

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

2018-19 Actuals*	2019-20 Actuals	2020-21 Actual	2021-22 Actual	2021-22 Adopted Budget	Variance	2021-22 Actual vs Budget Commentary
Income						
108,846	115,634	118,510	121,350	121,190	160	0%
Rates Revenues						
13,313	11,770	10,709	10,208	11,601	(1,393)	-12%
10,854	9,952	10,695	10,302	11,778	(1,476)	-13%
11,201	10,947	9,805	9,727	8,205	1,522	19%
6,228	4,900	4,551	5,526	6,086	(560)	-9%
2,056	2,232	3,234	3,554	2,420	1,134	47%
30,016	26,285	27,341	27,911	28,415	(504)	-2%
3,480	3,741	3,231	3,087	2,495	592	24%
3,485	2,979	2,393	3,025	2,870	155	5%
67,320	61,036	61,250	63,132	62,267	865	1%
Grants, Subsidies and Contributions						
3,751	8,560	5,432	9,375	3,274	6,101	186%
298	231	276	341	20	321	1594%
1,502	1,443	665	934	541	393	73%
631	539	540	366	3,029	(2,663)	-88%
79	-	-	-	-	-	0%
195,740	199,213	197,382	205,706	201,923	3,783	2%
Expenses						
76,916	79,757	74,410	69,092	73,950	(4,858)	-7%
Employee Costs						
6,585	-	-	-	-	-	-
23,108	23,854	17,329	14,558	9,179	5,379	59%
8,729	8,629	7,954	8,144	8,929	(785)	-9%
1,525	1,445	1,531	1,428	1,108	320	29%
2,182	2,241	2,354	2,346	2,299	47	2%
5,801	6,353	4,774	5,892	6,310	(418)	-7%
7,245	7,419	4,134	3,932	5,334	(1,402)	-26%
3,718	2,681	2,581	4,068	2,929	1,139	39%
1,118	994	988	1,034	980	54	5%
2,833	2,904	3,094	2,962	2,904	58	2%
9,156	8,981	7,592	7,857	10,043	(2,186)	-22%
2,060	2,075	2,165	2,237	2,204	33	1%
-	-	-	-	1,543	(1,543)	-100%
2,123	2,267	1,839	2,025	2,121	(96)	-5%
9,082	4,719	6,975	10,829	6,872	3,957	58%
1,171	1,255	1,670	1,684	1,517	167	11%
1,370	1,512	1,674	1,673	1,707	(34)	-2%
6,455	6,465	4,699	7,096	7,522	(426)	-6%
94,261	83,794	71,353	77,765	73,501	4,264	6%
Depreciation, Amortisation & Impairment						
44,292	51,869	56,808	56,568	52,614	3,954	8%
1,448	2,121	1,740	1,277	1,826	(549)	-30%
-	18	4	27	-	27	
216,917	217,559	204,315	204,729	201,891	2,838	1%

(21,177)	(18,346)	(6,933)	Operating Surplus / (Deficit)	977	31	946	3008%	
-	-	450	Physical Resources Receive Free of Charge	373	-	373		North Terrace
(4,838)	1,092	(6,527)	Asset Disposal & Fair Value Adjustments	(755)	(861)	106	-12%	
5,625	1,205	2,698	Amounts Received Specifically for New or Upgraded As	3,411	156	3,255	2087%	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.
(20,390)	(16,049)	(10,312)	Net Surplus / (Deficit)	4,006	(674)	4,680	-694%	
Other Comprehensive Income								
181,546	16,222	48,206	Changes in Revaluation Surplus - I,PP&E	84,402	-	84,402		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.
90	(47)	203	Net actuarial gains/(losses) on CCASP sub-fund	(206)	-	(206)		Net less on the defined benefit plan, which was closed in March 2022.
181,636	16,175	48,409	Total Other Comprehensive Income	84,196	-	84,196		
161,246	126	38,097	Total Comprehensive Income	88,202	(674)	88,876	-13188%	

* 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.

Statement of Financial Position
as at 30 June 2022

2018-19 Actuals	2019-20 Actuals	2020-21 Actual	2021-22 Actual	2021-22 Adopted Budget	Variance	2021-22 Actual vs Budget Commentary	
ASSETS							
Current Assets							
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%	Residential Housing classified as Held For Sale at 30 June, expected to be sold in FY23.
-	-	958	Non-Current Assets Held for Sale	5,965	-	5,965	
17,417	15,689	19,675	Total Current Assets	25,264	14,907	10,357	
Non-Current Assets							
278	308	376	Financial Assets	466	249	217 87%	Ergo Apartments Equity Share Brown Hill and Keswick Creeks Stormwater Board, increase is in line with the capital investment made during the period.
629	672	1,119	Equity Accounted Investments in Council Businesses	1,412	605	807 133%	includes the Non-Current receivable for the future cash flows of major projects, and Deferred rent as a result of COVID-19 measures.
1,659	2,161	2,107	Other Non-Current Assets	42,473	2,600	39,873 1534%	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	Total Non-Current Assets	1,953,937	1,888,494	65,443	
1,840,212	1,882,324	1,923,402	TOTAL ASSETS	1,979,201	1,903,400	75,801	
LIABILITIES							
Current Liabilities							
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	Total Current Liabilities	42,733	36,236	6,497	
Non-Current Liabilities							
293	293	1,293	Trade & Other Payables	293	1,293	(1,000) -77%	Payables expected to settle greater than 12 months. Borrowings were significantly lower than anticipated due to the operating result, as well as the timing of spend on Infrastructure.
41,450	51,600	34,700	Borrowings	8,000	77,483	(69,483) -90%	
-	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	Total Non-Current Liabilities	55,989	127,174	(71,185)	
86,158	128,144	131,125	TOTAL LIABILITIES	98,722	163,410	(64,688)	
1,754,054	1,754,180	1,792,277	Net Assets	1,880,479	1,739,990	140,489	
EQUITY							
834,607	818,558	806,973	Accumulated Surplus	792,262	802,195	(9,933)	A result of the operating position.
917,788	934,010	982,216	Asset Revaluation Reserves	1,066,618	934,010	132,608	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	Defined Benefit - Unfunded Superannuation Liability	-	1,612	(1,612)	The defined benefit plan was closed during the period.
-	-	1,273	Future Fund Reserve	21,599	2,173	19,426	Increase is a result of underperforming properties divested during the period.
1,659	1,612	3,088	Total Other Reserves	21,599	3,785	17,814	
1,754,054	1,754,180	1,792,277	Total Council Equity	1,880,479	1,739,990	140,489	

**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

		-6,933	Operating Surplus	977	
		197,382	Total Operating Revenue	205,706	
-11%	-10%	-4%	<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>	0%	0%

2. Net Financial Liabilities Ratio

		112,538	Net Financial Liabilities	79,498	
		197,382	Total Operating Revenue Less NRM Levy	205,706	
35%	57%	57%	<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>	39%	48%

3. Asset Sustainability Ratio

		22,390	Net Asset Renewals	29,987	
		31,107	Infrastructure & Asset Management Plan required expenditure	65,854	
76%	40%	72%	<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>	46%	60%