Investment Property	3,065	2,928	137	5%	Investment Properties.
1,903,727	1,953,937	1,873,117	Total Non-Current Assets	2,044,088	1,973,576	70,512		
1,923,402	1,979,201	1,933,411	TOTAL ASSETS	2,103,783	2,010,477	93,306		
LIABILITIES								
Current Liabilities								
24,843	24,286	33,165	Trade & Other Payables	30,087	14,316	15,771	110%	Timing of payments received in advance for projects to be delivered in future years of \$4.5m (see above). As well as an increase in creditors and accrued expenses due to the timing of receipt of invoices \$10.4m
4,690	4,842	4,844	Borrowings (Finance Leases)	5,077	5,066	11	0%	
13,320	13,605	13,636	Provisions	18,858	14,574	4,284	29%	Includes the Rehabilitation provision for the Aquatic Centre of \$4.950m
42,853	42,733	51,645	Total Current Liabilities	54,022	33,956	20,066		
Non-Current Liabilities								
1,293	293	293	Trade & Other Payables	16,232	293	15,939	5440%	Includes the liability for the long term lease extension, which will be amortised over the life of the lease
34,700	8,000	7,519	Borrowings	-	30,184	(30,184)	-100%	Borrowings were significantly lower than anticipated due to the improved operating result, as well as the timing of spend on Capital Works.
50,463	46,041	43,913	Borrowings (Finance Leases)	39,318	36,064	3,254	9%	Due to the re-measurement of lease liability (increased cash payment for rentals)
1,816	1,655	1,977	Provisions	1,998	1,773	225	13%	Employee provisions.
88,272	55,969	53,702	Total Non-Current Liabilities	57,548	68,313	(10,765)		
131,125	98,722	105,347	TOTAL LIABILITIES	111,570	102,269	9,301		
1,792,277	1,880,479	1,828,064	Net Assets	1,992,213	1,908,208	84,005		
EQUITY								
806,973	792,262	781,667	Accumulated Surplus	783,588	801,303	(17,715)		A result of the Net Surplus position. Refer to Statement of Comprehensive Income
982,216	1,066,618	1,018,226	Asset Revaluation Reserves	1,171,995	1,066,521	105,474		Movement as a result of revaluations in the period
1,815	-	-	Defined Benefit - Unfunded Superannuation Liability	-	-	-		The defined benefit plan has been closed
1,273	21,599	28,171	Future Fund Reserve	36,630	40,384	(3,754)		Decrease is a result of purchase of 218-232 Flinders Street during the year, as well as lower spend than originally forecast on Central Market Arcade Redevelopment
3,088	21,599	28,171	Total Other Reserves	36,630	40,384	(3,754)		
1,792,277	1,880,479	1,828,064	Total Council Equity	1,992,213	1,908,208	84,005		

Financial Indicators for the year ended 30 June 2024							
2020-21 Actual	2021-22 Actual	2022-23 Actual	\$ '000	2023-24 Actual	2023-24 Adopted Budget	Variance	2023-24 Actual vs Budget Commentary
<p>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.</p>							
1. Operating Surplus Ratio							
-6,933	977	1,692	Operating Surplus	8,476			Favourable position to budget as a result of an increase in operating revenue outweighing the increase in operating expenditure.
197,382	205,706	215,485	Total Operating Revenue	238,408			
-4%	0.5%	0.8%	<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>	4%	0.9%		
2. Net Financial Liabilities Ratio							
112,538	79,496	70,956	Net Financial Liabilities	70,247			No loan borrowings as at 30 June 2024. However there was an increase in Trade and Other Payables as at 30 June 2024 when compared to the budget.
197,382	205,706	215,485	Total Operating Revenue Less NRM Levy	238,408			
57%	39%	33%	<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>	29%	-0.7%		
3. Asset Sustainability Ratio							
22,390	29,987	36,913	Net Asset Renewals Infrastructure & Asset Management Plan required expenditure	52,667			Increase in Renewal Expenditure compared to the adopted budget as a result of projects continuing from 2022/23
31,107	65,854	50,501		56,018			
72%	46%	73%	<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>	94%	90%		