



AUDIT AND RISK COMMITTEE

Agenda and Reports

for the meeting on

Wednesday, 24 September 2025

at 9.00 am

in the Colonel Light Room, Adelaide Town Hall

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Our Adelaide.
Bold.
Aspirational.
Innovative.

AUDIT AND RISK COMMITTEE
Meeting Agenda, Wednesday, 24 September 2025, at 9.00 am

Membership	The Lord Mayor (ex-officio) 1 Council Member 4 External Independent Members 2 Proxy Council Members
Quorum	3
Presiding Member	Nicolle Rantanen Reynolds
Committee Members	The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio) Mark Davies Simon Rodger Councillor Janet Giles

Agenda

Item		Pages
1.	Acknowledgement of Country ‘Council acknowledges that we are meeting on traditional Country of the Kaurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today. And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.’	
2.	Apologies and Leave of Absence On Leave: The Right Honourable the Lord Mayor, Dr Jane Lomax-Smith (ex-officio)	
3.	Confirmation of Minutes That the Minutes of the meeting of the Audit and Risk Committee held on 15 August 2025, be taken as read and be confirmed as an accurate record of proceedings. View public 15 August 2025 Minutes here .	
4.	Declaration of Conflict of Interest	
5.	Presiding Member Reports	
6.	Exclusion of the Public In accordance with sections 90(2),(3) and (7) of the <i>Local Government Act 1999 (SA)</i> the Audit and Risk Committee will consider whether to discuss in confidence the reports contained within section 7 of this Agenda.	4 - 5
7.	Confidential Item	
7.1	Confidential Meeting with External Auditors [S90(3) (b)]	6 - 8
8.	Reports	
8.1	Matters arising from External Audit	9 - 36
8.2	Audited Financial Statements & Report on Financial Results	37 - 223

9. **Emerging Key Risks**
10. **Independent Member Discussion**
11. **Other Business**
12. **Closure**

Exclusion of the Public

Public

EXECUTIVE SUMMARY

Section 90(2) of the *Local Government Act 1999 (SA)* (the Act), states that a Council may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.

It is the recommendation of the Chief Executive Officer that the public be excluded from this Audit and Risk Committee meeting for the consideration of information and matters contained in the Agenda.

7.1 Confidential Meeting with External Auditors [section 90(3) (b) of the Act]

The Order to Exclude for Item 7.1:

1. Identifies the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
2. Identifies the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
3. In addition, identifies for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.

ORDER TO EXCLUDE FOR ITEM 7.1

THAT THE AUDIT AND RISK COMMITTEE

1. Having taken into account the relevant consideration contained in section 90(3) (b) of the *Local Government Act 1999 (SA)*, this meeting of the Audit and Risk Committee dated 24 September 2025 resolves that it is necessary and appropriate to act in a meeting closed to the public as the consideration of Item 7.1 [Confidential Meeting with External Auditors] listed on the Agenda.

Grounds and Basis

Under Section 11.5.1 of the Audit and Risk Committee Terms of Reference, the Audit and Risk Committee is required to meet with Council's external auditors, at least annually, without management being present to discuss 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 24 September 2025 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 7.1 [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.

DISCUSSION

1. Section 90(1) of the *Local Government Act 1999* (SA) (the Act) directs that a meeting of a Council Committee must be conducted in a place open to the public.
2. Section 90(2) of the Act, states that a Council Committee may order that the public be excluded from attendance at a meeting if the Council Committee considers it to be necessary and appropriate to act in a meeting closed to the public to receive, discuss or consider in confidence any information or matter listed in section 90(3) of the Act.
3. Section 90(3) of the Act prescribes the information and matters that a Council may order that the public be excluded from.
4. Section 90(4) of the Act, advises that in considering whether an order should be made to exclude the public under section 90(2) of the Act, it is irrelevant that discussion of a matter in public may -
 - (a) *cause embarrassment to the council or council committee concerned, or to members or employees of the council; or*
 - (b) *cause a loss of confidence in the council or council committee; or*
 - (c) *involve discussion of a matter that is controversial within the council area; or*
 - (d) *make the council susceptible to adverse criticism.*
5. Section 90(7) of the Act requires that an order to exclude the public:
 - 5.1 Identify the information and matters (grounds) from section 90(3) of the Act utilised to request consideration in confidence.
 - 5.2 Identify the basis – how the information falls within the grounds identified and why it is necessary and appropriate to act in a meeting closed to the public.
 - 5.3 In addition identify for the following grounds – section 90(3) (b), (d) or (j) of the Act - how information open to the public would be contrary to the public interest.
6. Section 87(10) of the Act has been utilised to identify in the Agenda and on the Report for the meeting, that the following reports are submitted seeking consideration in confidence.
 - 6.1 Information contained in Item 7.1 - Confidential Meeting with External Auditors.
 - 6.1.1 Is not subject to an existing Confidentiality Order dated.
 - 6.1.2 The grounds utilised to request consideration in confidence is section 90(3) (b) of the Act
 - (b) *information the disclosure of which—*
 - (i) *could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - (ii) *would, on balance, be contrary to the public interest;*

ATTACHMENTS

Nil

- END OF REPORT -

Document is Restricted

Matters arising from External Audit

Strategic Alignment - Our Corporation

Public

Wednesday, 24 September
2025

Audit and Risk Committee

Program Contact:

Natalie Johnston, Associate
Director Finance & Procurement

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

This report presents the Presiding Member of the Audit and Risk Committee with the 'Annual Completion Report for the year ended 30 June 2025' (Council's appointed auditor BDO's end of year audit) for the City of Adelaide and subsidiaries (**Attachment A**).

Under Section 129 (4) of the *Local Government Act 1999* (SA) (the Act) the external auditor appointed by Council must provide to the Council a report on particular matters arising from the audit of its financial statements and the controls exercised by Council. The report must specifically identify any irregularity in Council's accounting practices or in the management of the Council's financial affairs identified by the auditor during the course of the audit.

Under Section 129 (3) of the Act, the auditor must provide to Council an audit opinion with respect to the financial statements and the controls associated with financial transactions.

BDO's report notes they have identified no material deficiencies in internal controls which would impact audit testing or expose the Council to risk of material misstatement of results for the year ended 30 June 2025.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Notes the 'City of Adelaide Annual Completion Report for the year ended 30 June 2025' from Council's external auditors, BDO, as contained in **Attachment A** to Item 8.1 on the Agenda for the meeting of the Audit and Risk Committee held 24 September 2025.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation External audit is a fundamental part of responsible management and reporting of City finances. It underpins the City's financial sustainability.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	Section 129 of the <i>Local Government Act 1999</i> (SA)
Opportunities	Not as a result of this report
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
25/26 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. In accordance with Section 128 of the *Local Government Act 1999* (SA) (the Act), the Council has appointed BDO as Council's auditor.
2. In accordance with Section 129 of the Act, the external auditor is to undertake an annual review and provide an audit opinion on Council's financial statements and the controls exercised by Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.
3. The auditor must provide to the Council a report on particular matters arising from the audit, specifically identifying any irregularity in the Council's accounting practices or the management of the Council's financial affairs identified by the auditor during the course of the audit.
4. At the meeting of the Audit and Risk Committee on 21 February 2025, the Audit and Risk Committee endorsed the proposed 2024/25 End of Year financial reporting process and external audit timetable. The timetable included presenting a report to the Audit and Risk Committee as well as providing the opportunity to discuss the findings of the auditor in confidence, without management being present.
5. At the Audit and Risk Committee Meeting held on 13 June 2025, BDO provided an 'Interim Report' on the 2024/25 external audit. BDO's Interim Report noted that to date they had found no material deficiencies in internal controls which would impact audit testing or expose the Council to any risk of material misstatement or results for the year ended 30 June 2025. In addition, BDO's Interim Report provided a status update on key issues that Council was taking appropriate action on.
6. Combined with the opportunity to discuss the findings of the auditor in confidence, and receipt of the annual financial statements report, the Audit and Risk Committee is considered to have sufficient relevant information to assist its determination that the financial accounts give a true and fair view of the Corporation of the City of Adelaide's state of affairs as at the date.
7. In accordance with the Act this report will be provided by the auditor to the Audit and Risk Committee and Principal Member of the Council (who must then ensure that a copy is provided to the Chief Executive Officer and other members of Council).

Report on Matters Arising from the Audit

8. The external auditor, Ms Linh Dao (Partner, BDO) has completed the audit of the financial statements and provided audit clearance for the Audited Financial Statements subject to:
 - 8.1. BDO review of subsequent events post 30 June 2025
 - 8.2. BDO receipt of written management representation on various matters
 - 8.3. BDO receipt of adopted financial statements and agreement with the draft financial statements provided to date.
9. These are scheduled to be completed subsequent to the Audit and Risk Committee meeting on 24 September 2025.
10. As part of their audit process BDO have tabled their final Annual Completion Report (**Attachment A**) dealing with matters arising from the audit. This report addresses the following:
 - 10.1. Status of the audit
 - 10.2. Areas of audit focus
 - 10.3. Summary of misstatements
 - 10.4. Internal controls
 - 10.5. Other reporting requirements
 - 10.6. Adoption and impacts of new accounting standards
11. Key areas of audit focus addressed by the report include:
 - 11.1. Management override of internal controls
 - 11.2. Revaluation of Infrastructure, Property, Plant and Equipment
 - 11.3. Accounting for Treatment of Work In Progress (WIP)
 - 11.4. Cut-off of grant funding and accuracy of any amounts deferred at 30 June 2025.
12. Two misstatements were identified during the course of the audit, which were corrected and are as follows:

- 12.1. Long Service Leave (LSL) calculation of \$0.399 million. The initial estimate of the LSL liability was underprovided by the amount adjusted with a \$0.399 million adverse impact on the Operating Position of Council
- 12.2. Calculation of the early termination of a lease liability. This adjustment impacted Council below the line within the Net Surplus.
13. No uncorrected misstatements were noted in the report.
14. The audit was conducted in accordance with the Australian Auditing Standards as required by the Act, and provides Council with reasonable assurance that the Financial Statements are free of material misstatement.
15. The report identified no material deficiencies existed in the accounting treatment and disclosures of matters previously identified as significant risks.
16. The audit did not identify any significant deficiencies with internal controls. However, the following two (2) deficiencies identified within the 2023/24 financial year remain:
 - 16.1. Supporting documentation for a historical rate rebate has not been retained.
 - 16.1.1. The Record Keeping Operating Guidelines at the time the rebate was approved identified a retention period of 6 years, and as such the record was deleted from our central records system. The current guideline approved in 2020 now identifies all rates and valuations files as essential documents and are retained permanently.
 - 16.1.2. A Rating Review project commenced in the financial year, whereby the framework and matrix for rate rebate and exemptions were reviewed by an independent consultant against both the *Local Government Act 1999* (SA) and practices of other councils. Relevant outcomes were included in the revised Rating and Rate Rebate Policies endorsed by Council for 2025/26. The project will continue in 2025/26, whereby funding is being sought to engage an external consultant to review our existing rebates and exemptions against the framework.
 - 16.2. Increased provision for expected credit losses to \$1.257 million (2023/24: \$1.19 million, of which \$0.268 million was carried from the previous financial year).
 - 16.2.1. The Associate Director, Finance & Procurement met with each business area regarding their outstanding balances as at 30 June 2025, with a revised action plan being developed. This plan identifies the need for additional resources and system enhancements.
17. The audit has concluded that the consolidated financial reports of the City of Adelaide present fairly, in all material respects, the entities financial position as at 30 June 2025.

ATTACHMENTS

Attachment A - City of Adelaide Annual Completion Report for year ended 30 June 2025

- END OF REPORT -

City of Adelaide

Annual audit completion report

Year ended 30 June 2025



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Dear Audit and Risk Committee Members

We are pleased to present this report to the Audit and Risk Committee Members of City of Adelaide (the 'Council') in relation to the 30 June 2025 annual audit.

As at the date of this report, we have substantially completed our audit and subject to the satisfactory resolution of the matters outlined in the Executive Summary, we expect to issue an unmodified audit report.

We have set out in this document the significant matters arising from our audit. This summary covers those matters we believe to be material in the context of our work.

We look forward to the Audit and Risk Committee Members meeting on 24 September 2025 where we will have the opportunity to discuss this report.

Should you require clarification on any matter in this report before this date, please do not hesitate to contact me on 8 7324 6147.

In this, our final year as auditor of the Council, we would like to take this opportunity to extend our appreciation to management for their assistance and cooperation throughout the period of our appointment.

Yours faithfully



Linh Dao

Engagement Partner

Adelaide, 16 September 2025

Executive summary

Purpose

The purpose of this report is to communicate significant matters arising from our audit to the Audit and Risk Committee Members. This report has been discussed with management.

Scope

Our audit was conducted in accordance with Australian Auditing Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* for the year ended 30 June 2025.

Status of the audit

Our audit of the financial report is substantially complete. We expect to issue an unmodified audit report, subject to satisfactory completion of the following:

- Review of subsequent events post 30 June 2025
- Receipt of written management representation on various matters; and
- Receipt of formally adopted financial statements and agreement of these to the draft financial statements provided to us to date.

A draft of the proposed audit report is included at Appendix 1.

Summary of misstatements

We have identified misstatements during our audit which were corrected and are included in the respective [section](#) of this report.

We have not identified any uncorrected misstatements that, in our judgement, either individually or in aggregate, could have a material effect on the financial report for the year ended 30 June 2025.

Areas of audit focus

In performing our audit, we have identified those matters that, in the auditor's judgement, were of the most significance in the audit of the financial report. Our audit procedures also focused on areas that were considered to represent significant and elevated risks of material misstatement. These areas of focus are outlined below:

- Management override of internal controls
- Revaluation of infrastructure, property, plant and equipment
- Accounting treatment of Capital Work in Progress (WIP)
- Cut-off of grant funding and accuracy of any amounts deferred at 30 June 2025

Refer to the relevant section for details on the significant risk areas and other areas focused on during the audit.

Areas of audit focus

In assessing the risks of material misstatement at the planning phase, we used a spectrum of risk based on the likelihood of a misstatement occurring and the magnitude of the misstatement in the context of our materiality. Our audit procedures focused on areas that were considered to represent risks of material misstatement.

We set out the areas that were considered key areas of focus along with an outline of the work performed and a summary of findings.

Management override of internal controls		
Description	Audit work performed	Summary of findings
Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override controls that otherwise appear to be operating effectively.	Our response included a review of key internal controls at the Council to mitigate the risk of management override. We tested the appropriateness of journal entries and other adjustments made in the preparation of the financial report. We reviewed accounting estimates for bias, and evaluated the business rational (or lack of) of any significant transactions that are outside the normal course of business or that otherwise appear to be unusual.	We did not identify any evidence of misstatement due to management override of internal controls.

Areas of audit focus *continued*

Revaluation of infrastructure and land & buildings

Description	Audit work performed	Summary of findings
Council's infrastructure and land & buildings are carried under revaluation model. There is a risk that these balances are misstated as a result of the application of inappropriate valuation methodologies, or incorrect underlying assumptions.	We evaluated the competence, capability and objectivity of the independent valuers and staff involved in the revaluation process, obtained an understanding of the work performed and assessed its appropriateness. We inquired of management regarding the reassessment of useful lives for selected assets, corroborated explanations with supporting documentation where required, and evaluated the accounting treatment of any resulting adjustments. In addition, we reviewed management's impairment assessments for certain assets, considered the underlying assumptions, and assessed the appropriateness of adjustments recognised.	During the year, Council revalued infrastructure assets including lighting, electrical, and traffic signals, and applied indexation to transportation (roads, footpaths, bridges, kerb and water table) and water infrastructure assets. The revaluation process resulted in a net increment of \$124 million credited directly to the asset revaluation reserve, of which \$87.3 million related to lighting and traffic signals. The condition audits of the underground drainage network within the Water Infrastructure asset class were not fully completed by PPS and TDG in the prior year. Accordingly, the valuation at 30 June 2024 was based only on work finalised up to that date. During the current year, this work was finalised and a number of stormwater and drainage assets whose condition value were previously not reasonably quantified and measured, were identified and recognised as at 1 July 2024. These assets were subsequently depreciated and then indexed in line with the other water infrastructure assets. Other adjustments recognised through asset revaluation reserve included: - Decrement for one building asset due to the revised useful live assessment during the year; - Decrement for parkland assets where impairment indicators were identified at 30 June 2025, and impairment assessment resulted in impairment expense recognised for the difference between carrying amount and assets' estimated recoverable amount. In accordance with AASB 116.31, revaluations must be performed with sufficient regularity to ensure that carrying amounts reflect fair value. We recommend that management continue to monitor the need for more frequent formal revaluations and formalise the indexation process between valuation cycles. We also recommend management review useful lives in conjunction with revaluation activities. No exceptions were noted from our testing.

Areas of audit focus *continued*

Accounting treatment of Capital Work In Progress (WIP)		
Description	Audit work performed	Summary of findings
There is a risk that the accounting treatment of Capital WIP may not be in accordance with Australian Accounting Standards.	We obtained the WIP schedule and reviewed a sample of projects outstanding at year-end to assess whether they are likely to result in the recognition of assets. We also tested a sample of projects transferred out of capital WIP to evaluate whether the classification and values allocated to the relevant fixed asset classes were appropriate. In addition, we inquired management on the progress of the Central Market Arcade (CMAR) development and the Adelaide Aquatic Centre (ACC) demolition, and assessed the appropriateness of the ongoing accounting treatment of these projects in the financial statements.	We noted the financial statements reported a significant balance of Capital WIP of \$89.1mil as at 30 June 2025 (2024: \$76.4mil). The increase in Capital WIP is mainly due to the significant work undertaken on CMAR . As part of the audit work, it was noted that 52 projects totalling \$47.4mil were manually capitalised as part of the year-end reconciliation process. 48 projects of \$25.5mil value were completed in June, and 4 other projects of \$21.9mil were completed between January and April 2025, but were not capitalised within Assetic, Council’s fixed asset management application. We were advised that the delay in capitalisation of projects were due to the asset team not having sufficient As-Constructed Drawings information to update its Geographical Information Systems (GIS) in the system. The manual capitalisation process also resulted in the need for replaced/ renewed assets to be manually disposed of. This process has been lengthy, complicated and resulted in significant additional effort required by both Council’s finance team as well as the audit team to complete the audit within reporting timeframe. We recommend that management continue to strengthen the handover process with contractors where relevant, to ensure sufficient appropriate data is available to Council so that timely capitalisation can happen. Furthermore, we discussed the CMAR development with management and assessed the accounting treatment for prepayments made in respect of returnable works. As completion is expected in 2026 financial year and Council will obtain building access rights before 30 June 2026, the balance has been classified as a current asset.

Areas of audit focus *continued*

Accounting treatment of Capital Work In Progress (WIP)		
		In respect of the Adelaide Aquatic Centre demolition and construction of the Return to Park Lands Playing Field, we noted that rehabilitation provisions recognised in the prior year were fully consumed, with demolition and remediation works completed within budget before year-end. The capital WIP balance for the Return to Park Lands project was \$3.7 million as at 30 June 2025. The remaining contracted balance of \$5.7 million is expected to be invoiced in FY2026. Finally, we noted that Council elected to disclose ‘Adjusted Asset Renewal Funding Ratio’ in addition to the mandatory Asset Renewal Funding Ratio required under the LGA Financial Sustainability Program. The reason for this, is that management has assessed that it will better reflect Council’s effort in delivering capital renewal program by: a. Reporting the actual capital spend (i.e. on an accrual basis) rather than cash spend to eliminate fluctuation due to billing impact by contractors that are outside of Council’s control; and b. Removing the ‘contingency’ built into the Infrastructure & Asset Management Plan required expenditure, as although this was budgetted for in the Asset Management Plan adopted for FY2025, it was not actually required. No other exceptions were noted from our work.

Areas of audit focus *continued*

Cut-off of grant funding and accuracy of any amounts deferred at 30 June 2025		
Description	Audit work performed	Summary of findings
There is a risk of error in the calculation of grant income recognised and deferred at the end of the year.	We obtained the schedule of grant income recognised and deferred at year-end. We selected a sample of grants and obtained the agreements to review in detail and test that they have been recognised in accordance with <i>AASB 15 Revenue from Contracts with Customers</i> and <i>AASB 1058 Income of Not-for Profit Entities</i> .	We noted 3 projects from our testing sample with expiry dates prior to or on 30 June 2025 however due to delay in delivery, the projects were still ongoing at the reporting date. Though we were satisfied that Council has recognised revenue in accordance with the requirements of AASB 1058 and AASB 15, and that evidence is available to support Council has sought approval from relevant grantors for extension of said projects, there remains a risk of non-compliance under the grant agreements. We recommend management consider putting in place strategies to ensure the grant application process includes Council’s assessment of its ability to manage delivery within the contract timeframe. No other exceptions were noted.

Summary of misstatements

Corrected misstatements

We identified the following misstatements during the course of our audit which have been corrected:

DESCRIPTION	ASSETS	(LIABILITIES)	RESERVES	(PROFIT)/LOSS
Correction of Long Service Leave calculation for 2025	-	(\$399,725)	-	\$399,725
Correction for City Liability early termination lease accounting impact for the year	\$708,274	-	-	(\$708,274)
Net effect of corrected misstatements	\$708,274	(\$399,725)	-	(\$308,549)

Internal control

Current year

In accordance with ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*, we are required to communicate in writing, significant deficiencies in internal control identified during our audit to those charged with governance on a timely basis.

The standard defines a deficiency in internal control as:

- 1. A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial report on a timely basis; or
- 2. A control necessary to prevent, or detect and correct, misstatements in the financial report on a timely basis is missing.

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor’s professional judgement, is of sufficient importance to merit the attention of the Audit and Risk Committee Members.

Our audit procedures did not identify any significant deficiencies that in our professional judgment are of sufficient importance to merit the attention of the Audit and Risk Committee Members.

The matters being reported are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to the Audit and Risk Committee.

Follow up on prior period findings

We have detailed below the current status of matters relating to internal control that have been raised in prior communications and are not referred to in the current period findings.

DESCRIPTION OF MATTER		DATE PREVIOUSLY COMMUNICATED	CURRENT STATUS	MANAGEMENT COMMENTS
1	We noted one instance from our testing where supporting document were not retained for historical rate rebate approved prior to 2020.	FY2024	Ongoing	A Rating Review project commenced in FY25, whereby the framework and matrix for rate rebate and exemptions were reviewed by an independent consultant against both the Local Government Act 1999 (SA) and practices of other councils. Relevant outcomes were included in the revised Rating and Rate Rebate Policies endorsed by Council for FY26. The project will continue in FY26, whereby funding is being sought to engage and external consultant to review our existing rebates and exemptions against the framework.

Internal control *continued*

DESCRIPTION OF MATTER		DATE PREVIOUSLY COMMUNICATED	CURRENT STATUS	MANAGEMENT COMMENTS
2	Council reported a provision for expected credit losses of \$1.19mil at 30 June 2024 (2023: \$274k), \$268k of which were carried over from 2023 with no recovery made during the year.	FY2024	Ongoing	An action plan was developed and commenced in FY25, however due to staff turnover, limited progress occurred. Discussions are continuing as to the best system to manage debtor balances, noting the limitations of the current systems. The Associate Director, Finance & Procurement met with each business area regarding their outstanding balances as at 30 June 2025, with a revised action plan being developed.

Other reporting requirements

Independence and ethics

In conducting our audit, we are required to comply with the independence requirements of *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 and Part 4A of APES 110 Code of Ethics for Professional Accountants (including Independence Standards)*.

We have obtained independence declarations from all staff engaged in the audit.

We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the audit to City of Adelaide.

The *Local Government Act 1999* requires the lead auditor to make a declaration to the directors regarding independence. We are in a position to make this declaration, a copy of which has been included at Appendix 2.

Non-compliance with laws and regulations

We have made enquiries in relation to any non-compliance with laws and regulations during the course of our audit. We have not identified any instances of non-compliance with laws and regulations as a result of our enquiries.

We have not identified any reportable matters during the course of our audit.

Fraud

Management have confirmed that there were no matters of fraud identified for the period under audit, or subsequently. It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

We have not identified any instances of fraud during the course of our audit.

Appendix 1 Proposed audit report

INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF CITY OF ADELAIDE

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Adelaide (the Company) and its subsidiaries (the Council), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of material accounting policy information and the declaration by those charged with governance.

In our opinion the accompanying financial report of presents fairly, in all material respects, the financial position of the Council as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Council in accordance with the *Local Government Act 1999* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report are the general purpose financial reports of City of Adelaide's regional subsidiaries including Adelaide Park Lands Authority, Adelaide Central Market Authority, Adelaide Economic Development Agency and the Annual Report of The Brown Hill Keswick Creeks Stormwater Board.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Appendix 1 Proposed audit report *continued*

Responsibilities of the directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Council's ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Linh Dao
Director

Adelaide, XX Month 2025

Appendix 1 Proposed audit report *continued*

INDEPENDENT ASSURANCE REPORT
OF THE INTERNAL CONTROLS OF CITY OF ADELAIDE

Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Adelaide ('Council) in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2024 to 30 June 2025 relevant to ensuring such transaction have been conducted properly and in accordance with the law.

In our opinion, in all material respects:

- (a) The controls established by the Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- (b) The controls operated effectively as designed throughout the period from 1 July 2024 to 30 June 2025.

Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Council’s responsibilities for the Internal Controls

The Council is responsible for:

- a) The receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) Identifying the control objectives
- c) Identifying the risks that threaten achievement of the control objectives
- d) Designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) Operating effectively the controls as designed throughout the period.

Our independence and quality management

We have complied with the independence and relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement.

Assurance practitioner’s responsibilities

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, with the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

Appendix 1 Proposed audit report *continued*

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

Limitations of controls

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved and so fraud, error, or non-compliance with compliance requirements may occur and not be detected.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

BDO Audit Pty Ltd

Linh Dao
Director

Adelaide, XX Month 2025

Appendix 2 Auditor independence declaration

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Adelaide for the year ended 30 June 2025, I have maintained my independence in accordance with the requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under the Act.

This statement is prepared in accordance with the regulations of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Linh Dao
Director

BDO Audit Pty Ltd

Adelaide, 16 September 2025

Appendix 3 New developments

Upcoming changes in financial reporting

AASB 18 *Presentation and Disclosure in Financial Statements*

On 9 April 2024, the International Accounting Standards Board issued IFRS 18 *Presentation and Disclosure in Financial Statements* (AASB 18 in Australia), a new financial statements presentation standard to replace IAS 1 *Presentation of Financial Statements*. Our [bulletin](#) contains a high-level summary of the amendments.

The changes require income and expenses to be classified into five categories - investing, financing, income taxes, discontinued operations and operating ('operating' being the residual or 'catch all' category). Classification follows an entity's 'main business activities' so AASB 18 is likely to result in different presentations across entities. The Statement of Profit or Loss also includes two mandatory subtotals:

- Operating profit or loss - this is a sub-total of all income and all expenses classified as operating
- Profit or loss before financing and income taxes - this is the sub-total of operating profit or loss, and all income and expenses classified as investing.

Our [publication](#) provides in-depth guidance for classifying income and expenses in the Statement of Profit or Loss.

There are also changes to the Statement of Cash Flows, including how interest and dividend cash inflows and interest cash outflows are classified.

Lastly, the financial statements must include new disclosures in single note about 'management-defined performance measures' such as earnings before interest, taxes, depreciation and amortisation (EBITDA), 'adjusted profit', operating profit excluding recurring items, etc.

The new disclosures apply to 'management-defined performance measures' if they are used in public communications outside the financial statements, to communicate to users of financial statements, management's view of an aspect of the entity's financial performance.

They do not apply to certain specific sub-totals in the Statement of Profit or Loss such as gross profit. They also do not apply to social media posts and oral communications, and to non-IFRS information based on financial measures that are not performance-related (such as measures based only on the financial position of the entity). Also, they do not apply if an entity makes no public communications (as may be the case for private companies).

The changes are effective for annual periods beginning on or after 1 January 2027.

If you have any questions or require more information regarding upcoming changes in financial reporting, please contact our [IFRS & Corporate Reporting team](#).

Appendix 4 Sustainability reporting

What is required?

Legislation to mandate sustainability reporting in Australia was passed by the Senate on 22 August 2024 and received Royal Assent on 17 September 2024. The start date is for years commencing 1 January 2025, with a phase-in period for entities of different sizes and types. Entities required to prepare and lodge financial reports with the Australian Securities and Investments Commission (ASIC) under Chapter 2M of the *Corporations Act 2001* may have to prepare sustainability reports if they meet certain criteria. In particular, entities that do not meet the size threshold tests in section 292A and are neither NGER reporters nor asset owners, are not currently required to prepare sustainability reports.

The legislation requires a ‘sustainability report’, but climate-related disclosures are the first, and currently the only component of mandatory sustainability reporting.

ASIC’s Regulatory Guide 280 ([RG 280](#)) was issued on 31 March 2025 and provides entities with practical guidance about complying with their sustainability reporting obligations and about ASIC’s approach to administration, supervision and enforcement moving forwards.

Where will climate-related financial disclosures be disclosed?

Climate-related disclosures are required within a sustainability report forming part of the annual report. The sustainability report required by the *Corporations Act 2001* consists of:

- The climate statements
- Notes to the climate statements
- Any statements prescribed by legislation
- The director’s declaration.

ASIC says: Start preparing for climate reporting now

Climate reporting represents the biggest changes to financial reporting and disclosures standards in a generation.

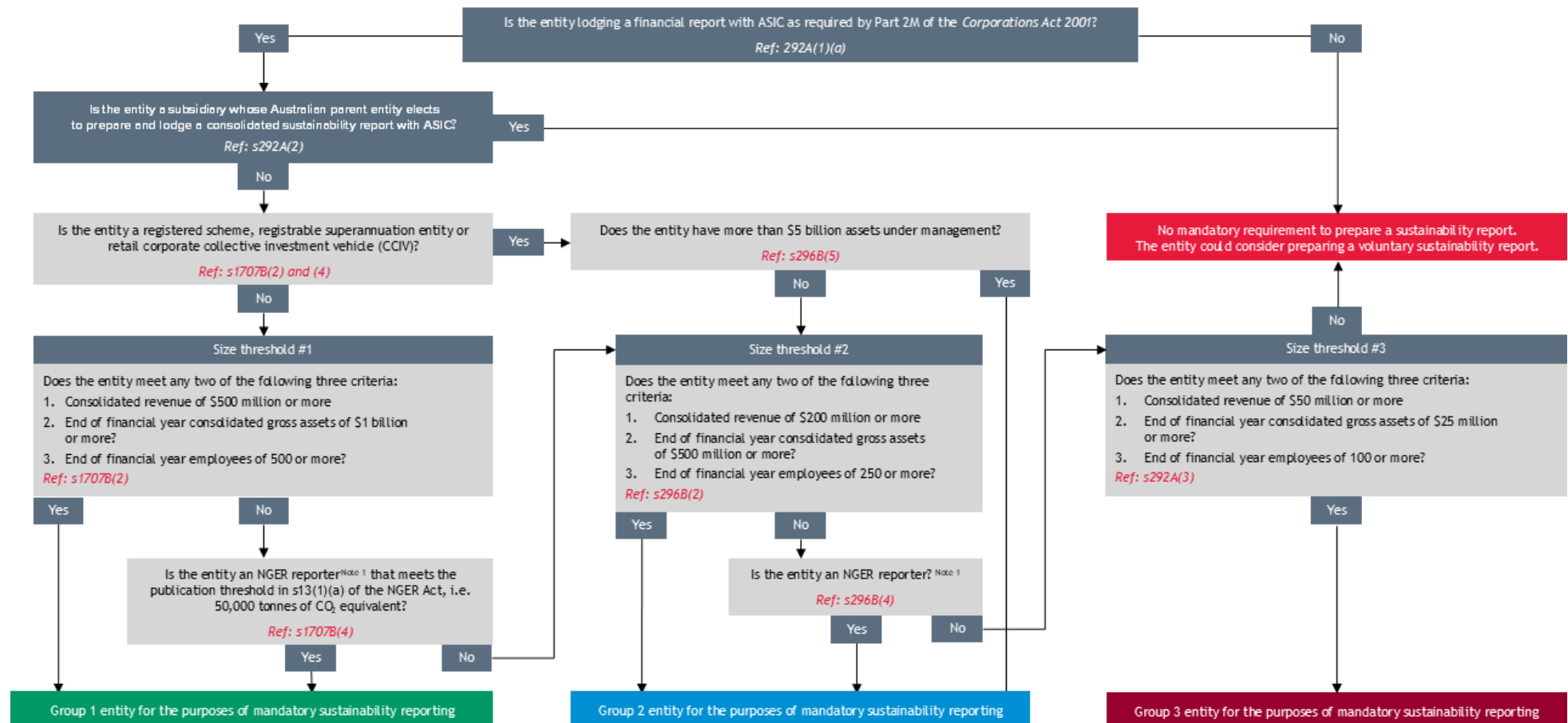
Key actions to take now

- Reporting Obligations:** Assess whether mandatory sustainability reporting applies.
- Risk Disclosure:** Balance mandatory and voluntary disclosures, considering stakeholder needs, as this can be seen as a strategic work program vs a compliance activity.
- Internal Capability:** Train employees or build capability to allocate resources effectively. Given that this is a new area, capability and capacity can be inhibitors.
- Data Quality and Technology Constraints:** Given that some of this information will be being captured and generated for the first time, govern data and assess technology readiness.
- Process Maturity and Change Management:** Align processes, manage change effectively, and ensure people across the end-to-end process understand the “why”.

Appendix 4 Sustainability reporting *continued*

Who is required to prepare climate-related financial disclosures?

The following decision tree diagram will assist you in determining whether your entity is subject to mandatory sustainability reporting, and if applicable, which of the three groups it falls into.



Note 1: An entity is an NGER reporter if it is a controlling corporation registered or required to be registered under s12(1) of the National Greenhouse and Energy Reporting Act 2007 (NGER Act).

Appendix 4 Sustainability reporting *continued*

When will climate-related reporting be mandated?

The following table outlines the first mandatory reporting period end for Group 1, Group 2 and Group 3 entities with different year-ends.

SUSTAINABILITY REPORTS REQUIRED FOR THE FIRST YEAR ENDING ON DATES SHOWN BELOW			
YEAR-END	GROUP 1 ENTITIES	GROUP 2 ENTITIES	GROUP 3 ENTITIES
31 December	31 December 2025	31 December 2027	31 December 2028
31 March	31 March 2026	31 March 2028	31 March 2029
30 June	30 June 2026	30 June 2027	30 June 2028
30 September	30 September 2026	30 September 2027	30 September 2028

Sustainability reporting standards

The Australian Accounting Standards Board is responsible for setting sustainability reporting standards. Its first two standards, AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (a voluntary standard) and AASB S2 *Climate-related Disclosures* (mandatory standard) align closely with IFRS® Sustainability Disclosure Standards.

Your sustainability roadmap

We’ve created a practical roadmap to guide your implementation of mandatory climate-related disclosures as well as your sustainability journey. It outlines the essential activities and their deadlines. Though Council is not required to report under Corporation Act, and we are yet aware of any changes in the Local Government Act that would require the inclusion of Sustainability Report in Council’s Annual Report, we have included the suggested best practice roadmap if Council were a Group 2 entity for the mandatory climate reporting purpose in the following page for your information.

Group 2 entities: Best practice roadmap

PROJECT STREAMS			30 June 2025	30 June 2026	30 June 2027	30 June 2028
1	COMPLIANCE FOCUS: Carbon footprint measurement	Scope 1 and 2 emissions	- Set carbon inventory boundary - Develop a Basis of Preparation (carbon accounting methodology) - Measure and report internally scope 1 & scope 2 emissions	- Improve measurement and report internally scope 1 & scope 2 emissions - Set targets in relation to scope 1 & 2 - Conduct an assurance readiness assessment	Mandatory calculation and external reporting of Scope 1 and 2 emissions, subject to assurance	
		Scope 3 emissions	Initial measurement (significant estimation) and report internally scope 3 emissions	Improve measurement (significant estimation) and report internally scope 3 emissions	- Improve measurement (less estimation) and report internally scope 3 emissions - Set targets in relation to scope 3 - Conduct an assurance readiness assessment	Mandatory calculation and external reporting of Scope 3 emissions, subject to assurance
2	COMPLIANCE FOCUS: Climate-related disclosure	TCFD	Include <u>all</u> TCFD disclosures in the annual report, including the following pillars: - Governance - Strategy - Risk Management - Metrics and Targets	- Include <u>all</u> TCFD disclosures in the annual report, including the following pillars: - Governance - Strategy - Risk Management - Metrics and Targets	TCFD disclosures replaced by AASB S2	
		AASB S2 (mandatory)	Conduct an AASB S2 gap analysis	- Conduct a climate risk assessment - Prepare a scenario analysis - Financial modelling of impact on financial statements - Prepare draft AASB S2 (mandatory) disclosures for internal use	Mandatory reporting of all AASB S2 disclosures	
3	STRATEGIC FOCUS: Sustainability-related strategy disclosure	AASB S1 (voluntary)	Activate sustainability strategy - Step 1: ASSESS - Current state assessment - Step 2: PRIORITISE - Materiality assessment (stakeholder engagement) - Step 3: COMMIT - Identify gaps	Activate sustainability strategy - Step 4: MEASURE - Commit and measure to address gap identified - Step 5: REPORT - Prepare separate voluntary sustainability report Conduct an AASB S1 (voluntary) gap analysis	Continuous improvement of reporting to stakeholders (e.g. separate voluntary reporting)	

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QUEENSLAND

SOUTH AUSTRALIA

TASMANIA

VICTORIA

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We have prepared this report solely for the use of City of Adelaide. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

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Audited Financial Statements & Report on Financial Results

Strategic Alignment - Our Corporation

Public

Wednesday, 24 September 2025

Audit and Risk Committee

Program Contact:

Natalie Johnston, Associate
Director Finance & Procurement

Approving Officer:

Anthony Spartalis, Chief
Operating Officer

EXECUTIVE SUMMARY

The purpose of this report is to consider and approve the Audited Financial Statements of Council for the year ended 30 June 2025 for certification.

As required by the *Local Government (Financial Management) Regulations 2011* (SA), the Annual Financial Statements of Council must include a statement signed by the Chief Executive Officer and the Principal Member of Council.

The Consolidated Financial Statements present an overall surplus result of \$9.475 million, an improvement of \$0.108 million compared to the budget of \$9.367 million approved at Q3.

RECOMMENDATION

THAT THE AUDIT AND RISK COMMITTEE

1. Receives the City of Adelaide's Consolidated Financial Statements for the year ended 30 June 2025, as contained in Attachment A to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025, subject to minor administrative changes and subsequent balance date event adjustments, to be certified by the Chief Executive Officer and the Lord Mayor.
2. Considers that the Consolidated Financial Statements present fairly the financial position of the City of Adelaide, having reviewed the Consolidated Financial Statements for the year ended 30 June 2025, as contained in Attachment A to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025.
3. Considers it is appropriate that the representation letter requested by the external auditor, as contained in Attachment B to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025, is signed by management.
4. Notes the Certification of Auditor Independence as contained in Attachment C to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025 is considered by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
5. Authorises the Chief Executive Officer and the Lord Mayor to certify the Annual Financial Statements in their final form.
6. Notes the Adelaide Central Market Authority Financial Statements for the year ended 30 June 2025, as contained in Attachment D to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025, have been reviewed by the Adelaide Central Market Authority Board at its meeting on 11 September 2025. These financial results are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 6.1. Considers the Financial Statements for the year ended 30 June 2025 fairly present the financial position of the Adelaide Central Market Authority.
 - 6.2. Notes the Certification of Auditor Independence in relation to the Adelaide Central Market Authority, as contained in Attachment E to Item 8.2 on the Agenda for the meeting of the Audit and Risk

Committee held on 24 September 2025 is to be 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 Central Market Authority, as contained in Attachment F to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025, is signed by management.
 7. Notes the Adelaide Economic Development Agency Financial Statements for the year ended 30 June 2025, as contained in Attachment G to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025, have been reviewed by the Adelaide Economic Development Agency Board at its meeting on 17 September 2025. These financial results are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 7.1. Considers the Financial Statements for the year ended 30 June 2025 fairly present the financial position of the Adelaide Economic Development Agency.
 - 7.2. Notes the Certification of Auditor Independence in relation to the Adelaide Economic Development Agency, as contained in Attachment H to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025 is to be signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
 - 7.3. Notes the representation letter requested by the external auditor of the Adelaide Economic Development Agency, as contained in Attachment I to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025, is signed by management.
 8. Notes the Kadaltilla / Adelaide Park Lands Authority Financial Statements for the year ended 30 June 2025, as contained in Attachment J to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025, are included in the Consolidated Financial Statements of the City of Adelaide, and
 - 8.1. Considers the Financial Statements for the year ended 30 June 2025 present fairly the financial position of the Kadaltilla / Adelaide Park Lands Authority and can be certified by the Lord Mayor as Chair of Adelaide Park Lands Authority.
 - 8.2. Considers it is appropriate that the representation letter requested by the external auditor of the Kadaltilla / Adelaide Park Lands Authority, as contained in Attachment K to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025, to be signed by management.
 - 8.3. Notes the Certification of Auditor Independence in relation to the Kadaltilla / Adelaide Park Lands Authority, as contained in Attachment L to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025, and considers it is appropriate to be signed by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee.
 9. Notes the audited Brown Hill and Keswick Creeks Storm Water Board's Financial Statements for the year ended 30 June 2025 as contained in Attachment M to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025. Council's equity interest of 8% is included in the Consolidated Financial Statements of the City of Adelaide.
 10. Recommends the 2024/25 Consolidated Financial Statements of the City of Adelaide, and the Financial Statements of the Adelaide Economic Development Agency, Kadaltilla / Adelaide Park Lands Authority, Adelaide Central Market Authority and Brown Hill and Keswick Creeks Stormwater Board be presented to Council for noting on 14 October 2025 and included in the adopted Annual Report.
 11. Notes the 2024/25 Report on the financial results for the City of Adelaide and its subsidiaries, as contained in Attachments N, O, P and Q to Item 8.2 on the Agenda for the meeting of the Audit and Risk Committee held on 24 September 2025.
-

IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation External audit is a fundamental part of responsible management and reporting of City finances. It underpins the City's financial sustainability.
Policy	Not as a result of this report
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	<i>Local Government Act 1999 (SA) and the Local Government (Financial Management) Regulations 2011 (SA)</i>
Opportunities	Not as a result of this report
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
25/26 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. The Consolidated Financial Statements for the year ended 30 June 2025 have been prepared in accordance with the *Local Government Act 1999* (SA) (the Act) and the *Local Government (Financial Management) Regulations 2011* (SA) (the Regulations) and all applicable Australian Accounting Standards. The format used in these statements is prescribed by legislation to be in accordance with the Model Financial Statements, approved by the Minister for Local Government in June 2025.
2. As per the Regulations, the Financial Statements of Council must include a statement signed by the Chief Executive Officer and the Principal Member of Council. By Council adopting Recommendation 5 above, the Chief Executive Officer and the Lord Mayor will have been authorised by Council to certify the Annual Financial Statements in their final form.
3. The role of the external auditor is to provide an audit opinion to Council with respect to the audited financial statements. The external auditor, BDO, has completed the audit of the financial statements and in their report on matters arising from the audit (Audit Completion Report) has provided audit clearance for the Consolidated Financial Statements as part of a separate report to the Audit and Risk Committee.
4. Audit clearance is subject to BDO conducting a subsequent event review up to the date of signing of the Consolidated Financial Statements of the Corporation together with the required Letter of Representation being signed by the relevant parties, subsequent to the Audit and Risk Committee meeting on 24 September 2025.

Consolidated Financial Statements

5. The statutory Consolidated Financial Statements of the Corporation, prepared in accordance with the Regulations and the relevant Australian Accounting Standards (AASB), have been completed for the 2024/25 year (**Attachment A**).
6. The Consolidated Financial Statements comprise the following:
 - 6.1. Council Certification
 - 6.2. Statement of Comprehensive Income
 - 6.3. Statement of Financial Position
 - 6.4. Statement of Changes in Equity
 - 6.5. Statement of Cash Flows
 - 6.6. Notes to and forming part of the Financial Statements
 - 6.7. Independent Audit Report
 - 6.8. In addition, the Financial Statements are required to be accompanied by the Certification Statement of Independence of the City of Adelaide (CoA) Auditor by the Chief Executive Officer and the Presiding Member of the Audit and Risk Committee, as well as the Audit Certificate of Audit Independence.

Statement of Comprehensive Income.

7. The major year on year movements in the Statement of Comprehensive Income are as follows:
 - 7.1. Operating Income of \$243.2 million is \$4.8 million (2.0%) higher than the 2023/24 audited financials of \$238.4 million and includes the following movements:
 - 7.1.1. Rates revenue net increase of \$8.5 million driven by a combination of a revaluation of properties and an adjustment to the rate in the dollar, and growth in new developments, additions, and alterations which resulted in an average increase of 6.9% or \$9.6 million, in addition to additional penalties for late payment \$0.2 million, Rundle Mall Separate Rate \$0.1 million and Landscape Levy of \$0.1 million (not retained by Council). Offsetting this additional income is an increase in rebates of \$1.6 million.
 - 7.1.2. An increase in Statutory Charges of \$1.6 million through an increase in expiation and late payment fees of \$1.8 million, offset by a reduction in encroachment fees of \$0.2 million. Other movements in Statutory Charges were individually immaterial.
 - 7.1.3. User Charges decreased by \$3.1 million due to the closure of the Adelaide Aquatic Centre on 1 August 2025, reducing income by \$6.5 million. Offsetting this is better performance in UPark \$1.9 million, Property Fees \$0.7 million (including Recovery), on-street parking \$0.5 million, and North Adelaide Golf Course \$0.3 million. Other movements in User Charges were individually immaterial.

- 7.1.4. A decrease in Grant, Subsidies and Contributions of \$1.8 million largely as a result of Federal Funding received for the Resilient Flood Mapping Project of \$2.6 million in FY24, offset by an increase to the Financial Assistance Grant of \$1.6 million, due to the timing of the cash receipts, where we received 50% of the 2025/26 allocation of \$0.6 million. In 2023/24, 50% of the allocation was received in 2023/24. Other movements reflect the timing of project delivery and one-off grant funding received.
- 7.1.5. A decrease in Investment income of \$0.2 million.
- 7.1.6. Reimbursements in line with 2023/24.
- 7.1.7. A decrease in Other Income of \$0.3 million due to the recognition of developer contributions of \$0.3 million in 2023/24.
- 7.2. Operating expenditure of \$233.7 million is \$3.8 million (1.7%) higher than the 2023/24 audited financials of \$229.9 million and includes the following movements:
 - 7.2.1. Employee costs increased by \$2.2 million and is a result of an increase in utilisation of budgeted FTE in 2024/25. Council through its budget process increased the budget for 9.9 FTE and filling vacant roles resulting in an increase in the overall employee expense. Other movements included an 0.5% increase to superannuation contribution as legislated, and 3% salary increase to both wages and salaried employees. The overall headcount fluctuated throughout the year (similar to every year) and contract staff to were used cover vacant positions. However overall there were fewer vacant positions during 2024/25.
 - 7.2.2. Materials, Contracts and Other Expenses decreased by \$4.0 million compared to 2023/24. This increase includes the following:
 - 7.2.2.1. Reduction in spend for the Adelaide Aquatic Centre following its closure on 1 August 2024 of \$2.8 million.
 - 7.2.2.2. Contractors decreased by \$2.2 million largely due to a reduction in temporary labour of \$0.7 million (\$6.1 million in total offset by vacancy savings), and reduction in addition to an increase in external contractors delivering the Resilient Flood Mapping project \$1.5 million. Other variances were individually immaterial.
 - 7.2.2.3. Sponsorships, contributions and donations reduced by \$0.9 million. Council through its budget process reduced the grant funding program by \$1.4 million. Offsetting this budgeted decrease was funding provided to AEDA to deliver the Commercial Events Program of \$0.5 million.
 - 7.2.2.4. Maintenance increased by \$1.3 million and is largely due to an increase in the timing of Computer Software Maintenance, where \$0.8 million relating to 2023/24 was captured within the 2022/23 financial year. Other increases related to IT hardware maintenance of \$0.4 million, where an external provider was engaged to maintain the hardware. Other variances were individually immaterial.
 - 7.2.2.5. \$0.6 million year on year decrease in Other Expenses changes that are individually immaterial.
 - 7.2.3. Depreciation, Amortisation, and Impairment increased by \$5.3 million due to the capitalisation of a higher level of assets than anticipated during 2024/25 in addition to the impact of Asset Revaluations performed in 2023/24, as well as an impairment of Park Lands Improvement assets of \$1.8 million where there were not sufficient Asset Revaluation Reserves.
 - 7.2.4. Finance costs increased by \$0.2 million.
- 7.3. Overall the operating position improved from a \$8.5 million surplus to a \$9.5 million surplus in 2024/25.

Statement of Financial Position

- 8. Total Assets have increased by \$145 million from 2023/24, largely due the revaluation of assets in 2024/25 for Lighting & Electrical and Traffic Signals of \$87.3 million, and desktop revaluations for Roads, Bridges, Kerb & Water Table, Footpaths and Water Infrastructure of \$36.8 million and a net increase in Infrastructure, Property, Plant and Equipment of \$25.7 million due to the purchase and construction of assets. Offsetting this is a decrease in trade and other receivables of \$8.5 million due to the timing of receipt of cash.
- 9. Total Liabilities have increased by \$27.7 million, due to an increase in borrowings of \$23.8 million in loans, and lease liabilities of \$6.1 million, and an increase in trade and other payables of \$2.8 million. Offsetting these increases is the utilisation of the rehabilitation provision for the Aquatic Centre \$5.0 million.

Statement of Changes in Equity

10. Net equity increased by \$117.2 million against the prior year, a combination of the changes in assets and liabilities above, predominantly due to movements in the Asset Revaluation Reserve.

Statement of Cash Flows

11. Council generated \$74.8 million from its Operating Activities during the year compared to \$62.8 million during 2023/24.
12. Council invested \$92.1 million in its Investment Activities compared with \$47.7 million in 2023/24.
13. The Cash Flow from Operations Ratio was 110% compared to 104% in 2023/24.

Preliminary End of Year vs End of Year Final Position

14. At the time of reporting, the potential for changes to the estimated result for proposed adjustments was noted regarding provisions and accruals, impairments of major assets, grant income recognition, and depreciation through the capitalisation of assets.
15. As a result of the finalisation of the audit, the proposed adjustment items above have been finalised. The preliminary end of year position was estimated to be a \$12.135 million surplus. Compared to a final operating surplus of \$9.475 million, this is an unfavourable variance of \$2.660 million (22%). Key movements include:
 - 15.1. Operating Expenses increased by \$2.682 million as a result of an adjustment to recognise an impairment loss on Park Lands Improvement assets of \$1.823 million, increase in depreciation for the impact of manually capitalising 52 projects \$0.255 million, and an adjustment to employee provisions of \$0.468 million. Other movements of \$0.114 million were individually immaterial.
 - 15.2. Operating Revenue is largely in line with the preliminary results, with minor adjustments made including the share of equity accounted council business of \$0.013 million for Brown Hill and Keswick Creek Stormwater Board's operating position.

Representation letter requested by the External Auditor

16. As per the Audit and Risk Committee's Terms of Reference, it is recommended that the Audit and Risk Committee review any representation letter(s) requested by the external auditor before they are signed by management. The copy of the representation letter required by the external auditors, BDO is included as **Attachment B**.
17. The presentation of this representation letter is standard practice of any audit and provides the auditor confirmation from management, that, amongst other matters, accounting standards have been consistently applied, that all matters that need to be disclosed have been so disclosed and that the valuation of assets has been consistently applied. It is planned that this representation letter be signed by relevant parties, following approval of the Audit and Risk Committee, subsequent to the meeting on 24 September 2025.

Certification Statement of Independence of Council Auditor

18. Section 21(2) of the Regulations requires the Council's Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to provide a statement, on an annual basis, that the council auditor is independent of the Council for the relevant financial year (**Attachment C**).
19. Section 22(5) of the Regulations requires the auditor of a Council to provide a written statement attesting to their independence. Council's Auditor, BDO, have provided a statement of Audit Independence in the Audit Completion Report, as prescribed in the Regulations.

Adelaide Central Market Authority

20. The Adelaide Central Market Authority (ACMA) was formed as a subsidiary of the CoA in May 2012 with CoA holding a 100% equity share. The ACMA Charter was updated and approved by Council, effective from the 12 October 2023 gazettal date.
21. The 2024/25 Financial Statements for ACMA (**Attachment D**) reflect a net operating deficit of \$0.339 million, impacted by costs preparing for the Market expansion. This has been accounted for in the Consolidated Financial Statements of the Corporation for 2024/25. The underlying operating position of the existing market has generated an operating surplus of \$0.289 million in 2024/25.
22. An equity contribution of \$0.168 million has been provided by the City of Adelaide to continue to support ACMA through the Market Expansion Preparedness process.
23. The 2024/25 Financial Statements for ACMA were reviewed by the ACMA Board at its meeting on 11 September 2025.

24. Given the requirements of the Act and the terms of reference of the Audit and Risk Committee, it is appropriate for the Audit and Risk Committee to recommend that the Annual Financial Statements of ACMA together with any Letter of Representation be signed by the relevant parties.
25. Section 22(3) of the Regulations requires the Council's Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to provide an annual statement, that the Auditor is independent of ACMA for the relevant financial year (**Attachment E**).
26. As per the Audit and Risk Committee's Terms of Reference, it is recommended that the Audit and Risk Committee review any representation letter(s) requested by the external auditor before they are signed by management. The copy of the representation letter required by the external auditors, BDO is included (**Attachment F**).

Adelaide Economic Development Agency

27. The Adelaide Economic Development Agency (AEDA) was enacted on 18 January 2021 as a subsidiary of Council with the role of promoting the Rundle Mall and the function of economic development and business support on behalf of the CoA. The AEDA Charter was updated and approved by Council which took effect from the 30 November 2023 gazettal date.
28. The 2024/25 Financial Statements for AEDA (**Attachment G**) reflect a net operating surplus of \$0.371 million representing the reduced spend from the Rundle Mall Levy. This has been accounted for in the Consolidated Financial Statements of the Corporation for 2024/25.
29. The 2024/25 Financial Statements for AEDA were reviewed by the AEDA Board at its 17 September 2025 meeting.
30. Given the requirements of the Act and the terms of reference of the Audit and Risk Committee, it is appropriate for the Audit and Risk Committee to recommend that the Annual Financial Statements of AEDA together with any Letter of Representation be signed by the relevant parties.
31. Section 22(3) of the Regulations requires the Council's Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to provide an annual statement that the Auditor is independent of AEDA for the relevant financial year (**Attachment H**).
32. As per the Audit and Risk Committee's Terms of Reference, it is recommended that the Audit and Risk Committee review any representation letter(s) requested by the external auditor before they are signed by management. The copy of the representation letter required by the external auditors, BDO is included (**Attachment I**).

Kadaltilla / Adelaide Park Lands Authority

33. The Adelaide Park Lands Authority (APLA) was enacted on 14 December 2006 as a subsidiary of Council with its primary role of providing policy and advice to Council and the State Government regarding the management of the Park Lands. The Kadaltilla Charter (formerly APLA) was updated and approved by Council taking effect from the 11 May 2023 gazettal date.
34. The 2024/25 Financial Statements for APLA (**Attachment J**) reflect a nil net surplus for the year. This has been accounted for in the Consolidated Financial Statements of the Corporation for 2024/25.
35. The 2024/25 Financial Statements for APLA will be forwarded to the Minister for Climate, Environment and Water, following review of the Financial Statements by the Audit and Risk Committee at its meeting on 24 September 2025 as part of APLA's Annual Report.
36. Given the requirements of the Act and the terms of reference of the Audit and Risk Committee, it is appropriate for the Audit and Risk Committee to recommend that the Annual Financial Statements of APLA together with any Letter of Representation be signed by the relevant parties.
37. As per the Audit and Risk Committee's Terms of Reference, it is recommended that the Audit and Risk Committee review any representation letter(s) requested by the external auditor before they are signed by management. The copy of the representation letter required by the external auditors BDO is attached (**Attachment K**).
38. Section 22(3) of the Regulations requires the Council's Chief Executive Officer and the Presiding Member of the Audit and Risk Committee to provide an annual statement that the APLA Auditor is independent of APLA for the relevant financial year (**Attachment L**).

Brown Hill Keswick Creeks Storm Water Board

39. Brown Hill and Keswick Creeks Storm Water Board is a regional subsidiary under section 43 and schedule 2 of the Act and given that CoA is a constituent Council it is a subsidiary of the CoA under the Act.

40. Brown Hill and Keswick Creeks Storm Water Board was established by several constituent councils, comprising the Cities of Adelaide, Burnside, Mitcham, Unley, and West Torrens. Its Charter was endorsed by The South Australian Government and gazetted on 27 February 2018. The CoA's equitable interest is 8.0%, its annual contribution is 8.0% of a 50% capital works contribution (with the remaining 50% funded by the Stormwater Management Board) and 20.0% of operating expenditure of the Regional Subsidiary.
41. The 2024/25 Financial Statements for the Brown Hill and Keswick Creeks Storm Water Board (**Attachment M**) reflect an operating surplus of \$0.168 million for the year. The CoA's share of the operating surplus is \$0.013 million and this has been accounted for in the Consolidated Financial Statements along with the recognition of a capital contribution of \$0.320 million.

Internal Financial Controls

42. As per the Act, section 129(1) (b), the external auditor of Council must undertake an audit of the financial controls exercised by the Council during the relevant financial year in relation to revenue, expenditure, assets, and liabilities. The auditor must provide an audit opinion on related internal financial controls to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with the Australian Accounting Standards.
43. In forming an opinion under section 129(3) (a), the auditor must give due consideration to the adequacy of the Council's policies, practices, and procedures of internal control under section 125 of the Act. The Council must ensure that appropriate measures are taken to implement and maintain the internal controls in order to assist the Council to carry out its activities in an efficient and orderly manner to achieve its objectives.

Summary of Financial Results

44. Regulation 10 of the *Local Government (Financial Management) Regulations 2011* (SA) requires a separate report on financial results to be presented to Council, including the audited financial results for the previous financial year compared with the estimated financial results set out in the budget. These must be presented in a manner consistent with the Model Financial Statements.
45. The report on the financial results comparing the audited financial results for the CoA and its subsidiaries for the 2024/25 financial year with the estimated financial results set out in the 2024/25 budget are contained in **Attachments N, O, P and Q**.

Other Items

46. It is considered that the Consolidated Financial Statements give a true and fair view of the Corporation of the CoA's financial position as at 30 June 2025.
47. Following delivery of the external auditor BDO's final Audit Completion Report, discussions with the Auditors without management present and review of the Annual Financial Statements, it is considered appropriate for the Audit and Risk Committee to recommend that the Consolidated Financial Statements together with any Letter of Representation be signed by the relevant parties.
48. In addition, it is proposed that the Audit and Risk Committee recommends the presentation of the Consolidated Financial Statements of the CoA, Financial Statements of the Adelaide Central Market Authority, the Adelaide Economic Development Agency, the Adelaide Park Lands Authority, and the Brown Hill and Keswick Creeks Storm Water Board to Council on 14 October 2025.

ATTACHMENTS

Attachment A – Audited Financial Statements CoA 2024/25

Attachment B – Audit Representation Letter CoA 2024/25

Attachment C – Certification of Auditor Independence CoA 2024/25

Attachment D – Audited Financial Statements ACMA 2024/25

Attachment E – Certification of Auditor Independence ACMA 2024/25

Attachment F – Audit Representation Letter ACMA 2024/25

Attachment G – Audited Financial Statements AEDA 2024/25

Attachment H – Certification of Auditor Independence AEDA 2024/25

Attachment I – Audit Representation Letter AEDA 2024/25

Attachment J – Audited Financial Statements APLA 2024/25

Attachment K – Audit Representation Letter APLA 2024/25

Attachment L – Certification of Auditor Independence APLA 2024/25

Attachment M – Audited Financial Statements Brownhill & Keswick Creeks Stormwater Board 2024/25

Attachment N – 2024/25 Report on financial results for City of Adelaide

Attachment O – 2024/25 Report on financial results for Adelaide Central Market Authority

Attachment P – 2024/25 Report on financial results for Adelaide Economic Development Agency

Attachment Q – 2024/25 Report on financial results for Adelaide Park Lands Authority

- END OF REPORT -

City of Adelaide

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2025

Adelaide. Designed for Life.



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General Purpose Financial Statements
for the year ended 30 June 2025

Certification of Financial Statements

We have been authorised by the Council 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 Council’s financial position at 30 June 2025 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council’s financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council’s accounting and other records.

Michael Sedgman
Chief Executive Officer

Date:

Dr Jane Lomax-Smith
Lord Mayor

Date:

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Income			
Rates	2a	144,084	135,538
Statutory charges	2b	17,193	15,598
User charges	2c	71,385	74,435
Grants, subsidies and contributions - operating	2g	6,820	8,638
Investment income	2d	1,048	1,265
Reimbursements	2e	1,659	1,639
Other income	2f	988	1,292
Net gain - equity accounted council businesses	17(a)	13	3
Total income		243,190	238,408
Expenses			
Employee costs	3a	80,062	77,786
Materials, contracts and other expenses	3b	92,246	96,247
Depreciation, amortisation and impairment	3c	60,332	55,008
Finance costs	3d	1,075	891
Total expenses		233,715	229,932
Operating surplus / (deficit)		9,475	8,476
Physical resources received free of charge	2i	1,262	464
Asset disposal and fair value adjustments	4	(11,547)	(6,160)
Amounts received specifically for new or upgraded assets	2g	4,703	5,521
Net surplus / (deficit)		3,893	8,301
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9a	124,105	158,673
Share of other comprehensive income - equity accounted council businesses	17(a)i	666	2,125
Impairment (expense) / recoupments offset to asset revaluation reserve	9a	(11,424)	–
Rehabilitation Provision recognised directly in the asset revaluation reserve	9a	–	(4,950)
Total amounts which will not be reclassified subsequently to operating result		113,347	155,848
Total other comprehensive income		113,347	155,848
Total comprehensive income		117,240	164,149

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	2,288	2,077
Trade and other receivables	5b	29,860	38,314
Inventories	5c	749	804
Other current assets	5d	45,500	18,500
Total current assets		78,397	59,695
Non-current assets			
Trade and other receivables	6a	812	932
Equity accounted investments in council businesses	6b	5,065	4,066
Other non-current assets	6c	87	26,153
Infrastructure, property, plant and equipment	7	2,159,705	2,009,872
Investment property	7	4,705	3,065
Total non-current assets		2,170,374	2,044,088
TOTAL ASSETS		2,248,771	2,103,783
LIABILITIES			
Current liabilities			
Trade and other payables	8a	32,916	30,087
Borrowings	8b	3,314	5,077
Provisions	8c	13,877	18,858
Total current liabilities		50,107	54,022
Non-current liabilities			
Trade and other payables	8a	16,063	16,232
Borrowings	8b	71,072	39,318
Provisions	8c	2,076	1,998
Total non-current liabilities		89,211	57,548
TOTAL LIABILITIES		139,318	111,570
Net assets		2,109,453	1,992,213
EQUITY			
Accumulated surplus		810,417	783,588
Asset revaluation reserves	9a	1,284,676	1,171,995
Other reserves	9b	14,360	36,630
Total equity		2,109,453	1,992,213

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2025

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2025					
Balance at the end of previous reporting period		783,588	1,171,995	36,630	1,992,213
Net surplus / (deficit) for year		3,893	—	—	3,893
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	124,105	—	124,105
- IPP&E impairment (expense) / recoupments offset to asset revaluation reserve	7a	—	(11,424)	—	(11,424)
- Rehabilitation Provision recognised directly in asset revaluation reserve	8c	—	—	—	—
- Share of OCI - equity accounted council businesses		666	—	—	666
Other comprehensive income		666	112,681	—	113,347
Total comprehensive income		4,559	112,681	—	117,240
Transfers between reserves		22,270	—	(22,270)	—
Balance at the end of period		810,417	1,284,676	14,360	2,109,453
2024					
Balance at the end of previous reporting period		781,667	1,018,226	28,171	1,828,064
Restated opening balance		781,667	1,018,226	28,171	1,828,064
Net surplus / (deficit) for year		8,301	—	—	8,301
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	158,673	—	158,673
- IPP&E impairment (expense) / recoupments offset to asset revaluation reserve	7a	—	—	—	—
- Rehabilitation Provision recognised directly in asset revaluation reserve	8c	—	(4,950)	—	(4,950)
- Share of OCI - equity accounted council businesses		2,079	46	—	2,125
Other comprehensive income		2,079	153,769	—	155,848
Total comprehensive income		10,380	153,769	—	164,149
Transfers between reserves		(8,459)	—	8,459	—
Balance at the end of period		783,588	1,171,995	36,630	1,992,213

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Cash flows from operating activities			
<u>Receipts</u>			
Operating receipts		249,117	233,628
Investment receipts		1,048	1,265
<u>Payments</u>			
Operating payments to suppliers and employees		(175,367)	(172,057)
Net cash provided by (or used in) operating activities	10b	74,798	62,836
Cash flows from investing activities			
<u>Receipts</u>			
Amounts received specifically for new or upgraded assets		6,360	4,951
Sale of replaced assets		603	495
Sale of surplus assets		3	–
Sale of non current assets "held for sale"		–	27,100
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(51,655)	(52,667)
Expenditure on new/upgraded assets		(47,059)	(37,844)
Net return of / (payment for) investment securities		–	10,633
Capital contributed to equity accounted Council businesses		(320)	(320)
Net cash provided (or used in) investing activities		(92,068)	(47,652)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from borrowings		53,221	63,920
Proceeds from bonds and deposits		148	–
<u>Payments</u>			
Repayments of borrowings		(29,401)	(71,439)
Repayment of lease liabilities		(6,487)	(6,336)
Repayment of bonds and deposits		–	(123)
Net cash provided by (or used in) financing activities		17,481	(13,978)
Net increase (decrease) in cash held		211	1,206
plus: cash & cash equivalents at beginning of period		2,077	871
Cash and cash equivalents held at end of period	10a	2,288	2,077

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Contents of the Notes accompanying the General Purpose Financial Statements

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements 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 on a going concern basis using the historical cost convention 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 24 September 2025.

1.2 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 Council'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 these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

1.4 Estimates and assumptions

There are no material estimate or assumptions made in these financial statement that would impact the users understanding of the financial position of Council.

(2) The local government reporting entity

The City of Adelaide is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 25 Pirie Street, Adelaide. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

1. Adelaide Central Market Authority
2. Adelaide Economic Development Agency
3. Adelaide Park Lands Authority

Other entities in which Council has an interest but does not control are reported in Note 17.

(3) Income recognition

Council 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 Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when Council 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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information (continued)

asset has been received to enable Council to acquire or construct a recognisable non-financial asset that is to be controlled by Council. In this case, Council recognises the excess as a liability that is recognised over time in surplus and deficit when (or as) the entity satisfies its obligations under the transfer.

Rates and utility charges

Rates and utility charges are recognised as revenue when Council obtains control over these receipts which is the beginning of the rating period to which they relate. Prepaid rates and utility charges are recognised as a financial liability until the beginning of the rating period. Discounts given and rebates are recognised in the same period as the rates and utility charges to which they relate.

Fee & statutory charges

Revenue arising from fees and charges is recognised at a point in time when the performance obligation is completed, and the customer receives the benefits of the goods/services being provided.

Licences and permits granted by Council are either short-term or low value. Revenue is recognised at the time the licence or permit is granted.

Leases in which Council does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Contingent rents are recognised as revenue in the period in which they are earned.

Expiations

Expiation fees are recognised as income when control over the expiation fee is obtained. Accordingly, uncollected expiation fees are not recognised as income until payment is received. This recognises that Council does not have control over the assets comprising the expiation fees until payment is received or awarded to Council by the judicial system.

Grant income

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received. Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Physical assets contributed to Council are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets.

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, revenue is recognised when control of each performance obligation is satisfied. Performance obligations vary in each agreement and payment terms vary depending on terms of the grant. Cash is received upfront for some grants and on the achievement of certain payment milestones for others.

(4) Cash, cash equivalents and other financial instruments

Cash assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 11.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information (continued)

(5) Inventories

Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

(6) Infrastructure, property, plant and 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 Council 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 reporting date are included in Infrastructure, Property, Plant and Equipment as part of Note 7.

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 Council. Items of property, plant and equipment with a total value less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of non-current assets

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

Assets that have an indefinite useful life are land, the formation components of footpaths, bikeways and roads, statues and monuments and the civic collection.

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

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment

Office Furniture & Equipment	3 to 25 years
Vehicles and Road-making Equipment	2 to 20 years
Other Plant & Equipment	3 to 30 years

Buildings

Structure – Other	30 to 150 years
Structure – Heritage	250 years
Other Building Components	10 to 100 years

Infrastructure

Sealed Roads – Surface	15 to 25 years
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Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information (continued)

Sealed Roads – Structure	30 to 80 years
Sealed Roads - Formation	Indefinite
Bridges – Major	20 to 100 years
Bridges – Minor	25 to 75 years
Footpaths and Bikeways - Surface	20 to 50 years
Footpaths and Bikeways - Pavement	30 to 100 years
Footpaths and Bikeways - Formation	Indefinite
Kerb and Water Table	60 to 120 years
Stormwater Drainage Networks	50 to 125 years
Culverts	80 years
Weir Components	25 to 100 years
Basins	50 to 80 years
Earth Retaining Structures	30 to 80 years
Gross Pollutant Traps	80 years
Irrigation	10 to 30 years
Traffic Signals	10 to 40 years
Lighting and Electricals	10 to 60 years
Electrical Switch Boards	30 years
Ticket Machines	10 years
CCTV	5 to 10 years
Sports Fields	15 to 50 years
Park Land and Open Space Assets	5 to 80 years
Statues & Monuments	Indefinite
Urban Elements	5 to 80 years
Public Art	5 to 15 years
<i>Other Assets</i>	
Civic Collection	Indefinite
Right-of-Use Assets	3 to 15 years

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

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 inflows or value in use).

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

6.6 Borrowing costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with *AASB 123 Borrowing Costs*. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information (continued)

(7) Investment property

Investment property comprises land and/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Investment property is carried at fair value, representing an external valuation based on a capitalised method

Annual changes in the fair value of Investment Properties are recorded in the Statement of Comprehensive Income as part of "Investment Income".

Revaluations are undertaken on an annual basis by external valuers.

(8) Payables

8.1 Goods and 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.

8.2 Payments received in advance and deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

(9) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings 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 and 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 oncosts) 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 oncosts) 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.

Weighted average discount rate 4.21% (2024, 4.24%)

Weighted average settlement period 10 years (2024, 10 years)

No accrual is made for sick leave as Council 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. Council does not make payment for untaken sick leave.

10.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information (continued)

(11) Provisions for reinstatement, restoration and rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

(12) Leases

Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

12.1 Council as a lessee

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

i) Right-of-Use-Assets

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

The right-of-use assets are also subject to impairment.

ii) Lease Liabilities

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

iii) Short-term leases and leases of low-value assets

Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

iv) Leases with variable payments

Council leases the Light Square Car Park from the Department of Further Education Employment, Science and Technology under a lease which commenced 9 January 1983 for a period of 60 years. This lease contains variable payment terms that are linked to the car park's net profit at the reporting date.

Additionally, Council also leases the Vaughan Place car park under a lease which expires 31 January 2030. The lease contains variable payment terms that are linked to the car park's net profit at the reporting date.

Variable lease payments for these leases are recognised in the Statement of Comprehensive Income in the period in which the condition that triggers those payments occurs.

12.2 Council as a lessor

Leases in which Council does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Initial direct costs incurred in negotiating

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information (continued)

and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(13) Equity accounted Council businesses

Council participates in cooperative arrangements with other councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 17.

(14) Non-Current Assets Held for Sale

Non-Current Assets which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

(15) GST implications

In accordance with Interpretation 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.

(16) New accounting standards

The Adelaide City Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2024, none of the standards had an impact on the reported position, performance and cash flows.

The relevant standards for Adelaide City Council were:

- AASB 101 Presentation of Financial Statements (amended by AASB 2020-1, AASB 2020-6, AASB 2022-6, AASB 2023-3) relating to current / non-current classification of liabilities
- AASB 13 Fair Value Measurement (amended by AASB 2022-10)

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2025, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2025

- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability

Effective for NFP annual reporting periods beginning on or after 1 January 2026

- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments

Effective for NFP annual reporting periods beginning on or after 1 January 2026 for public sector

- AASB 17 Insurance Contracts (amended by AASB 2020-5, AASB 2023-1, AASB 2023-8 and AASB 2023-9 Insurance Contracts in the Public Sector)

Effective for NFP annual reporting periods beginning on or after 1 January 2028

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5, AASB 2023-7 and AASB 2024-4)
- AASB 18 Presentation and Disclosure in Financial Statements

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information (continued)

(17) Comparative figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(18) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 2. Income

\$ '000	2025	2024
(a) Rates		
General rates		
General rates	147,269	137,630
Less: mandatory rebates	(6,241)	(6,050)
Less: discretionary rebates, remissions and write-offs	(4,131)	(2,768)
Total general rates	136,897	128,812
Other rates (including service charges)		
Landscape levy	1,966	1,866
Rundle Mall Separate Rate	4,076	3,936
Building Upgrade Finance	41	41
Total other rates (including service charges)	6,083	5,843
Other charges		
Penalties for late payment	1,104	883
Total other charges	1,104	883
Total rates	144,084	135,538

(b) Statutory charges

Planning, Development and Infrastructure Act fees	2,054	2,134
Animal registration fees and fines	43	36
Parking fines / expiation fees	12,687	10,846
Other Fees, Fines, Penalties and Expiations	649	696
Encroachments Fees	274	488
Food Inspections Fees / Fines	141	88
Outdoor Dining Fees	567	526
Residential Parking Permits	59	54
Section 7 Searches	120	115
Temporary Parking Control Permits	591	608
Water Systems Fees	8	7
Total statutory charges	17,193	15,598

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	2025	2024
(c) User charges		
Parking fees	13,370	12,913
Property lease	11,824	11,002
Sundry	101	119
Adelaide Aquatic Centre Charges	169	6,701
Adelaide Golf Links Charges	4,940	4,679
Adelaide Town Hall Charges	2,330	2,367
Compost Sales	982	881
Event Fees	1,011	1,013
Library Centre	2	1
Off-Street Parking	33,639	31,784
Park Lands Events Fees	294	184
Property Recovery	2,149	2,259
Rundle Mall	574	532
Total user charges	71,385	74,435
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	715	82
- Banks and other	84	275
Investment property rental income	225	208
Unwinding of premiums and discounts	–	584
Financial Instrument - Fair Value Increase / (Decrease)	14	106
Interest on Finance Leases	10	10
Total investment income	1,048	1,265
(e) Reimbursements		
Private works	1,428	1,275
Other	231	364
Total reimbursements	1,659	1,639
(f) Other income		
Insurance & Other Recoupments	503	322
Sundry	16	23
Merchandise Sales	78	63
Commission	289	403
Other	102	481
Total other income	988	1,292

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	2025	2024
(g) Grants, subsidies and contributions		
Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	4,703	5,521
Total amounts received for new or upgraded assets	4,703	5,521
Operating grants, subsidies and contributions		
Other grants, subsidies and contributions	3,996	7,195
Untied - Financial Assistance Grant	1,778	174
Home and Community Care Grant	322	268
Library and communications	493	489
Roads to Recovery	169	511
Sundry	62	1
Other grants, subsidies and contributions - operating	6,820	8,638
Total other grants, subsidies and contributions - operating	6,820	8,638
Total grants, subsidies and contributions	11,523	14,159
(i) Sources of grants		
Commonwealth Government	1,893	5,468
State Government	9,568	8,670
Other	62	21
Total	11,523	14,159

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	2025	2024
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(h) Conditions over grants and contributions

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, and are required to be repaid to the funding body if not expended, are as follows:

Unexpended at the close of the previous reporting period	269	55
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Heritage and cultural services	(130)	—
Parks and Gardens	(50)	—
City Activation	(51)	—
Subtotal	(231)	—
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Heritage and cultural services	—	75
Parks and Gardens	—	50
City Activation	—	89
Administration activities	40	—
Subtotal	40	214
Unexpended at the close of this reporting period	78	269
Net increase (decrease) in assets subject to conditions in the current reporting period	(191)	214

(i) Physical resources received free of charge

Land and improvements	3	—
Public Lighting	59	19
Urban Elements	17	121
Transportation	1,183	143
Stormwater drainage	—	181
Total physical resources received free of charge	1,262	464

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 3. Expenses

\$ '000	Notes	2025	2024
(a) Employee costs			
Salaries and wages		70,107	68,238
Employee leave expense		8,855	9,288
Superannuation - defined contribution plan contributions	16	8,482	7,972
Workers' compensation insurance		1,746	2,145
Income Protection Insurance		404	378
Less: capitalised and distributed costs		(9,532)	(10,235)
Total operating employee costs		80,062	77,786
Number of Employees (full time equivalent at end of reporting period)		627	597
Number of Employees (temporary full time equivalent at end of reporting period)		89	119
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's Remuneration		116	88
- Other services - Internal audit		234	314
Bad and doubtful debts		117	882
Elected members' expenses		688	573
Election expenses		53	—
Lease expense - low value assets / short term leases		395	186
Lease expense - variable payments		777	746
Other		71	101
Subtotal - prescribed expenses		2,451	2,890

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 3. Expenses (continued)

\$ '000	2025	2024
(ii) Other materials, contracts and expenses		
Contractors	22,409	24,701
Energy	6,416	6,699
Maintenance	10,616	9,267
Legal expenses	1,449	1,716
Levies Paid to Government - including NRM levy	3,117	2,317
Levies - other	65	41
Parts, accessories and consumables	4,376	5,354
Professional services	6,009	6,348
Advertising and Promotion	3,655	3,786
Bank Charges and Cash Collection	865	971
Catering	941	1,334
Cleaning	2,457	2,848
Communications	570	542
Contractual Expenses	1,178	980
Water	2,884	2,616
Entertainment - Council and Civic Events	40	113
External Plant Hire	1,203	1,519
Insurance	2,681	2,897
Investment Property Expenses	66	55
Minor Plant and Equipment	601	707
Printing, Freight and Postage	772	672
Rates and Taxes	291	346
Registrations	203	214
Searches	652	456
Security	2,273	2,452
Sponsorships, Contributions and Donations	7,324	8,238
Subscriptions	2,371	1,697
Training and Development	607	570
Waste Services	3,592	3,742
Other	112	159
Subtotal - Other material, contracts and expenses	89,795	93,357
<u>Total materials, contracts and other expenses</u>	<u>92,246</u>	<u>96,247</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 3. Expenses (continued)

\$ '000	2025	2024
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings	9,175	10,024
Infrastructure		
- Stormwater and Drainage	3,808	2,923
- Public Art	59	48
- Bridges	2,913	2,107
- Footpaths	8,956	7,911
- Kerb & Water Table	1,876	1,461
- Public Lighting	5,243	5,233
- Roads	8,609	7,248
- Ticket Machines	151	169
- Traffic Signals	2,783	2,846
- Urban Elements	3,436	3,591
Right-of-use assets	5,521	5,569
Plant and equipment	1,921	1,967
Furniture and fittings	1,846	1,686
Library books	345	347
Park Land Improvements	1,867	1,842
Subtotal	58,509	54,972
(ii) Impairment		
Office, Furniture and Equipment	—	36
Park Land Improvements	1,823	—
Subtotal	1,823	36
Total depreciation, amortisation and impairment	60,332	55,008
(d) Finance costs		
Interest on loans	121	190
Interest on leases	1,075	891
Less: capitalised and distributed costs	(121)	(190)
Total finance costs	1,075	891

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 4. Asset disposal and fair value adjustments

\$ '000	2025	2024
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	603	495
Less: carrying amount of assets sold	(14,133)	(7,687)
Gain (loss) on disposal	(13,530)	(7,192)
(ii) Assets surplus to requirements		
Proceeds from disposal	3	27,100
Less: carrying amount of assets sold	(874)	(26,223)
Gain (loss) on disposal	(871)	877
Right-of-Use Assets		
Carrying amount of lease liability on disposal of right-of-use asset	10,866	—
Less: Carrying amount of right-of-use asset on disposal	(9,369)	—
Gain (loss) on disposal	1,497	—
Fair value adjustments		
Investment property - fair value increase / (decrease)	1,357	155
Total fair value adjustments	1,357	155
Net gain (loss) on disposal or revaluation of assets	(11,547)	(6,160)

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 5. Current assets

\$ '000	2025	2024
(a) Cash and cash equivalent assets		
Cash on hand and at bank	1,823	1,635
Deposits at call	465	442
<u>Total cash and cash equivalent assets</u>	<u>2,288</u>	<u>2,077</u>
(b) Trade and other receivables		
Rates - general and other	10,972	8,872
Accrued revenues	2,202	3,137
Debtors - general	11,496	23,801
GST recoupment	2,745	207
Prepayments	3,677	3,437
Deferred Rent	15	41
Finance Lease Receivable	10	10
<u>Subtotal</u>	<u>31,117</u>	<u>39,505</u>
Less: provision for expected credit losses	(1,257)	(1,191)
<u>Total trade and other receivables</u>	<u>29,860</u>	<u>38,314</u>
(c) Inventories		
Stores and materials	548	602
Trading stock	152	147
Other	49	55
<u>Total inventories</u>	<u>749</u>	<u>804</u>
(d) Other current assets		
Other financial asset at cost	18,500	18,500
Prepayment for development contract	27,000	—
<u>Total other current assets</u>	<u>45,500</u>	<u>18,500</u>

City of Adelaide

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 6. Non-current assets

\$ '000	Notes	2025	2024
(a) Trade and other receivables			
Receivables			
Finance Lease Receivable		452	462
Total receivables		452	462
Other financial assets (investments)			
Ergo Apartments - Shared Equity Loans at Fair Value through Surplus/(Deficit)		360	470
Total other financial assets (investments)		360	470
Total financial assets		812	932
(b) Equity accounted investments in council businesses			
The Brown Hill and Keswick Creeks Stormwater Board	17(a)i	5,065	4,066
Total equity accounted investments in Council businesses		5,065	4,066
(c) Other non-current assets			
Deferred rent		87	53
Prepayment for development contract		–	26,100
Total other non-current assets		87	26,153

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 7. Infrastructure, property, plant & equipment and investment property

Infrastructure, property, plant and equipment

	Fair Value Level	as at 30/06/24				Asset movements during the reporting period												as at 30/06/25						
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in P/L) (Note 3c)	Impairment Loss (recognised in Equity) (Note 9)	WIP Transfers	Adjustments & Transfers	Projected Related Expenditure (Note 3b)	Reclassification	Gifted Assets	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount		
Capital work in progress		–	76,382	–	76,382	47,509	53,605	–	–	–	–	(85,700)	(1,181)	(1,511)	–	–	–	–	–	89,106	–	–	89,106	
Land																								
Land - other	2	152,592	–	–	152,592	–	–	–	–	–	–	472	–	–	–	–	–	–	–	153,064	–	–	153,064	
Community Land	3	13,680	–	–	13,680	–	–	–	–	–	–	–	–	–	–	–	–	–	–	13,680	–	–	13,680	
Land - Crown	3	–	388,400	–	388,400	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	388,400	–	–	388,400
Buildings																								
Buildings	2	300,060	–	(172,889)	127,171	–	–	(260)	(5,210)	–	(2,580)	3,266	–	–	–	–	–	–	–	302,462	–	(180,077)	122,385	
Buildings	3	212,015	–	(112,486)	99,529	–	–	(653)	(3,965)	–	(3,485)	9,235	–	–	–	–	–	–	–	180,910	–	(80,249)	100,661	
Park Land & Open Space Assets	3	48,899	–	(22,561)	26,338	–	–	(876)	(1,867)	(1,823)	(826)	9,993	–	–	–	3	–	–	–	53,614	–	(22,673)	30,941	
Infrastructure																								
- Stormwater and Drainage	3	349,573	–	(184,253)	165,320	–	–	(388)	(3,808)	–	(9)	6,400	–	–	–	–	–	15,313	–	385,017	–	(202,189)	182,828	
- Bridges	3	247,816	–	(169,939)	77,877	–	–	–	(2,913)	–	–	118	–	–	–	–	–	1,799	–	253,880	–	(177,000)	76,880	
- Footpaths	3	543,741	–	(236,108)	307,633	–	–	(3,036)	(8,956)	–	(2,707)	11,497	–	–	–	1,033	–	11,521	–	570,872	–	(253,887)	316,985	
- Kerb & Water Table	3	148,981	–	(83,975)	65,006	–	–	(183)	(1,876)	–	(95)	1,591	–	–	–	54	–	1,506	–	153,659	–	(87,657)	66,002	
- Public Lighting	3	147,493	–	(87,166)	60,327	–	–	(1,673)	(5,243)	–	(118)	9,959	–	–	(1,720)	59	–	68,519	–	206,771	–	(76,661)	130,110	
- Roads	3	442,569	–	(155,879)	286,690	–	–	(4,180)	(8,609)	–	(258)	11,990	–	–	–	64	–	6,631	–	456,877	–	(164,549)	292,328	
- Ticket Machines	3	1,683	–	(642)	1,041	–	–	(867)	(151)	–	–	1,825	–	–	–	–	–	–	–	1,825	–	22	1,847	
- Traffic Signals	3	59,824	–	(38,645)	21,179	–	–	(118)	(2,783)	–	–	4,519	–	–	23	32	–	18,814	–	67,902	–	(26,236)	41,666	
- Urban Elements	3	62,419	–	(34,335)	28,084	–	–	(597)	(3,436)	–	(1,346)	2,994	–	–	–	17	–	–	–	62,315	–	(36,599)	25,716	
- Public Art	3	40,077	–	(492)	39,585	–	–	(564)	(59)	–	–	872	–	–	–	–	–	2	–	40,321	–	(484)	39,837	
Other																								
Right-of-use assets		69,033	–	(27,384)	41,649	75	–	(9,369)	(5,521)	–	–	–	22,374	–	–	–	–	–	–	76,986	–	(27,778)	49,208	
Library books		–	2,678	(1,466)	1,212	13	–	–	(345)	–	–	274	–	–	–	–	–	–	–	–	2,432	(1,278)	1,154	
Equipment, Furniture and Fittings		–	16,090	(7,968)	8,122	–	–	(1,159)	(1,846)	–	–	8,669	–	–	1,697	–	–	–	–	–	25,776	(10,294)	15,482	
Plant and equipment		–	21,149	(10,513)	10,636	–	–	(430)	(1,921)	–	–	1,702	–	–	–	–	–	–	–	–	21,253	(11,266)	9,987	
Civic Collection		–	11,419	–	11,419	–	–	(23)	–	–	–	41	–	–	–	–	–	–	–	–	11,438	–	–	11,438
Total infrastructure, property, plant and equipment		2,840,455	516,118	(1,346,701)	2,009,872	47,597	53,605	(24,376)	(58,509)	(1,823)	(11,424)	(283)	21,193	(1,511)	–	1,262	–	124,105	–	2,980,155	538,405	(1,358,855)	2,159,705	
Comparatives		2,453,653	480,280	(1,109,370)	1,824,563	37,145	54,134	(7,910)	(54,972)	(36)	–	(2)	(337)	(1,860)	–	464	(6,530)	165,203	–	2,840,455	516,118	(1,346,701)	2,009,872	

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Investment property

\$ '000	Fair Value Level	as at 30/06/24				Asset movements during the reporting period							as at 30/06/25			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	WIP Transfers	Revaluation Increments/ Decrements to P&L - Investment Properties (Note 4)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Buildings and structures	2	3,065	–	–	3,065	–	–	–	283	1,357	–	–	4,705	–	–	4,705
Total investment property		3,065	–	–	3,065	–	–	–	283	1,357	–	–	4,705	–	–	4,705
Comparatives		2,910	–	–	2,910	–	–	–	–	155	–	–	3,065	–	–	3,065

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Valuation of infrastructure, property, plant & equipment and investment property

Valuation of assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7(a) for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on valuations

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Where there is no known market for buildings, infrastructure and other assets. These assets are valued at current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Other information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to *AASB 1.D5* to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with *AASB 13 Fair Value Measurement*. Accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

A majority of the land under Council's care and control has been declared as community land under the provisions of the *Local Government Act 1999*.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Council's principal role as a provider of services to the community, promotes alignment with strategic outcomes as opposed to outright revenue generation. The highest and best use is taken to be the highest and best use available to Council, with a rebuttable presumption that the current use is the "highest and best use" incorporating such restrictions as mentioned above.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Park Land & Open Space Assets

Park Land and Open Space assets were valued by Council officers at current replacement cost during the reporting period ended 30 June 2023.

Land

An independent valuation was conducted of Council's land assets, excluding Park Lands and Land under Roads, in FY2020/21 by Opteon Property Group Pty Ltd based on the fair value of the assets as at 1 July 2020. The market approach was adopted using level two inputs or level three where the land was of a specialised and restricted nature.

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Buildings

Building assets were valued using the market or current replacement cost approach with the most recent valuation conducted during the reporting period ended 30 June 2021 by independent valuers. Acquisitions subsequent to the most recent valuation have been measured at cost.

Infrastructure

Bridges

Bridge assets are revalued periodically by independent valuers. The most recent valuation was completed during the period ended 30 June 2024 by GHD, using unit rates developed by Rider Levitt Bucknell. Bridge assets are valued at current replacement cost less depreciation. A desktop revaluation was conducted as at 30 June 2025 using the LGPI capital index as the basis for indexation.

Footpaths

Footpaths were valued by Council officers using the current replacement cost approach. The most recent valuation was conducted during the period ended 30 June 2022 and was based on unit rates to replace the associated footpath component. A desktop revaluation was conducted as at 30 June 2025 using the LGPI capital index as the basis for indexation.

Kerb and Water Table

Kerb and water table were valued by Council officers using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2024 and was based on unit rates to replace the associated kerb component, as provided by Rider Levitt Bucknell. A desktop revaluation was conducted as at 30 June 2025 using the LGPI capital index as the basis for indexation.

Public Art

Public art assets are revalued periodically by independent valuers. The most recent revaluation was completed as at 30 June 2022 by Kate Oster PGDip. Art Curatorship, BA of Theodore Bruce Auctions Pty Ltd. Public art assets are valued using the current replacement cost approach. All acquisitions made after the date of valuation are recorded at cost.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Public Lighting and Electrical

Public lighting and electrical assets were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2025 and was conducted by Council officers and utilised condition audit data and unit rates to replace the associated components, as provided by Sproutt, Deadshort Electrical and Ronstan Tensile Architecture. Due to the long life nature of the underground components, the condition audit data was calculated on an aged based approach.

Roads

Road assets were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2024 and was based on the unit rates to replace the associated road component from CoA's asphalt contracts. A desktop revaluation was conducted as at 30 June 2025 using the LGPI capital index as the basis for indexation.

Stormwater and Drainage

Stormwater and drainage assets are periodically valued with the most recent revaluation conducted for the period ended 30 June 2024 using the current replacement cost approach. The revaluation was conducted by Council officers, utilising unit rates to replace similar components from Rider Levitt Bucknell. Due to the long life nature of water infrastructure assets the condition audit data was calculated on an aged based approach. A desktop revaluation was conducted as at 30 June 2025 using the LGPI capital index as the basis for indexation.

Ticket Machines

Ticket machines were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2022 and was based on the unit rates to replace the associated ticket machine component. All acquisitions made after the date of valuation are recorded at cost.

Traffic Signals

Traffic Signal assets were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2025 and was conducted by Council officers and utilised condition audit data and unit rates to replace the associated traffic signal component, as provided by Gridlock Electrical.

Urban Elements

Urban elements were valued internally using the current replacement cost approach. The most recent valuation was conducted for the period ended 30 June 2021 and was based on unit rates to replace the associated asset. All acquisitions made after the date of valuation are recorded at cost.

Plant & Equipment

Plant and equipment is valued at historical cost less depreciation.

Equipment, Furniture & Fittings

Equipment, furniture and fittings is valued at historical cost less depreciation.

Civic Collection

The civic collection is recognised at historical cost.

Investment Property

Investment properties were valued externally by a certified practising valuer. The basis of valuation is fair value being the amounts for which the properties could be exchanged between willing but not anxious parties in an arms length transaction, based on current prices in an active market for similar properties in the same location and subject to similar leases.

All investment properties are leased to tenants under long term operating leases with rentals payable monthly. Contractual obligations relating to the properties are disclosed in Note 15.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 8. Liabilities

\$ '000	Notes	2025 Current	2025 Non Current	2024 Current	2024 Non Current
(a) Trade and other payables					
Goods and services		9,477	—	7,869	—
Payments received in advance		12,592	16,063	11,689	16,232
Accrued expenses - employee entitlements		3,545	—	2,703	—
Accrued expenses - other		6,415	—	6,865	—
Deposits, retentions and bonds		388	—	240	—
Other		499	—	721	—
<u>Total trade and other payables</u>		32,916	16,063	30,087	16,232

(b) Borrowings

Loans		—	23,820	—	—
Lease liabilities	15b	3,314	47,252	5,077	39,318
<u>Total Borrowings</u>		3,314	71,072	5,077	39,318

All interest bearing liabilities are secured over the future revenues of the Council

Borrowings as at 30 June 2025 are offset by the Future Fund Reserve of \$14,359,548 as disclosed under Note 9b.

(c) Provisions

Annual Leave Employee Entitlements		6,766	—	6,812	—
Long Service Leave Employee Entitlements		6,728	2,076	6,594	1,998
Rehabilitation Provision		—	—	4,950	—
Other		383	—	502	—
<u>Total provisions</u>		13,877	2,076	18,858	1,998

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 9. Reserves

	as at 30/06/24				as at 30/06/25
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset revaluation reserve					
Land - other	170,564	—	—	—	170,564
Buildings	204,736	—	—	(6,065)	198,671
Infrastructure					
- Stormwater and Drainage	119,819	15,313	—	(835)	134,297
- Public Art	4,165	2	(785)	—	3,382
- Bridges	78,236	1,799	—	—	80,035
- Footpaths	252,303	11,521	—	(2,707)	261,117
- Kerb & Water Table	74,204	1,506	—	(95)	75,615
- Public Lighting	7,527	68,519	—	(118)	75,928
- Roads	218,255	6,631	—	(258)	224,628
- Ticket Machines	1,629	—	—	—	1,629
- Traffic Signals	8,970	18,814	—	—	27,784
- Urban Elements	30,538	—	(41)	(1,346)	29,151
Park Land Improvements	—	—	826	—	826
Other assets	1,003	—	—	—	1,003
JV's / associates - other comprehensive income	46	—	—	—	46
Total asset revaluation reserve	1,171,995	124,105	—	(11,424)	1,284,676
Comparatives	1,018,225	158,719	—	(4,950)	1,171,994

	as at 30/06/24				as at 30/06/25
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other reserves					
Other reserves ⁱ	36,630	–	(22,270)	–	14,360
Total other reserves	36,630	–	(22,270)	–	14,360
Comparatives	28,171	27,100	(18,641)	–	36,630

(i) Future Fund Reserve

Purposes of reserves

Asset revaluation reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Future Fund Reserve

A Future Fund Reserve was established to enable Council to fund the purchase of future income generating assets from the sale proceeds of assets identified through the City of Adelaide Property Strategy.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2025	2024
(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 Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total cash and equivalent assets	5a	2,288	2,077
Balances per Statement of Cash Flows		2,288	2,077
(b) Reconciliation of Operating Result			
Net surplus/(deficit)		3,893	8,301
Non-cash items in income statements			
Depreciation, amortisation and impairment		60,332	55,008
Fair value adjustments		(1,357)	(155)
Equity Movements in Equity Accounted Investments (Increase) / Decrease		(13)	(3)
Premiums and discounts recognised and unwound		–	(584)
Non-cash asset acquisitions		(1,262)	(464)
Grants for capital acquisitions treated as investing activity		(4,703)	(5,521)
Net (gain)/loss on disposals		12,904	6,315
Interest on Financing Activity		1,075	891
		70,869	63,788
Add (less): changes in net current assets			
Net (Increase) / Decrease in Receivables		7,378	(16,529)
Change in allowances for under-recovery of receivables		66	917
Net (Increase) / Decrease in Inventories		55	(63)
Net (Increase) / Decrease in Other Assets		(924)	(603)
Net Increase / (Decrease) in Trade & Other Payables		2,257	10,083
Net Increase / (Decrease) in Unpaid Employee Benefits		(46)	266
Net Increase / (Decrease) in Other Provisions		(4,857)	4,977
Net cash provided by (or used in) operations		74,798	62,836

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 10. Reconciliation to Statement of Cash Flows (continued)

\$ '000	2025	2024
(c) Reconciliation of Liabilities Arising from Financing Activities		
Borrowings and Lease Liabilities		
Opening Balance	44,395	56,276
Net Proceeds from/(Repayments of) Borrowings	23,820	(7,519)
Non-Cash Lease Additions	22,466	1,083
Non-Cash Lease Terminations	(10,883)	—
Non-Cash Accretion of interest	1,075	891
Lease Payments	(6,487)	(6,336)
Closing Balance	74,386	44,395
Non-cash financing (other)		
Bonds & Deposits		
Opening Balance	240	363
Bond / Deposit Proceeds Received/(Repayments Made) During the Year	148	(123)
Total Liabilities from Financing Activities	74,774	44,635

(d) Financing arrangements

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

Bank overdrafts	1,000	1,000
Corporate credit cards	600	600
LGFA cash advance debenture facility	70,000	70,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Council has the following cash advance debenture facilities with the LGFA:
\$70,000,000 expiring 15/06/2033

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 11. Financial instruments

Recognised financial instruments

Receivables - rates and associated charges (including legals and penalties for late payment)

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 9.15% (2024: 9.05%). Council is not materially exposed to any individual debtor. Credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges

Accounting Policy:

Carried at nominal values less any allowance for expected credit losses. Allowance for expected credit losses are assessed annually using simplified model permissible in accordance with AASB 9.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor. Credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Receivables - Other Financial Assets

Accounting Policy:

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

Terms & Conditions:

Secured over the subject land. Council is not materially exposed to any individual debtor. Credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

At amortised cost.

Liabilities - creditors

Accounting policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 11. Financial instruments (continued)

Terms and conditions:

Liabilities are normally settled on 30 day terms.

Carrying amount:

Approximates fair value.

Liabilities - interest bearing borrowings

Accounting Policy:

Carried at amortised cost. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, current loans are on a floating facility where surplus funds are used to pay down loan balances.

Carrying Amount:

Approximates fair value.

Liabilities - leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 1.

City of Adelaide

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 11. Financial instruments (continued)

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2025					
Financial assets					
Cash and cash equivalents	2,288	—	—	2,288	2,288
Receivables	12,446	79	536	13,061	12,903
Other financial assets	18,500	—	360	18,860	18,860
Total financial assets	33,234	79	896	34,209	34,051
Financial liabilities					
Payables	20,266	—	—	20,266	20,324
Non-current borrowings	—	—	23,820	23,820	23,820
Lease liabilities	6,279	17,551	97,904	121,734	50,566
Total financial liabilities	26,545	17,551	121,724	165,820	94,710
Total financial assets and liabilities	59,779	17,630	122,620	200,029	128,761
2024					
Financial assets					
Cash and cash equivalents	2,077	—	—	2,077	2,077
Receivables	24,067	79	555	24,701	26,219
Other financial assets	18,500	—	470	18,970	18,970
Total financial assets	44,644	79	1,025	45,748	47,266
Financial liabilities					
Payables	16,295	—	—	16,295	16,295
Non-current borrowings	—	—	—	—	—
Lease liabilities	5,828	23,560	18,685	48,073	44,395
Total financial liabilities	22,123	23,560	18,685	64,368	60,690
Total financial assets and liabilities	66,767	23,639	19,710	110,116	107,956

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

\$ '000	2025		2024	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other variable rates	5.26%	23,820	5.48%	—
Fixed interest rates	0.00%	—	0.00%	(526)
		23,820		(526)

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 Council.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 11. Financial instruments (continued)

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 Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council'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 Council'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 Council 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. Council 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. Council has a balance of variable interest rate borrowings and fixed cash investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 12. Capital expenditure and investment property commitments

\$ '000	2025	2024
Capital commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	6,237	27,019
Drainage & Waterways	3,195	186
IT Corporate System	80	419
Lighting & Electrical	941	1,423
Park Lands & Squares	712	8,410
Plant & Equipment	473	829
Streetscapes	4,971	4,085
Transportation	5,919	7,511
Urban Elements	454	360
	22,982	50,242
These expenditures are payable:		
Not later than one year	22,982	36,430
Later than one year and not later than 5 years	–	13,812
	22,982	50,242

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 13. Financial indicators

\$ '000	Amounts 2025	Indicator 2025	Indicators 2024	Indicators 2023
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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

Operating surplus	9,475	3.9%	3.6%	0.8%
Total operating income	243,190			

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

2. Net Financial Liabilities Ratio

Net financial liabilities	106,358	44%	29%	33%
Total operating income	243,190			

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.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio

Operating surplus	8,901	3.7%	3.6%	0.6%
Total operating income	242,616			

Adjusted Net Financial Liabilities Ratio

Net financial liabilities	106,932	44%	29%	33%
Total operating income	242,616			

3. Asset Renewal Funding Ratio

Asset renewals	51,655	85%	94%	73%
Infrastructure and Asset Management Plan required expenditure	60,564			

Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 13. Financial indicators (continued)

\$ '000	Amounts 2025	Indicator 2025	Indicators 2024	Indicators 2023
Adjusted Asset Renewal Funding Ratio				
Asset renewals	53,394			
Infrastructure and Asset Management Plan required expenditure	55,920	95%	97%	72%

The Asset Renewal Funding Ratio 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 does not take into account the proportion of works completed but not yet paid, nor any contingency contained within the Infrastructure and Asset Management Plan required expenditure. A contingency element was introduced into the 2024 revised Asset Management Plans from 2024/25 financial year. This adjusted ratio includes the cost of works completed but not yet paid and adjusts for performance against contingency. This corrects the resulting distortion for each year and provides a more accurate basis for comparison.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 14. Uniform presentation of finances

\$ '000	2025	2024
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
<u>Income</u>		
Rates	144,084	135,538
Statutory charges	17,193	15,598
User charges	71,385	74,435
Grants, subsidies and contributions - operating	6,820	8,638
Investment income	1,048	1,265
Reimbursements	1,659	1,639
Other income	988	1,292
Net gain - equity accounted council businesses	13	3
Total Income	243,190	238,408
<u>Expenses</u>		
Employee costs	(80,062)	(77,786)
Materials, contracts and other expenses	(92,246)	(96,247)
Depreciation, amortisation and impairment	(60,332)	(55,008)
Finance costs	(1,075)	(891)
Total Expenses	(233,715)	(229,932)
Operating surplus / (deficit)	9,475	8,476
Adjusted Operating surplus / (deficit)	9,475	8,476
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(51,655)	(52,667)
Finance lease payments for right of use assets on existing assets	(5,412)	(5,444)
Add back depreciation, amortisation and impairment	60,332	55,008
Add back proceeds from sale of replaced assets	603	495
	3,868	(2,608)
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(47,059)	(37,844)
Add back amounts received specifically for new and upgraded assets	6,360	4,951
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	3	27,100
	(40,696)	(5,793)
Annual net impact to financing activities (surplus/(deficit))	(27,353)	75

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 15. Leases

(i) Council as a lessee

Terms and conditions of leases

Buildings

Lease obligations for buildings are related to the provision of services by Council including car parks, libraries and community centres. Leases are of varying duration, terms and conditions. No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

(a) Right of use assets

\$ '000	Buildings	Total
2025		
Opening balance	41,649	41,649
Additions to right-of-use assets	75	75
Adjustments to right-of-use assets due to re-measurement of lease liability	22,374	22,374
Adjustment to right-of-use asset due to early termination of lease	(9,369)	(9,369)
Depreciation charge	(5,521)	(5,521)
Balance at 30 June	49,208	49,208
2024		
Opening balance	46,137	46,137
Additions to right-of-use assets	—	—
Adjustments to right-of-use assets due to re-measurement of lease liability	1,081	1,081
Adjustment to right-of-use asset due to early termination of lease	—	—
Depreciation charge	(5,569)	(5,569)
Balance at 30 June	41,649	41,649

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2025	2024
Balance at 1 July	44,395	48,757
Additions	75	146
Adjustment to lease liabilities due to lease modifications	22,374	937
Adjustment to lease liabilities due to early termination	(10,866)	—
Accretion of interest	1,075	891
Payments	(6,487)	(6,336)
Balance at 30 June	50,566	44,395
Classified as:		
Current	3,314	5,077
Non-current	47,252	39,318

The maturity analysis of lease liabilities is included in Note 11.

The Council had total cash outflows for leases of \$6.487m

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 15. Leases (continued)

\$ '000	2025	2024
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	5,521	5,569
Interest expense on lease liabilities	1,075	891
Expense relating to short term leases	333	170
Expense relating to leases of low-value assets	62	16
Variable lease payments	777	746
Other	71	101
Total amount recognised in profit or loss	7,839	7,493

(ii) Council as a lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as property lease income in Note 2.

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Council has one leasing arrangement it deems to be a finance lease as disclosed under Notes 5 and 6.

\$ '000	2025	2024
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	7,782	7,354
Later than one year and not later than 5 years	18,522	13,006
Later than 5 years	27,021	21,834
	53,325	42,194

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 16. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). 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 (11.50% in 2024/25; 11.00% in 2023/24). No further liability accrues to the Council 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. Council 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 2023/24) of "superannuation" salary.

In addition, Council 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 119.34(a), Council 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 Willis Towers Watson as at 30 June 2023. 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

Council 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 Council.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 17(a). Interests in other entities

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2025	2024	2025	2024
Council's share of net income				
Joint ventures	13	3	5,065	4,066
Total Council's share of net income	13	3	5,065	4,066

(i) Joint ventures, associates and joint operations

(a) Carrying amounts

\$ '000	Principal Activity	2025	2024
The Brown Hill and Keswick Creeks Stormwater Board	Implementation & oversight of stormwater infrastructure	5,065	4,066
Total carrying amounts - joint ventures and associates		5,065	4,066

The Brown Hill and Keswick Creeks Stormwater Board

The Brown Hill and Keswick Creeks Stormwater Board was established by five constituent councils on the 27 February 2018. It comprises the Cities of Adelaide, Burnside, Unley, Mitcham and West Torrens. The purpose of the Board is to oversee the construction of stormwater infrastructure and to implement the Brown Hill and Keswick Creeks Stormwater Board Stormwater Management Plan.

(b) Relevant interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2025	2024	2025	2024	2025	2024
The Brown Hill and Keswick Creeks Stormwater Board	8.00%	8.00%	8.00%	8.00%	20.00%	20.00%

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 17(a). Interests in other entities (continued)

(c) Movement in investment in joint venture or associate

\$ '000	The Brown Hill and Keswick Creeks Stormwater Board	
	2025	2024
Opening Balance	4,066	1,618
Share in Operating Result	13	3
Share in Other Comprehensive Income	666	2,079
New Capital Contributions	320	320
Asset Revaluation Reserve Adjustment	—	46
Council's equity share in the joint venture or associate	5,065	4,066

Note 17(b). Controlled entities

Subsidiaries

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 and the accounting policy described in Note 1(2).

Name of Operation/Entity	Principal Activity and Place of Business
Adelaide Central Market Authority (ACMA)	Adelaide Central Market Authority was enacted on 3 May 2012 as a subsidiary of Council with its primary role being to oversee the management and operation of Adelaide Central Market in accordance with the Adelaide Central Market Authority Charter, the Market Charter and Council's Strategic Plan.

Interests in Subsidiary	Ownership 2025	Ownership 2024	Voting Rights 2025	Voting Rights 2024
Council's Interest in Subsidiary	100%	100%	100%	100%

The nature of risks associated with Council's interests in the Subsidiary

As per the ACMA Charter, City of Adelaide provides financial support by way of a loan until there are sufficient reserves for the Market to be self sustainable.

Other disclosures

Council has a lease agreement with ACMA for the Central Market Complex from 8 July 2021 for a period on 20 years. The lease contains payment terms of \$1 per annum and is deemed a "Peppercorn" lease.

ACMA contracts staff from Council with the cost totalling \$1,443,661 for the year (2023-24: \$1,199,753).

Council, as the parent entity, has provided an equity contribution of \$167,929 (2024: Nil) to continue to support ACMA on a going concern basis. A distribution will be made from ACMA to City of Adelaide once sufficient reserves are generated.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 17(b). Controlled entities (continued)

Name of Operation/Entity	Principal Activity and Place of Business
Adelaide Park Lands Authority (APLA)	Adelaide Park Lands Authority was enacted on 14 December 2006 as a subsidiary of Council with its primary role being the provision of policy and advice to Council and the State Government in regard to the management of the Park Lands.

Interests in Subsidiary	Ownership 2025	Ownership 2024	Voting Rights 2025	Voting Rights 2024
Council's Interest in Subsidiary	100%	100%	100%	100%

The nature and extent of significant restrictions relating to the Subsidiary
Council funds the operations of APLA through the provision of an annual grant which for 2024-25 totalled \$306,399 (2023-24: \$234,088).

Other disclosures
APLA contracts staff from Council with the cost totalling \$153,855 for the year (2023-24: \$134,361).

Name of Operation/Entity	Principal Activity and Place of Business
Adelaide Economic Development Agency (AEDA)	The Adelaide Economic Development Agency was enacted on 14 January 2021 as a subsidiary of Council with its primary role being to accelerate economic growth in the city, growing the visitor economy, supporting residential growth, and marketing the city as a whole including Rundle Mall.

Interests in Subsidiary	Ownership 2025	Ownership 2024	Voting Rights 2025	Voting Rights 2024
Council's Interest in Subsidiary	100%	100%	100%	100%

Other disclosures
AEDA contracts staff from Council with the costs totalling \$4,182,801 (2023-24: \$3,792,993).

In the period an amount of \$8,412,973 (2023-24: \$8,890,960) was received by the Agency as contribution from the City of Adelaide.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 18. Contingencies & Assets / Liabilities Not Recognised in the Statement of Financial Position

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Land under roads

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 190 km of road reserves of an average width of 9.55 metres.

2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. Legal expenses

Council is the planning consent authority for its area under the *Planning, Development and Infrastructure Act 2016*. Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs.

All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Council has an ongoing matter in the Supreme Court of SA. The nature of the matter is such that it is unlikely that Council will be liable for any damages, but it may be liable to perform works in dispute. Council could also be subject to costs ordered against it.

Council is a party to an ongoing matter in the Supreme Court of SA for which a likely estimate of financial settlement is unable to be provided for at this stage. As a result, the financial statements have not recognised a provision for any future settlement costs.

4. Other contingent liabilities

Council has committed to expenditure of \$1,340,965 as at 30 June 2025 through the Heritage Incentive Scheme (HIS). The payment of the scheme is contingent on the satisfaction that all the HIS grant requirements have been met. As a result, the financial statements have not recognised this liability.

Council is in negotiation with a property owner to execute a new long term lease agreement and relocate from its existing premises. There is a possible obligation regarding the make-good of the existing facility which will only be confirmed by the signing of the final agreement and negotiations with the existing property owner regarding make-good requirements. This had not occurred at the time the financial statements were approved and as such, no provision has been recognised as a reliable estimate cannot be determined.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 19. Events after the Reporting Date

Events that occur after the reporting date of 30 June 2025, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Note 20. Related party transactions

Key management personnel

Transactions with key management personnel

The Key Management Personnel of the Council include the Lord Mayor, Councillors, Chief Executive Officer, Chief Operating Officer and Directors.

In all, 22 persons were paid the following total compensation:

\$ '000	2025	2024
The compensation paid to key management personnel comprises:		
Short-term employee benefits	2,025	2,289
Post-employment benefits	168	185
Long-term benefits	1	12
Termination benefits	–	248
Total	2,194	2,734

Compensation paid excludes reimbursement of expenses incurred on behalf of Council

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), during the year the following transactions occurred with related parties of the City of Adelaide. These transactions were on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

- Local Government Finance Authority (LGFA) for whom M. Sedgman, CEO, is Board Chair - Interest paid to LGFA of \$120,927
- LGFA for whom M. Sedgman, CEO, is Board Chair - Interest and special distributions received from LGFA of \$833,231
- J Giles, Councillor, received a grant payment to the value of \$2,357.35 under the Heritage Incentive Scheme.

Note 21. Capital City Development and Economic Development

Expenditure incurred in accordance with the Capital City Committee Capital City Development Program per Section 34(1)(b) of the *City of Adelaide Act 1998* totalled \$62.8m for 2024-25 (2023-24: \$49.4m). This represents 20.18% (2023-24: 16.61%) of total expenditure for the year ended 30 June 2025.

In accordance with the requirements of the *City of Adelaide Act 1998*, expenditure of \$19.1m (2023-24: \$19.1m) was incurred for works, services and activities that directly related to Council's economic development program. This represents 6.12% (2023-24 6.43%) of the total expenditure for the year ended 30 June 2025.

General Purpose Financial Statements
for the year ended 30 June 2025

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide City Council for the year ended 30 June 2024, the Council's Auditor, BDO Audit Pty Ltd has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Michael Sedgman
Chief Executive Officer

Nicolle Rantanen Reynolds
Presiding Member, Audit and Risk Committee

Date:

General Purpose Financial Statements
for the year ended 30 June 2025

Statement by Auditor

I confirm that, for the audit of the financial statements of Adelaide City Council for the year ended 30 June 2025, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

Auditor's Name
Audit Firm Name

Date: 24 September 2025

Enquiries: Natalie Johnston
Reference:

Date 24/09/2025

Ms Linh Dao
Partner
BDO Audit Pty Ltd
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Dear Linh,

AUDIT FOR YEAR ENDED 30 JUNE 2025 OF CITY OF ADELAIDE

This representation letter is provided in connection with your audit of the financial report of City of Adelaide for the year ended 30 June 2025, for the purpose of expressing an opinion as to whether the financial report gives a true and fair view in accordance with the Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 3 February 2025, for the preparation for the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*; in particular that the financial report gives a true and fair view in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
5. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.

6. All significant judgments related to accounting estimates have taken into account all relevant information of which management is aware and the selection or application of the methods, assumptions and data used by management in making the accounting estimates are consistent and appropriate.
7. The assumptions used in determining accounting estimates and related disclosures appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity.
8. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable within the context of the applicable financial reporting framework.
9. The appropriate specialised skills or expertise has been applied in making the accounting estimates as applicable.
10. We acknowledge that valuations of Infrastructure, Property, Plant & Equipment have been appropriately undertaken so as to ensure that the carrying amounts do not differ materially from that which would be determined using fair value at the end of the reporting. Individual classes of Infrastructure, Property, Plant & Equipment are assigned to the appropriate level in the AASB 13 fair value hierarchy.
11. We have advised you that we voluntarily elected to disclose an Adjusted Asset Renewal Funding Ratio on the basis that we have assessed this provides the financial statement users with better understanding of how Council delivers its asset renewal program. This is due to the adjusted ratio a) removing the fluctuation due to timing of payments for work incurred but not yet paid by Council at year end, and b) removing the impact of contingencies built into the required expenditure which was subsequently not needed.
12. We have advised you on our assessment of the Market Square Project lease term, in particular where there were changes in our assessment of whether it is reasonably certain that Council will exercise the lease renewal options.
13. We acknowledge that we have assessed and concluded that we cannot reasonably estimate the make good provision for the City library lease at 30 June 2025 because there is a lack of clarity in the contract as to what constitutes make-good.
14. We have advised you of our assessment of impairment and recoverable amount of North Adelaide Golf Course. Financial statements at 30 June 2025 reflects such assessment, using all information Council has available at the time of the preparation of such financial statements.

Books, records and documentation

15. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - All minutes of meetings held by the Council and, the Audit and Risk Committee since the end of the previous reporting period have been given to you for your inspection;

- Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
16. All transactions have been recorded in the accounting records and are reflected in the financial report.

Uncorrected misstatements

17. We acknowledge that you have not brought to our attention uncorrected misstatements detected during the course of your audit.

Related parties

18. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
19. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

20. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
21. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
22. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
- Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
23. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.

Litigation and claims

24. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

25. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
26. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.

There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Subsequent events

27. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required, including but not limited to accounting estimates, have been adjusted or disclosed.

Other information

28. We have informed you of all the documents that we expect to issue which may comprise other information accompanying the financial report.
29. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.

Electronic presentation of Financial Report

30. We are responsible for the electronic presentation of the financial report.
31. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
32. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
33. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
34. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.
35. Where applicable, we have complied with the requirements of the *Corporations Act 2001* with respect to the electronic presentation of the audited financial reports.

Yours faithfully

Michael Sedgman
Chief Executive Officer

Anthony Spartalis
Chief Operating Officer

City of Adelaide

General Purpose Financial Statements

for the year ended 30 June 2025

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide City Council for the year ended 30 June 2024, the Council's Auditor, BDO Audit Pty Ltd has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Michael Sedgman
Chief Executive Officer

Nicolle Rantanen Reynolds
Presiding Member, Audit and Risk Committee

Date:

Adelaide Central Market Authority

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2025

Adelaide Central Market Authority

General Purpose Financial Statements for the year ended 30 June 2025

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Adelaide Central Market Authority

General Purpose Financial Statements for the year ended 30 June 2025

Certification of Financial Statements

We have been authorised by the Adelaide Central Market Authority (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 2025 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 Sedgman
CITY OF ADELAIDE
CHIEF EXECUTIVE OFFICER

Theo Maras AM
CHAIR

Date:

Adelaide Central Market Authority

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Income			
User Charges	2a	5,468	5,361
Grants, Subsidies and Contributions	2d	50	-
Reimbursements	2b	8	-
Other Income	2c	144	125
Total Income		5,670	5,486
Expenses			
Materials, Contracts & Other Expenses	3a	5,969	5,358
Depreciation, Amortisation & Impairment	3b	39	39
Finance Costs	3c	1	1
Total Expenses		6,009	5,398
Operating Surplus / (Deficit)		(339)	88
Net Surplus / (Deficit)		(339)	88
Total Comprehensive Income		(339)	88

The above Statement should be read in conjunction with the accompanying notes and Material Accounting Policies information.

Adelaide Central Market Authority

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current Assets			
Cash and Cash Equivalents	4a	-	-
Trade & Other Receivables	4b	319	464
Inventories	4c	50	24
Other Current Assets	4d	15	36
Subtotal		384	524
Total Current Assets		384	524
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	6	81	36
Other Non-Current Assets	5a	87	43
Total Non-Current Assets		168	79
TOTAL ASSETS		552	603
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7a	475	398
Borrowings	7b	37	34
Subtotal		512	432
Total Current Liabilities		512	432
Non-Current Liabilities			
Borrowings	7b	40	-
Total Non-Current Liabilities		40	-
TOTAL LIABILITIES		552	432
Net Assets		(0)	171
EQUITY			
Accumulated Surplus		(963)	(624)
Other Reserves	8a	963	795
Total Equity		(0)	171

The above Statement should be read in conjunction with the accompanying notes and Material Accounting Policies information.

Adelaide Central Market Authority

Statement of Changes in Equity for the year ended 30 June 2025

\$ '000	Notes	Accumulated Surplus	Other Reserves	Total Equity
2025				
Balance at the end of previous reporting period		(624)	795	171
Restated Opening Balance		(624)	795	171
Net Surplus / (Deficit) for Year		(339)		(339)
Other Comprehensive Income				
- Parent Contribution		-	168	168
Other Comprehensive Income	8a	-	168	168
Total Comprehensive Income		(339)	168	(171)
Transfers between Reserves		-		-
Balance at the end of period		(963)	963	(0)
2024				
Balance at the end of previous reporting period		(712)	795	83
Net Surplus / (Deficit) for Year		88	-	88
Total Comprehensive Income		88	-	88
Transfers between Reserves		-	-	-
Balance at the end of period		(624)	795	171

The above Statement should be read in conjunction with the accompanying notes and Material Accounting Policies information.

Adelaide Central Market Authority

Statement of Cash Flows

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts		6,025	5,277
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(5,983)	(5,233)
Net Cash provided by (or used in) Operating Activities	9b	42	44
Cash Flows from Investing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Nil			
Net Cash provided by (or used in) Investing Activities		-	-
Cash Flows from Financing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Repayment of Lease Liabilities		(42)	(44)
Net Cash provided by (or used in) Financing Activities		(42)	(44)
Net Increase (Decrease) in Cash Held		-	-
plus: Cash & Cash Equivalents at beginning of period		-	-
Cash & Cash Equivalents at end of period	9a	-	-

The above Statement should be read in conjunction with the accompanying notes and Material Accounting Policies information.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

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Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the period ended 30 June 2025

Note 1. Summary of Material Accounting Policies

The principal accounting policies adopted by the Adelaide Central Market Authority (the Authority) in the preparation of these financial statements 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 on a going concern basis using the historical cost convention (except as stated below) 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*.

1.2 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 these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

The Adelaide Central Market Authority is incorporated under the South Australian *Local Government Act*

1999 (SA) and has its principal place of business at 44-60 Gouger Street, Adelaide.

The Authority was enacted on 3 May 2012 as a subsidiary of the Corporation of the City of Adelaide with its primary role being to oversee the management and operation of the Adelaide Central Market.

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 the Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the Authority 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 Authority satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and other Financial Instruments

The Authority does not hold cash. All cash transactions are through the parent entity, the City of Adelaide.

Most receivables relate to stall holder leases and are secured in part by bank or director's guarantees.

Notes to and forming part of the Financial Statements for the period ended 30 June 2025

Note 1. Summary of Material Accounting Policies Information (continued)

5 Inventories

Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

6 Infrastructure, Property, Plant & Equipment

Effective from 1 July 2021, ACMA is responsible for operating the Market with the market assets and car park operation maintained by the City of Adelaide.

6.1 Initial Recognition

All assets are initially recognised at cost.

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.

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. Items of property, plant and equipment with a total value less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

6.3 Depreciation of Non-Current Assets

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 classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below.

Other Assets

Right-of-Use Assets	3 years
---------------------	---------

6.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

For assets 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, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

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.

7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to the Authority assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded.

8 Employee Benefits

The Authority does not have any employees. All employees are engaged through the parent entity, the City of Adelaide.

Notes to and forming part of the Financial Statements for the period ended 30 June 2025

Note 1. Summary of Material Accounting Policies Information (continued)

9 Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

9.1 The Authority as a lessee

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

i.) Right-of-Use-Assets

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

ii.) Lease Liabilities

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

iii.) Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (ie, those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv.) Leases with significantly below-market terms and conditions

The Authority commenced a new lease on 8 July 2021 for the Central Market Complex from the Corporation of the City of Adelaide for a period of 20 years. The Authority has elected to apply the exemption available under AASB16 as the lease contains payment terms of \$1 per annum and is treated as a “peppercorn” lease. The lease payments are recognised as an expense on a straight-line basis over the lease term.

9.2 The Authority as a lessor

Leases in which the Authority does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the Statement of Comprehensive Income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

10 GST Implications

In accordance with Interpretation 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.

Notes to and forming part of the Financial Statements for the period ended 30 June 2025

Note 1. Summary of Material Accounting Policies Information (continued)

11 New and amended accounting standards and interpretations

In the current year, the Authority adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Authority's accounting policies.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2025. These standards have not been adopted by the Authority and will be included in the financial statements on their effective date.

Effective for NFP annual reporting periods beginning on or after 1 January 2026

- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments

Effective for NFP annual reporting periods beginning on or after 1 January 2028

- AASB 18 Presentation and Disclosure in Financial Statements

The Authority has assessed all the standards / interpretations issued which are not yet effective and have determined that there is no expected material impact on the reported financial position or performance.

12 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

13 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 2. Income

\$ '000	2025	2024
(a). User Charges		
Hall & Equipment Hire	-	2
Property Lease	4,393	4,260
Property Recovery	1,075	1,099
Total User Charges	5,468	5,361
(b). Reimbursements		
Other	8	-
Total Reimbursements	8	-
(c). Other Income		
Merchandise Sales	72	51
Commission	72	74
Total Other Income	144	125
(d). Grants, Subsidies, Contributions		
Other Grants, Subsidies and Contributions	50	-
Total Other Grants, Subsidies and Contributions	50	-
Total Grants, Subsidies, Contributions	50	-
(i) Sources of grants		
State Government	50	-
Total	50	-

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 3. Expenses

\$ '000	Notes	2025	2024
(a). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration		10	10
Bad and Doubtful Debts		18	10
Board Fees		142	122
Subtotal - Prescribed Expenses		170	142
(ii) Other Materials, Contracts and Expenses			
Contractors		1,508	1,235
Energy		731	608
Maintenance		527	425
Legal Expenses		52	17
Levies Paid to Government - including Landscape levy		29	28
Parts, Accessories & Consumables		69	57
Professional Services		457	289
Advertising and Promotion		192	200
Bank Charges and Cash Collection		16	11
Catering		4	2
Cleaning		870	1,011
Water		117	118
External Plant Hire		1	24
Insurance		96	112
Minor Plant and Equipment		9	5
Printing, Freight and Postage		75	66
Rates and Taxes		57	52
Security		559	553
Subscriptions		3	4
Training and Development		3	8
Waste Services		412	377
Other		12	14
Subtotal - Other Material, Contracts & Expenses		5,799	5,216
Total Materials, Contracts and Other Expenses		5,969	5,358

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 3. Expenses (continued)

\$ '000	2025	2024
(b). Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Right-of-Use Assets	39	39
Subtotal	39	39
Total Depreciation, Amortisation and Impairment	39	39
(c). Finance Costs		
Interest on Leases	1	1
Total Finance Costs	1	1

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 4. Current Assets

\$ '000	2025	2024
(a). Cash & Cash Equivalent Assets		
Cash on Hand and at Bank	-	-
Total Cash & Cash Equivalent Assets	-	-
(b). Trade & Other Receivables		
Accrued Revenues	199	159
Debtors - General	53	57
GST Recoupment	18	21
Prepayments	10	1
Inter-Entity Debtor	66	236
Subtotal	346	474
Less: Allowance for Doubtful Debts	(27)	(10)
Total Trade & Other Receivables	319	464
(c). Inventories		
Trading Stock	50	24
Total Inventories	50	24
(d). Other Current Assets		
Covid Rent Relief	-	31
Lease Incentives	15	5
Total Other Current Assets	15	36

In 2019-20 the Authority resolved to provide three month's rent relief to its tenants as a consequence of the COVID-19 pandemic. The rent concession has been recognised as a lease modification under AASB 16 Leases, and the revised consideration is recognised over the remaining lease term.

Lease incentives are offered at either the inception of a new lease, or through a continuation of a lease in lieu of a fit out contribution. The incentives are given by way of a rent-free period or rent discount and are amortised over the life of the lease.

The non-current portion of the Covid Rent Relief and Lease incentives are shown in Note 5. Non-Current Assets

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 5. Non-Current Assets

\$ '000	2025	2024
(a). Other Non-Current Assets		
(i) Other		
Covid Rent Relief	-	2
Lease Incentives	87	41
Total Other	87	43
Total Other Non-Current Assets	87	43

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 6. Infrastructure, Property, Plant & Equipment

	as at 30/6/2024			Asset movements during the reporting period					as at 30/6/2025			
	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions	Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Re- measurement & Transfers	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
\$ '000												
Right-of-Use Assets	117	(81)	36	-	-	-	(39)	84	-	84	(3)	81
Total Infrastructure, Property, Plant & Equipment	117	(81)	36	-	-	-	(39)	84	-	84	(3)	81
Comparatives	117	(42)	75	-	-	-	(39)	-	-	117	(81)	36

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 7. Liabilities

\$ '000	Notes	2025 Current	2025 Non Current	2024 Current	2024 Non Current
(a). Trade and Other Payables					
Payments Received in Advance		191	-	158	-
Accrued Expenses - Other		68	-	91	-
Trade Payables		216	-	149	-
Total Trade and Other Payables		475	-	398	-
(b). Borrowings					
Lease Liabilities	12	37	40	34	-
Total Borrowings		37	40	34	-

Note 8. Reserves

(a). Other Reserves

	30/06/2024	Parent Contribution	Transfer from Reserve	Other Movement	30/06/2025
City of Adelaide Contribution	795	168	-	-	963
Total Other Reserves	795	168	-	-	963
Comparatives	795			-	795

OTHER RESERVES

City of Adelaide Contribution

The contribution from the City of Adelaide supports the ongoing operations of the Authority to continue as a going concern.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 9. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2025	2024
(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 Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total Cash & Equivalent Assets		-	-
Balances per Statement of Cash Flows		-	-
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		(339)	88
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		39	39
		(300)	127
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		320	(198)
Change in Allowances for Under-Recovery of Receivables		17	10
Net (Increase)/Decrease in Inventories		(26)	7
Net (Increase)/Decrease in Other Current Assets		(23)	22
Net Increase/(Decrease) in Trade & Other Payables		54	76
Net Cash provided by (or used in) operations		42	44
(c). Non-Cash Financing and Investing Activities			
Borrowings and Lease Liabilities			
Opening Balance		34	77
Non-Cash Lease Additions		84	-
Non-Cash Accretion of Interest		1	1
Lease Payments		(42)	(44)
Total Liabilities from Financing Activities		77	34

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 10. Financial Instruments

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2025					
<u>Financial Assets</u>					
Receivables	291	-	-	291	291
Total Financial Assets	291	-	-	291	291
<u>Financial Liabilities</u>					
Payables	284	-	-	284	284
Lease Liabilities	40	41	-	81	77
Total Financial Liabilities	324	41	-	365	361
2024					
<u>Financial Assets</u>					
Receivables	466	-	-	466	466
Total Financial Assets	466	-	-	466	466
<u>Financial Liabilities</u>					
Payables	240	-	-	240	240
Lease Liabilities	34	-	-	34	34
Total Financial Liabilities	274	-	-	274	274

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.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 10. Financial Instruments (continued)

\$ '000

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any impairment. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 4 & 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. Cash flow fluctuations are managed through the City of Adelaide.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 11. Uniform Presentation of Finances

\$ '000	2025	2024
The following is a high level summary of both operating and capital investment activities of the Authority prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income	5,670	5,486
less Expenses	(6,009)	(5,398)
Operating Surplus / (Deficit)	(339)	88
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	-	-
Finance Lease Payments for Right of Use Assets on Existing Assets	(42)	(44)
add back Depreciation, Amortisation and Impairment	39	39
Subtotal	(3)	(5)
Net Outlays on New and Upgraded Assets		
Nil		
Net Lending / (Borrowing) for Financial Year	(342)	83

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 12. Leases

\$ '000

The Authority as a Lessee

Terms and conditions of leases

Land & Buildings

The Authority leased the Central Market Complex from the Corporation of the City of Adelaide under a lease which commenced on 8 July 2021 for a period of 20 years. The lease contains payment terms of \$1 per annum and is deemed a "Peppercorn" lease. The lease payments are recognised as an expense in Note 3.

Right of use Asset

ACMA has entered into an agreement with Willsmere Pty Ltd in order to occupy a cool room and online shopping retail space until 31 May 2027. The financial implications of this arrangement are disclosed in Right of Use Assets below.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

	Buildings \$'000	Total \$'000
2025		
Opening Balance	36	36
Adjustments to right-of-use assets due to re-measurement of lease liability	84	84
Depreciation charge	(39)	(39)
Balance at 30 June 2025	81	81
2024		
Opening Balance	75	75
Depreciation charge	(39)	(39)
Balance at 30 June 2024	36	36

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2025	2024
Balance at 1 July	34	77
Additions	84	-
Accretion of interest	1	1
Payments	(42)	(44)
Balance at 30 June	77	34

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 12. Leases (continued)

The Authority as a Lessee (continued)

\$ '000	2025	2024
Classified as:		
Current	37	34
Non Current	40	-

The maturity analysis of lease liabilities is included in Note 10.

The Authority had total cash outflows for leases of \$41,999 in 2024-25 (2024: \$43,860).

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	39	39
Interest expense on lease liabilities	1	1
Total amount recognised in profit or loss	40	40

The Authority as a Lessor

Leases Providing Revenue to the Authority

\$ '000	2025	2024
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	4,014	4,075
Later than one year and not later than 5 years	8,285	6,417
Later than 5 years	103	15
	12,402	10,507

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 13. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2025, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

The Authority has adopted the date of receipt of the Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 24/09/25.

The Authority is not aware of any "non adjusting events" that merit disclosure.

Adelaide Central Market Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 14. Related Party Transactions

\$ '000	2025	2024
Key Management Personnel		
Transactions with Key Management Personnel		
The Key Management Personnel of the Adelaide Central Market Authority include Board members and the General Manager. In all, 7 persons were paid the following total cumulative compensation which have been included within Board Fees and Contractors in note 3:		
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	316	320
Post-Employment Benefits	68	23
Total	384	343

Amounts paid as direct reimbursement of expenses incurred on behalf of the Adelaide Central Market Authority have not been included above.

Other Related Party Transactions

ACMA contracts staff from Council with the on-charge totalling \$1,443,661 (2024: \$1,199,573) for the year.

Council, as the parent entity, has provided an equity contribution of \$167,929 (2024: nil) to continue to support ACMA on a going concern basis. A distribution will be made to the City of Adelaide once sufficient reserves are generated.

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide Central Market Authority for the year ended 30 June 2025, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Linh Dao
Director

BDO Audit Pty Ltd

Adelaide, 1 September 2025



Ms Linh Dao
 Director
 BDO Audit Pty Ltd
 Level 7, BDO Centre
 420 King William Street
 ADELAIDE SA 5000

19 September 2025

Dear Linh

AUDIT FOR YEAR ENDED 30 JUNE 2025 OF ADELAIDE CENTRAL MARKET AUTHORITY

This representation letter is provided in connection with your audit of the financial report of Adelaide Central Market Authority for the year ended 30 June 2025, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 19 May 2025, for the preparation for the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*; in particular that the financial report presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities except for those that were disclosed below.
5. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.
6. All significant judgments related to accounting estimates have taken into account all relevant information of which management is aware and the selection or application of the methods, assumptions and data used by management in making the accounting estimates are consistent and appropriate.
7. The assumptions used in determining accounting estimates and related disclosures appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity.



8. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable within the context of the applicable financial reporting framework.
9. The appropriate specialised skills or expertise has been applied in making the accounting estimates as applicable.

Books, records and documentation

10. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - All minutes of meetings held by the Board of Directors and Committees since the end of the previous reporting period have been given to you for your inspection;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
11. All transactions have been recorded in the accounting records and are reflected in the financial report.

Related parties

12. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
13. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

14. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
15. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
16. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
17. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, regulators or others.

Litigation and claims

18. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

19. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
20. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.
There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.



Subsequent events

21. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required, including but not limited to accounting estimates have been adjusted or disclosed.

Other information

22. We have informed you of all the documents that we expect to issue which may comprise other information accompanying the financial report.
23. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.

Electronic presentation of Financial Report

24. We are responsible for the electronic presentation of the financial report.
25. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
26. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
27. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
28. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Yours faithfully

Fabienne Reilly
General Manager
Adelaide Central Market Authority

Theo Maras AM
Chair
Adelaide Central Market Authority

Michael Sedgman
Chief Executive Officer
City of Adelaide

Anthony Spartalis
Chief Operating Officer
City of Adelaide

Adelaide Economic Development Agency

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

Adelaide Economic Development Agency

General Purpose Financial Statements for the year ended 30 June 2025

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Adelaide Economic Development Agency

General Purpose Financial Statements for the year ended 30 June 2025

Certification of Financial Statements

We have been authorised by the Agency 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 Agency's financial position at 30 June 2025 and the results of its operations and cash flows for the reporting period,
- internal controls implemented by the Agency provide a reasonable assurance that the Agency's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Agency accounting and other records.

Steve Maras
CHAIR
ADELAIDE ECONOMIC DEVELOPMENT AGENCY

Michael Sedgman
CHIEF EXECUTIVE OFFICER
CITY OF ADELAIDE

Date:

Adelaide Economic Development Agency

Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Income			
Rates	2a	4,049	3,918
User Charges	2b	656	625
Reimbursements	2c	-	2
Other Income	2d	7	12
Grants, Subsidies and Contributions	2e	8,428	8,921
Total Income		13,140	13,478
Expenses			
Materials, Contracts & Other Expenses	3a	12,664	13,422
Depreciation, Amortisation & Impairment	3b	96	58
Finance Costs	3c	7	3
Total Expenses		12,769	13,483
Operating Surplus / (Deficit)		371	(5)
Net Surplus / (Deficit) ¹		371	(5)
Total Comprehensive Income		371	(5)

¹ Transferred to Statement of Changes in Equity

Adelaide Economic Development Agency

Statement of Financial Position

as at 30 June 2025

\$ '000	Notes	2025	2024
ASSETS			
Current Assets			
Trade & Other Receivables	4a	1,240	491
Inventories	4b	4	6
Subtotal		1,244	497
Total Current Assets		1,244	497
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	5	163	184
Total Non-Current Assets		163	184
TOTAL ASSETS		1,407	681
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6a	610	283
Borrowings	6b	73	43
Total Current Liabilities		683	326
Non-Current Liabilities			
Borrowings	6b	85	87
Total Non-Current Liabilities		85	87
TOTAL LIABILITIES		768	413
Net Assets		639	268
EQUITY			
Accumulated Surplus		639	268
Total Equity		639	268

Adelaide Economic Development Agency

Statement of Changes in Equity for the year ended 30 June 2025

\$ '000	Notes	Accumulated Surplus	Other Reserves	Total Equity
2025				
Opening Balance		268	-	268
Net Surplus / (Deficit) for Year		371	-	371
Total Comprehensive Income		371	-	371
Balance at the end of period		639	-	639
2024				
Balance at the end of previous reporting period		273		273
Net Surplus / (Deficit) for Year		(5)	-	(5)
Total Comprehensive Income		(5)	-	(5)
Balance at the end of period		268	-	268

Adelaide Economic Development Agency

Statement of Cash Flows

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts		12,396	13,744
<u>Payments</u>			
Payments for Materials, Contracts & Other Expenses		(12,340)	(13,727)
Net Cash provided by (or used in) Operating Activities	7a	54	17
Cash Flows from Investing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Expenditure on New/Upgraded Assets		-	-
Net Cash provided by (or used in) Investing Activities		-	-
Cash Flows from Financing Activities			
<u>Receipts</u>			
Nil			
<u>Payments</u>			
Repayment of Lease Liabilities		(54)	(17)
Net Cash provided by (or used in) Financing Activities		(54)	(17)
Net Increase (Decrease) in Cash Held		-	-
plus: Cash & Cash Equivalents at beginning of period		-	-
Cash & Cash Equivalents at end of period		-	-

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Contents of the Notes accompanying the Financial Statements

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Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information

The principal accounting policies adopted by Adelaide Economic Development Agency (the Agency) in the preparation of these financial statements 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 on a going concern basis using the historical cost convention (except as stated below) 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*.

1.2 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 Income Recognition

The Agency 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.

2.1 Rates and utility charges

Rates and utility charges are recognised as revenue when the Agency obtains control over these receipts which is the beginning of the rating period to which they relate. Prepaid rates and utility charges are recognised as a financial liability until the beginning of the rating period. Discounts given and rebates are recognised in the same period as the rates and utility charges to which they relate.

2.2 Fee & statutory charges

Revenue arising from fees and charges are recognised at a point in time when the performance obligation is completed, and the customer receives the benefits of the goods/ services being provided.

Licences and permits granted by the Agency are either short-term or low value. Revenue is recognised at the time the licence or permit is granted.

2.3 Grant income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations when the revenue is recognised when control of each performance obligation is satisfied. Performance obligations vary in each agreement and payment terms vary depending on terms of the grant. Cash is received upfront for some grants and on the achievement of certain payment milestones for others.

3 Cash, Cash Equivalents and other Financial Instruments

The Agency does not hold any cash assets. All cash assets are held by the parent entity, the City of Adelaide.

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.

4 Infrastructure, Property, Plant & Equipment

4.1 Initial Recognition

All assets are initially recognised at cost.

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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information (continued)

4.2 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 Agency. Items of property, plant and equipment with a total value less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

4.3 Depreciation of Non-Current Assets

Property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Agency, best reflects the consumption of the service potential embodied in those assets.

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

Major depreciation periods for each class of asset are listed below.

Equipment, Furniture & Fittings	3 years
Right-of-Use Assets	3 years

4.4 Impairment

Assets 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 Agency were deprived thereof, are not subject to impairment testing.

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 inflows or value in use).

5 Payables

5.1 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery are recognised

as liabilities until the service is delivered or damage reinstated, or the amount is refunded.

6 Employee Benefits

The Agency does not have any employees. All employees are engaged through the parent entity, the City of Adelaide.

7 Leases

The Agency assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

7.1 The Agency as a lessee

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

i.) Right-of-Use-Assets

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

Buildings	3 years
-----------	---------

The right-of-use assets are also subject to impairment.

ii.) Lease Liabilities

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information (continued)

iii) Short-term leases and leases of low-value assets

The Agency applies the short-term lease recognition exemption to its short-term leases of plant and equipment (ie those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of plant and equipment that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

8 GST Implications

In accordance with Interpretation 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.

9 New and amended accounting standards and interpretations

In the current year, the Agency adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Agency's accounting policies.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2025. These standards have not been adopted by the Agency and will be included in the financial statements on their effective date.

Effective for NFP annual reporting periods beginning on or after 1 January 2026

- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments

Effective for NFP annual reporting periods beginning on or after 1 January 2028

- AASB 18 Presentation and Disclosure in Financial Statements

The Agency has assessed all the standards / interpretations issued which are not yet effective and have determined that there is no expected material impact on the reported financial position or performance.

10 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

11 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 2. Income

\$ '000	2025	2024
(a). Rates Revenues		
General Rates		
Nil		
Total General Rates	-	-
Other Rates (Including Service Charges)		
Rundle Mall Separate Rate	4,076	3,936
Less: mandatory rebates	(27)	(18)
Total Other Rates	4,049	3,918
Total Rates Revenues	4,049	3,918
(b). User Charges		
Event Fees	71	81
Rundle Mall	585	544
Total User Charges	656	625
(c). Reimbursements		
Other	-	2
Total Reimbursements	-	2
(d). Other Income		
Merchandise Sales	7	12
Total Other Income	7	12

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 2. Income (continued)

\$ '000	Notes	2025	2024
(e). Grants, Subsidies, Contributions			
Other Grants, Subsidies and Contributions		8,428	8,921
Total Other Grants, Subsidies and Contributions		8,428	8,921
Total Grants, Subsidies, Contributions		8,428	8,921

In the period, an amount of \$8,412,973 (2024: \$8,890,960) was received by the Agency as contribution from the City of Adelaide.

(i) Sources of grants

State Government	-	10
Other	15	20
City of Adelaide Contribution	8,413	8,891
Total	8,428	8,921

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 3. Expenses

\$ '000	2025	2024
(a). Materials, Contracts and Other Expenses		
(i) Prescribed Expenses		
Auditor's Remuneration	1	1
Bad and Doubtful Debts	5	(5)
Board Fees	130	81
Lease Expense - Low Value Assets / Short Term Leases	48	42
Subtotal - Prescribed Expenses	184	119
(ii) Other Materials, Contracts and Expenses		
Contractors	4,449	4,172
Energy	7	4
Legal Expenses	2	6
Parts, Accessories & Consumables	20	13
Professional Services	239	293
Sundry	21	16
Advertising and Promotion	2,720	2,787
Catering	24	11
Cleaning	6	5
Communications	1	1
Contractual Expenses	37	16
Water	5	3
External Plant Hire	596	741
Insurance	17	21
Minor Plant and Equipment	31	7
Printing, Freight and Postage	23	13
Rates and Taxes	12	3
Security	413	549
Sponsorships, Contributions and Donations	3,605	4,532
Subscriptions	148	40
Training and Development	13	15
Venue Hire	82	47
Other	9	8
Subtotal - Other Material, Contracts & Expenses	12,480	13,303
Total Materials, Contracts and Other Expenses	12,664	13,422

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 3. Expenses (continued)

\$ '000	Notes	2025	2024
(b). Depreciation, Amortisation and Impairment			
Right-of-Use Assets		54	16
Equipment, Furniture & Fittings		42	42
Total Depreciation, Amortisation and Impairment		96	58
(c). Finance Costs			
Interest on Leases		7	3
Total Finance Costs		7	3

Note 4. Current Assets

\$ '000	2025	2024
(a). Trade & Other Receivables		
Debtors - General	32	26
GST Recoupment	122	118
Prepayments	20	9
Inter-Entity Debtor	1,071	338
Subtotal	1,245	491
Less: Allowance for Doubtful Debts	(5)	-
Total Trade & Other Receivables	1,240	491
(b). Inventories		
Trading Stock	4	6
Total Inventories	4	6

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

Note 5 Infrastructure, Property, Plant & Equipment

	as at 30 June 2024			Asset Movements during the Reporting Period			as at 30 June 2025		
	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions	Depreciation Expense (Note 3b)	Disposal	At Cost	Accumulated Dep'n	Carrying Value
\$ '000									
Plant and Equipment									
Right-of-Use Assets	144	(16)	128	75	(54)	-	219	(70)	149
Equipment, Furniture & Fittings	125	(69)	56	-	(42)	-	125	(111)	14
Total Infrastructure, Property, Plant & Equipment	269	(85)	184	75	(96)	-	344	(181)	163
Comparatives	125	(27)	98	144	(58)	-	269	(85)	184

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 6. Liabilities

\$ '000	Notes	2025 Current	2025 Non Current	2024 Current	2024 Non Current
(a). Trade and Other Payables					
Payments Received in Advance		31	-	37	-
Accrued Expenses - Other		179	-	9	-
Trade Payables		400	-	237	-
Total Trade and Other Payables		610	-	283	-
(b). Borrowings					
Lease Liabilities	10	73	85	43	87
Total Borrowings		73	85	43	87

Note 7. Reconciliation to Statement of Cash Flows

\$ '000	2025	2024
Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of change of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
(a). Reconciliation of Change in Net Assets to Cash from Operating Activities		
Net Surplus/(Deficit)	371	(5)
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	96	58
Interest on finance lease liability	7	3
	474	56
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	(749)	373
Net (Increase)/Decrease in Inventories	2	(2)
Net Increase/(Decrease) in Trade & Other Payables	327	(410)
Net Cash provided by (or used in) operations	54	17

(b). Non-Cash Financing and Investing Activities

Borrowings and Lease Liabilities		
Opening Balance	130	-
Non-Cash Lease Additions	75	144
Non-Cash Accretion of Interest	7	3
Lease Payments	(54)	(17)
Total Liabilities from Financing Activities	158	130

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 8. Financial Instruments

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2025					
<u>Financial Assets</u>					
Receivables	1,103	-	-	1,103	1,103
Total Financial Assets	1,103	-	-	1,103	1,103
<u>Financial Liabilities</u>					
Payables	579	-	-	579	579
Lease Liabilities	80	88	-	168	158
Total Financial Liabilities	659	88	-	747	737

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2024					
<u>Financial Assets</u>					
Receivables	364	-	-	364	364
Total Financial Assets	364	-	-	364	364
<u>Financial Liabilities</u>					
Payables	246	-	-	246	246
Lease Liabilities	53	91	-	144	130
Total Financial Liabilities	299	91	-	390	376

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 Agency.

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 9. Uniform Presentation of Finances

\$ '000	2025	2024
The following is a high level summary of both operating and capital investment activities of the Agency prepared on a simplified Uniform Presentation Framework basis. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income	13,140	13,478
less Expenses	(12,769)	(13,483)
Operating Surplus / (Deficit)	371	(5)
Net Outlays on Existing Assets		
add back Depreciation, Amortisation and Impairment	96	58
Finance Lease payments for Right of Use Assets	(51)	(11)
Subtotal	45	47
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	-	-
Subtotal	-	-
Net Lending / (Borrowing) for Financial Year	416	42

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 10. Leases

\$ '000

The Agency as a Lessee

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

Right of use assets

	Buildings \$'000	Total \$'000
2025		
Balance at 1 July	128	128
Additions to right-of-use assets	75	75
Adjustments to right-of-use assets due to remeasurement of lease liability	-	-
Depreciation charge	(54)	(54)
Balance at 30 June 2025	149	149
2024		
Opening Balance	144	144
Additions to right-of-use assets	-	-
Adjustments to right-of-use assets due to remeasurement of lease liability	-	-
Depreciation charge	(16)	(16)
Balance at 30 June 2024	128	128

Notes to and forming part of the Financial Statements

for the year ended 30 June 2025

Note 10. Leases (continued)

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2025	2024
Balance at 1 July	130	-
Additions	75	144
Accretion of interest	7	3
Payments	(54)	(17)
Balance at 30 June	158	130
Classified as:		
Current	73	43
Non Current	85	87
The maturity analysis of lease liabilities is included in Note 8.		
The Agency had total cash outflows for leases of \$53,668 (2024: \$17,550).		
The following are the amounts recognised in profit or loss:		
Depreciation expense of Right-of-Use Assets	54	16
Interest expense on lease liabilities	7	3
Expense relating to short term leases	63	42
Total amount recognised in profit or loss	124	61

Adelaide Economic Development Agency

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 11. Related Party Transactions

\$ '000	2025	2024
---------	------	------

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Agency includes Board Members and General Manager AEDA. In all, 11 persons were paid the following total compensation which has been included within Board Fees and Contractors in note 3:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	323	304
Post-Employment Benefits	69	26
Long-Term Benefits		8
Total	392	338

Amounts paid as direct reimbursement of expenses incurred on behalf of the Agency have not been included above.

Other Related Party Transactions

The Adelaide Economic Development Agency contracts staff from the City of Adelaide. The cost of these services was \$4,182,801 (2024: \$3,792,993).

In the period an amount of \$8,412,973 (2024: \$8,890,960) was received by the Agency as contribution from the City of Adelaide.

Adelaide Economic Development Agency

General Purpose Financial Statements for the year ended 30 June 2025

Auditor's Report - Financial Statements

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Adelaide Economic Development Agency

General Purpose Financial Statements for the year ended 30 June 2025

Auditor's Report - Financial Statements

This page has been left blank for insertion of the Audit Report

Adelaide Economic Development Agency

General Purpose Financial Statements for the year ended 30 June 2025

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Economic Development Agency for the year ended 30 June 2025, the Council's Auditor, BDO Audit Pty Ltd has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Steve Maras

CHAIR

ADELAIDE ECONOMIC DEVELOPMENT AGENCY

Nicolle Rantanen Reynolds

PRESIDING MEMBER, AUDIT & RISK COMMITTEE

Michael Sedgman

CHIEF EXECUTIVE OFFICER

CITY OF ADELAIDE

Date:

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of Adelaide Economic Development Agency for the year ended 30 June 2025, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Linh Dao
Director

BDO Audit Pty Ltd

Adelaide, 8 September 2025

Ms Linh Dao
Director
BDO Audit Pty Ltd
Level 7, BDO Centre
420 King William Street
ADELAIDE SA 5000

24 September 2025

Dear Linh

AUDIT FOR YEAR ENDED 30 JUNE 2025 OF ADELAIDE ECONOMIC DEVELOPMENT AGENCY

This representation letter is provided in connection with your audit of the financial report of Adelaide Economic Development Agency for the year ended 30 June 2025, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 3 February 2025, for the preparation for the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*; in particular that the financial report presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities except for those that were disclosed below.
5. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.

6. All significant judgments related to accounting estimates have taken into account all relevant information of which management is aware and the selection or application of the methods, assumptions and data used by management in making the accounting estimates are consistent and appropriate.
7. The assumptions used in determining accounting estimates and related disclosures appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity.
8. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable within the context of the applicable financial reporting framework.
9. The appropriate specialised skills or expertise has been applied in making the accounting estimates as applicable.

Books, records and documentation

10. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - All minutes of meetings held by the Agency Board and Committees since the end of the previous reporting period have been given to you for your inspection;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
11. All transactions have been recorded in the accounting records and are reflected in the financial report.

Related parties

12. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
13. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

14. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
15. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
16. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
17. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, regulators or others.

Litigation and claims

18. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

19. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
20. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.
There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Subsequent events

21. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required, including but not limited to accounting estimates have been adjusted or disclosed.

Other information

22. We have informed you of all the documents that we expect to issue which may comprise other information accompanying the financial report.
23. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.

Electronic presentation of Financial Report

24. We are responsible for the electronic presentation of the financial report.
25. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
26. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
27. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
28. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Yours faithfully

Greg Ratsch
General Manager
Adelaide Economic Development Agency

Steve Maras
Chair
Adelaide Economic Development Agency

Michael Sedgman
Chief Executive Officer
City of Adelaide

Anthony Spartalis
Chief Operating Officer
City of Adelaide

Adelaide Park Lands Authority

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2025

Adelaide Park Lands Authority

General Purpose Financial Statements for the year ended 30 June 2025

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Adelaide Park Lands Authority

General Purpose Financial Statements for the year ended 30 June 2025

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 2025 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 Sedgman
CITY OF ADELAIDE
CHIEF EXECUTIVE OFFICER

Dr Jane Lomax-Smith AM
LORD MAYOR

Date:

Adelaide Park Lands Authority

Statement of Comprehensive Income for the year ended 30 June 2025

\$ '000	Notes	2025	2024
Income			
Grants, Subsidies and Contributions	2a	306	234
Total Income		306	234
Expenses			
Materials, Contracts & Other Expenses	3a	306	234
Total Expenses		306	234
Operating Surplus / (Deficit)		-	-
Net Surplus / (Deficit)		-	-
Total Comprehensive Income		-	-

Adelaide Park Lands Authority

Statement of Financial Position as at 30 June 2025

\$ '000	2025	2024
ASSETS		
Current Assets		
Cash and Cash Equivalents	-	-
Trade & Other Receivables	-	-
Total Current Assets	-	-
Non-Current Assets		
Nil		
Total Non-Current Assets	-	-
TOTAL ASSETS	-	-
LIABILITIES		
Current Liabilities		
Trade & Other Payables	-	-
Total Current Liabilities	-	-
Non-Current Liabilities		
Nil		
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	-	-
Net Assets	-	-
EQUITY		
Accumulated Surplus	-	-
Asset Revaluation Reserves	-	-
Other Reserves	-	-
Total Equity	-	-

Adelaide Park Lands Authority

Statement of Changes in Equity for the year ended 30 June 2025

\$ '000	Accumulated Surplus	Total Equity
2025		
Balance at the end of previous reporting period	-	-
Net Surplus / (Deficit) for Year	-	-
Total Comprehensive Income	-	-
Balance at the end of period	-	-
2024		
Balance at the end of previous reporting period	-	-
Net Surplus / (Deficit) for Year	-	-
Total Comprehensive Income	-	-
Balance at the end of period	-	-

Adelaide Park Lands Authority

Statement of Cash Flows for the year ended 30 June 2025

\$ '000	2025	2024
Cash Flows from Operating Activities		
<u>Receipts</u>		
Operating Receipts	306	234
<u>Payments</u>		
Operating Payments to Suppliers and Employees	(306)	(234)
Net Cash provided by (or used in) Operating Activities	-	-
Net Increase (Decrease) in Cash Held	-	-
plus: Cash & Cash Equivalents at beginning of period	-	-
Cash & Cash Equivalents at end of period	-	-

Adelaide Park Lands Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Material Accounting Policies Information	8
2	Income	10
3	Expenses	10
4	Uniform Presentation of Finances	11
5	Related Party Transactions	11

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information

The principal accounting policies adopted by the Adelaide Park Lands Authority (the Authority) in the preparation of these financial statements 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 on a going concern basis using the historical cost convention (except as stated below) 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*.

1.2 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 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 the Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable

the Authority 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 Authority satisfies its obligations under the transfer.

3 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.

4 Infrastructure, Property, Plant & Equipment

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

5 Employee Benefits

The Authority does not have any employees. All employees are engaged through the parent entity, the City of Adelaide.

6 GST Implications

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

- Receivables and Creditors include GST receivable and payable.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1. Summary of Material Accounting Policy Information (continued)

- 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.

7 New and amended accounting standards and interpretations

In the current year, the Authority adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Authority's accounting policies.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2025. These standards have not been adopted by the Authority and will be included in the financial statements on their effective date.

Effective for NFP annual reporting periods beginning on or after 1 January 2026

- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments

Effective for NFP annual reporting periods beginning on or after 1 January 2028

- AASB 18 Presentation and Disclosure in Financial Statements

The Authority has assessed all the standards / interpretations issued which are not yet effective and have determined that there is no expected material impact on the reported financial position or performance.

8 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

9 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Adelaide Park Lands Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 2. Income

\$ '000	2025	2024
(a). Grants, Subsidies, Contributions		
Other Grants, Subsidies and Contributions	306	234
Total Other Grants, Subsidies and Contributions	306	234
Total Grants, Subsidies, Contributions	306	234
(i) Sources of grants		
City of Adelaide	306	234
Total	306	234

Note 3. Expenses

\$ '000	2025	2024
(a). Materials, Contracts and Other Expenses		
(i) Prescribed Expenses		
Auditor's Remuneration	1	1
Subtotal - Prescribed Expenses	1	1
(ii) Other Materials, Contracts and Expenses		
Contractors	155	139
Legal Expenses	-	1
Professional Services	26	6
Advertising and Promotion	34	21
Catering	4	2
Insurance	13	21
Minor Plant and Equipment	-	2
Sponsorships, Contributions and Donations	15	-
Sitting Fees	57	40
Other	-	1
Subtotal - Other Material, Contracts & Expenses	305	233
Total Materials, Contracts and Other Expenses	306	234

Adelaide Park Lands Authority

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 4. Uniform Presentation of Finances

\$ '000	2025	2024
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income	306	234
less Expenses	(306)	(234)
Operating Surplus / (Deficit)	-	-
Net Lending / (Borrowing) for Financial Year	-	-

Note 5. Related Party Transactions

\$ '000	2025	2024
Key Management Personnel		
Transactions with Key Management Personnel		
The Key Management Personnel of the Adelaide Park Lands Authority include the Board Members. In all, 14 persons were paid the following total cumulative compensation: The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	57	40
Total	57	40

Other Related party Transactions

The Adelaide Park Lands Authority contracts staff from the City of Adelaide. The cost of these services was \$153,855 for the year (2024 \$134,361) and has been included within contractors in note 3.

The City of Adelaide provides an annual contribution to the Authority matching the total expenditure incurred during the financial year.

Adelaide Park Lands Authority

General Purpose Financial Statements for the year ended 30 June 2025

Auditor's Report - Financial Statements

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Adelaide Park Lands Authority

General Purpose Financial Statements for the year ended 30 June 2025

Auditor's Report - Financial Statements

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Adelaide Park Lands Authority

General Purpose Financial Statements for the year ended 30 June 2025

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Park Lands Authority for the year ended 30 June 2025, the Council's Auditor, BDO Audit Pty Ltd has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Michael Sedgman
CITY OF ADELAIDE
CHIEF EXECUTIVE OFFICER

Nicolle Rantanen Reynolds
PRESIDING MEMBER, AUDIT COMMITTEE

Date:

Adelaide Park Lands Authority

General Purpose Financial Statements

for the year ended 30 June 2025

Statement by Auditor

I confirm that, for the audit of the financial statements of Adelaide Park Lands Authority for the year ended 30 June 2025, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

OR

internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year, with the exception of controls related to:

-
-
-
-
-

which will be improved during the 2025 - 26 year.

Linh Dao
BDO Audit Pty Ltd

Dated this day of 2025.

Enquiries: Alison Ackland

Reference: ACC2025/

24 September 2025

Ms Linh Dao
 Director
 BDO Audit Pty Ltd
 Level 7, BDO Centre
 420 King William Street
 ADELAIDE SA 5000

GPO Box 2252, Adelaide
 South Australia 5001

T +61 (08) 8203 7203

F +61 (08) 8203 7575

E kadaltilla@cityofadelaide.com.au

W cityofadelaide.com.au/kadaltilla

Dear Linh,

AUDIT FOR YEAR ENDED 30 JUNE 2025 OF ADELAIDE PARK LANDS AUTHORITY

This representation letter is provided in connection with your audit of the financial report of Adelaide Park Lands Authority for the year ended 30 June 2025, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 3 February 2025, for the preparation for the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*; in particular that the financial report presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities except for those that were disclosed below.
5. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.
6. All significant judgments related to accounting estimates have taken into account all relevant information of which management is aware and the selection or application of the methods, assumptions and data used by management in making the accounting estimates are consistent and appropriate.
7. The assumptions used in determining accounting estimates and related disclosures appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity.



Kadaltilla acknowledges the Kurna people as the Traditional Owners of the Country where the Adelaide Park Lands are situated, and pays respect to Elders past, present and emerging. Kadaltilla is a traditional Kurna word meaning green place/green lands/parklands.

8. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable within the context of the applicable financial reporting framework.
9. The appropriate specialised skills or expertise has been applied in making the accounting estimates as applicable.

Books, records and documentation

10. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - All minutes of meetings held by the Authority and Committees since the end of the previous reporting period have been given to you for your inspection;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
11. All transactions have been recorded in the accounting records and are reflected in the financial report.

Related parties

12. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
13. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

14. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
15. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
16. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
17. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, regulators or others.

Litigation and claims

18. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

19. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
20. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.

There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Subsequent events

21. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required, including but not limited to accounting estimates have been adjusted or disclosed.

Other information

22. We have informed you of all the documents that we expect to issue which may comprise other information accompanying the financial report.
23. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.

Electronic presentation of Financial Report

24. We are responsible for the electronic presentation of the financial report.
25. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
26. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
27. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
28. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Kind regards,

Michael Sedgman
CHIEF EXECUTIVE OFFICER
City of Adelaide

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide Park Lands Authority for the year ended 30 June 2025, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Linh Dao
Director

BDO Audit Pty Ltd

Adelaide, 8 September 2025

Brown Hill & Keswick Creeks Stormwater Board

Financial Statements for the year ended - 30 June 2025

Brown Hill & Keswick Creeks Stormwater Board

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Brown Hill & Keswick Creeks Stormwater Board
Certification of financial statements
As at 30 June 2025

We have been authorised by the Board 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 Brown Hill & Keswick Creeks Stormwater Board's financial position at 30 June 2025 and the results of its operations and cash flows for the financial year;
- internal controls implemented by the Board provide a reasonable assurance that the Board's financial records are complete, accurate and reliable and were effective throughout the financial year; and
- the financial statements accurately reflect the Board's accounting and other records.

On behalf of the Board

Board Member

Board Member

August 2025

Brown Hill & Keswick Creeks Stormwater Board
Statement of comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Income			
Operating contributions	3	810,000	700,000
Investment income	4	564,438	445,125
		<u>1,374,438</u>	<u>1,145,125</u>
Total income		<u>1,374,438</u>	<u>1,145,125</u>
Expenses			
Employee costs	5	(413,353)	(384,589)
Materials, contracts & other expenses	6	(517,108)	(546,723)
Depreciation	8	(275,515)	(170,371)
Finance costs	7	(211)	(376)
Total expenses		<u>(1,206,187)</u>	<u>(1,102,059)</u>
Operating surplus		168,251	43,066
Capital Funding / Grants for New / Upgraded assets	9	9,792,269	9,703,874
Asset disposal	10	(1,471,777)	-
Net surplus for the year		8,488,743	9,746,940
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>8,488,743</u></u>	<u><u>9,746,940</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Brown Hill & Keswick Creeks Stormwater Board
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	11	9,814,112	13,326,831
Trade and other receivables	12	1,838,340	790,259
Total current assets		<u>11,652,452</u>	<u>14,117,090</u>
Non-current assets			
Infrastructure, property, plant and equipment	13	57,837,999	45,181,818
Total non-current assets		<u>57,837,999</u>	<u>45,181,818</u>
Total assets		<u>69,490,451</u>	<u>59,298,908</u>
Liabilities			
Current liabilities			
Trade and other payables	14	6,125,363	8,434,146
Provisions	15	39,424	31,110
Total current liabilities		<u>6,164,787</u>	<u>8,465,256</u>
Non-current liabilities			
Provisions	15	15,745	12,476
Total non-current liabilities		<u>15,745</u>	<u>12,476</u>
Total liabilities		<u>6,180,532</u>	<u>8,477,732</u>
Net assets		<u>63,309,919</u>	<u>50,821,176</u>
Equity			
Capital contributions of constituent councils	16	28,319,907	24,319,907
Asset revaluation reserve	17	570,390	570,390
Capital funding and grants	18	36,720,650	26,928,381
Accumulated surplus/(deficit)		<u>(2,301,028)</u>	<u>(997,502)</u>
Total equity		<u>63,309,919</u>	<u>50,821,176</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Brown Hill & Keswick Creeks Stormwater Board
Statement of changes in equity
For the year ended 30 June 2025

	Capital Contributions of Council \$	Capital Funding and Grants \$	Asset Revaluation Reserve \$	Accumulated Surplus / (Deficit) \$	Total equity \$
Balance at 1 July 2023	20,319,907	17,224,448	570,390	(1,040,509)	37,074,236
Net surplus for the year	-	-	-	9,746,940	9,746,940
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	9,746,940	9,746,940
Capital contribution of Councils	4,000,000	-	-	-	4,000,000
Transfer to capital funding / grants	-	9,703,933	-	(9,703,933)	-
Balance at 30 June 2024	<u>24,319,907</u>	<u>26,928,381</u>	<u>570,390</u>	<u>(997,502)</u>	<u>50,821,176</u>
	Capital Contributions of Council \$	Capital Funding and Grants \$	Asset Revaluation Reserve \$	Accumulated Surplus / (Deficit) \$	Total equity \$
Balance at 1 July 2024	24,319,907	26,928,381	570,390	(997,502)	50,821,176
Net surplus for the year	-	-	-	8,488,743	8,488,743
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	8,488,743	8,488,743
Capital contribution of Councils	4,000,000	-	-	-	4,000,000
Transfer to capital funding / grants	-	9,792,269	-	(9,792,269)	-
Balance at 30 June 2025	<u>28,319,907</u>	<u>36,720,650</u>	<u>570,390</u>	<u>(2,301,028)</u>	<u>63,309,919</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Brown Hill & Keswick Creeks Stormwater Board
Statement of cash flows
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Operating receipts from constituent councils		891,000	770,000
Payments to employees		(401,770)	(382,164)
Payments to suppliers		(2,542,221)	(1,463,016)
Interest received		585,188	457,719
Bank fees paid		(211)	(376)
Net cash used in operating activities	28	(1,468,014)	(617,837)
Cash flows from investing activities			
Payments for New / Upgraded assets		(14,403,471)	(12,302,468)
Grants received	9	8,358,766	12,095,735
Net cash used in investing activities		(6,044,705)	(206,733)
Cash flows from financing activities			
Contributions from Constituent Councils	16	4,000,000	4,000,000
Net cash from financing activities		4,000,000	4,000,000
Net increase/(decrease) in cash and cash equivalents		(3,512,719)	3,175,430
Cash and cash equivalents at the beginning of the financial year		13,326,831	10,151,401
Cash and cash equivalents at the end of the financial year	11	<u>9,814,112</u>	<u>13,326,831</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 1. Material accounting policy information

The accounting policies that are material to the Board are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Board has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and relevant South Australian Legislation. These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Brown Hill and Keswick Creeks Stormwater Board (the Board) is a Local Government Regional Subsidiary established under Section 43 of and Schedule 2 to the Local Government Act 1999. The Regional Subsidiary is under the control of City of Adelaide, City of Burnside, City of Unley, City of Mitcham and City of West Torrens.

The Board was established by a Gazettal dated 27 February 2018. The Board has been established to implement the construction and maintenance of infrastructure and other measures for the purposes of a stormwater management plan prepared by the constituent councils and approved by the Stormwater Management Authority. The Board's responsibilities extend to the ongoing maintenance and operation of stormwater infrastructure delivered by the Board under the Stormwater Management Plan. The property owner (whether that be a Council or private land owner) is responsible for maintenance and upkeep of any existing assets, all new non-stormwater assets and all landscaping components. Private property owners may also be responsible for maintenance of stormwater infrastructure delivered by the Board, where that infrastructure was delivered under licence without registration of an easement or Land Management Agreement. This may require the transfer of assets to the property owner subsequent to the initial construction phase or after the defects period. The Board's asset register defines ongoing responsibility for completed works.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been applied consistently unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on ____ August 2025 by the members of the Board.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Board'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 disclosed in Note 2.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 1. Material accounting policy information (continued)

(a) Revenue recognition

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Board expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

All revenue is stated net of the amount of goods and services tax (GST).

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Board are:

Operating revenue from constituent councils

Operating revenue from constituent councils is recognised as income as and when the Board becomes entitled to receive the funds. This is outlined within the Boards Annual Budget which is agreed with all constituent councils.

Grant revenue

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

When grant revenue received meets the "enforceability" and "sufficiently specific" criteria in accordance with AASB 1058 and AASB 15, the grant revenue is recognised in the statement of financial position as a liability until the performance obligations have been met and delivered to the contributor.

Otherwise the grant is recognised as income in the statement of comprehensive income when the Board obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Board and the amount of grant can be measured reliably.

Interest revenue

Interest revenue is recognised using the effective interest method, which for all floating rate financial assets is inherent in the instrument.

Other income

Other income is recognised on an accruals basis when the Board is entitled to it.

(b) Equity

Capital contributions

Capital contributions from constituent councils are recorded directly against equity as and when the Board becomes entitled to receive the funds. This is outlined within the Boards Annual Budget, which is agreed with all constituent councils.

(c) Income tax

The activities of the Board are exempt from taxation under the Income Tax Assessment Act.

Note 1. Material accounting policy information (continued)

(d) Trade and other receivables

The Board has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(e) Financial instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Board has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial instruments are recognised initially on the date that the Board becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Board classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Board changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

The Board's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 1. Material accounting policy information (continued)

Impairment of financial assets

Impairment of financial assets has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Board has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Financial liabilities

The Board measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Board comprise trade payables.

(f) Property, plant and equipment

Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or 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, engineering design costs and all other costs incurred.

The cost of non-current assets constructed by the Board includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. The Board considers that it controls the infrastructure assets in accordance with its Charter. The constructed infrastructure assets may be located on land owned by constituent councils or private property owners and tenure arrangements with private property owners determine ongoing asset responsibility.

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds the materiality thresholds set by the Board within the capitalisation policy. In determining (and in biennially reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Current thresholds applicable to Board assets are as follows:

Drains and culverts - \$2,000
Paving and footpaths, kerbs and gutter - \$2,000
Office furniture and equipment - \$1,000
IT hardware and computer equipment - \$ 1,000
Other assets - \$1,000

Subsequent Measurement

Stormwater infrastructure is subsequently measured at fair value, based on periodic, at least every 5 years, valuations by external independent valuers, less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is determined using the current replacement cost method.

The most recent valuation of infrastructure and land improvements was undertaken on 30 June 2023. The valuation was undertaken by Tina-James Freeman, Asset Consultant at Tonkin. Refer to Note 20 for additional information on fair value determination of stormwater infrastructure.

Computer equipment and office equipment are carried at cost less accumulated depreciation and impairment.

Note 1. Material accounting policy information (continued)

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Board, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Land improvements	1.67% - 10%
Stormwater structures	1% - 1.25%
Stormwater quality devices	1% - 10%
Footpaths	2% - 20%
Kerbs and gutters	1% - 2.5%
Office furniture and fittings	10%
Other plant and equipment	3.3% - 50%
IT hardware and computer equipment	14.3% - 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed by the Project Director. The Project Director also reviews the asset register to ensure inclusion of all completed projects and correct delineation of maintenance responsibility between the board and the property owner. In addition, the Board's Asset Capitalisation Policy is reviewed every 2 years, with the last review undertaken in June 2023. Any revisions are accounted for prospectively as a change in estimate.

(g) Impairment of non-financial assets

Non-financial assets 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(h) Employee benefits

Short-term employee benefits

Provision is made for the Board's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

No accrual is made for sick leave. The Board does not make payment for untaken sick leave.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Cashflows are discounted using market yields on high quality corporate bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in the profit or loss.

(i) Economic dependence

Brown Hill and Keswick Creeks Stormwater Board is dependent on its constituent councils and other funding bodies for the majority of its revenue used to achieve its objectives. At the date of this report, the Board believe that the Member Councils and other bodies will continue to support the Board.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 2. Critical accounting judgements, estimates and assumptions

The Board makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. Level 3 inputs are unobservable inputs. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. For further information relating to fair value measurement, refer to Note 20.

Impairment of property, plant and equipment

The Board assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Board and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Key estimates fair valuation of stormwater infrastructure and land improvements

Stormwater infrastructure assets are carried at fair value. As there is no market for the Board to use to determine fair value, all assets have been valued as Level 3 inputs using a cost approach. Level 3 inputs are unobservable inputs. For further information relating to fair value measurement refer to Note 20.

Note 3. Operating contributions

	2025 \$	2024 \$
City of Mitcham	162,000	140,000
City of Burnside	162,000	140,000
City of West Torrens	162,000	140,000
The Corporation of the City of Adelaide	162,000	140,000
The Corporation of the City of Unley	162,000	140,000
	<u>810,000</u>	<u>700,000</u>

In accordance with the Charter of the Brown Hill and Keswick Creeks Stormwater Board Schedule 1, operating contributions are received equally from each of the constituent councils at an agreed rate. The total value of operating contributions to be received is agreed in the annual budget prepared by the Board.

Note 4. Investment income

	2025 \$	2024 \$
Bank Interest	<u>564,438</u>	<u>445,125</u>

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 5. Employee costs

	2025	2024
	\$	\$
Salaries and wages - board	91,000	87,000
Salaries and wages - employee	265,726	254,520
Superannuation contributions	41,024	37,493
Workers compensation	4,020	2,775
Employee entitlement costs	11,583	2,801
	<u>413,353</u>	<u>384,589</u>
Total Employee costs	413,353	384,589

Note 6. Materials, contracts & other expenses

	2025	2024
	\$	\$
Contractor & consultant services	94,245	38,514
Meeting room hire and teleconference	1,529	1,794
Financial services	45,580	37,960
Insurance - mutual liability scheme	54,002	51,430
IT services	6,039	4,809
Legal services	10,278	19,522
Office expenses, printing and postage	2,613	1,933
PR, website and graphic design	18,716	14,755
Professional development	6,000	6,904
Asset operating costs & maintenance	270,809	345,755
Asset management plan & valuations	-	16,171
Prescribed expenses - audit remuneration	5,900	5,700
Sundry	1,397	1,476
	<u>517,108</u>	<u>546,723</u>
Total Materials, contracts & other expenses	517,108	546,723

Asset operating and maintenance costs are budgeted with reference to the Board's Infrastructure and Asset Management Plan. They are generally expected to increase over time as additional project works are completed. Maintenance costs associated with the South Park Lands wetland are, however, expected to be higher in the early establishment phase (years 1-4).

Note 7. Finance costs

	2025	2024
	\$	\$
Bank fees	<u>211</u>	<u>376</u>

Note 8. Depreciation

	2025	2024
	\$	\$
Infrastructure and land improvements	275,320	168,522
Office equipment	195	1,849
	<u>275,515</u>	<u>170,371</u>

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 9. Capital Funding / Grants for New / Upgraded assets

	2025	2024
	\$	\$
Stormwater Management Authority	5,332,497	5,642,025
Federal Funding	4,459,772	4,061,849
	<u>9,792,269</u>	<u>9,703,874</u>

The table below shows the reconciliation of capital funding received, recognised as revenue and resulting income in advance.

	Stormwater Management Authority	Federal Funding	Total
Income in advance 1 July 2023	-	3,534,119	3,534,119
Funding received	8,500,000	3,595,735	12,095,735
Revenue recognised	(5,642,025)	(4,061,849)	(9,703,874)
Income in advance 30 June 2024	<u>2,857,975</u>	<u>3,068,005</u>	<u>5,925,980</u>
Funding received	4,000,000	4,358,766	8,358,766
Revenue recognised	(5,332,497)	(4,459,772)	(9,792,269)
Income in advance 30 June 2025 (note 14)	<u>1,525,478</u>	<u>2,966,999</u>	<u>4,492,477</u>

Note 10. Asset disposal

	2025	2024
	\$	\$
Carrying amount of assets transferred to council and private property owners	1,468,874	-
Carrying amount of capital works written off	2,903	-
	<u>1,471,777</u>	<u>-</u>

Note 11. Cash and cash equivalents

	2025	2024
	\$	\$
<i>Current assets</i>		
Cash at bank and in hand	<u>9,814,112</u>	<u>13,326,831</u>

As at 30 June 2025, cash held includes an amount of \$5,850,283 (2024: \$2,254,917) which is restricted for the purpose of approved capital development projects (refer to Note 24 'Commitments').

Note 12. Trade and other receivables

	2025	2024
	\$	\$
<i>Current assets</i>		
Trade receivables	1,212,220	125,432
GST receivable	609,399	629,584
Accrued revenue	-	20,750
Prepayments	16,721	14,493
	<u>1,838,340</u>	<u>790,259</u>

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 12. Trade and other receivables (continued)

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Note 13. Infrastructure, property, plant and equipment

	2025	2024
	\$	\$
<i>Non-current assets</i>		
Infrastructure and Land Improvements - at independent valuation and at cost	38,616,262	26,728,566
Infrastructure and Land Improvements - accumulated depreciation	(761,889)	(486,569)
	<u>37,854,373</u>	<u>26,241,997</u>
Computer equipment - at cost	4,213	2,454
Less: Accumulated depreciation	(2,649)	(2,454)
	<u>1,564</u>	<u>-</u>
Capital works-in-progress	<u>19,982,062</u>	<u>18,939,821</u>
	<u><u>57,837,999</u></u>	<u><u>45,181,818</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Capital Works in Progress \$	Infrastructure and Land Improvements \$	Office Equipment \$	Total \$
Balance at 1 July 2023	4,257,119	26,410,519	1,849	30,669,487
Additions	14,682,702	-	-	14,682,702
Depreciation expense	-	(168,522)	(1,849)	(170,371)
Balance at 30 June 2024	18,939,821	26,241,997	-	45,181,818
Additions	14,401,714	-	1,759	14,403,473
Transfers in/(out)	(13,062,780)	13,062,780	-	-
Write off of assets	(2,903)	-	-	(2,903)
Disposals	(293,790)	(1,175,083)	-	(1,468,873)
Depreciation expense	-	(275,321)	(195)	(275,516)
Balance at 30 June 2025	<u><u>19,982,062</u></u>	<u><u>37,854,373</u></u>	<u><u>1,564</u></u>	<u><u>57,837,999</u></u>

Asset valuations

In line with the Board's capitalisation policy, a valuation of assets was not undertaken in the financial year ended 30 June 2025. The last valuation of completed infrastructure and land improvements was undertaken as at 30 June 2023. The valuation was undertaken by Tina-James Freeman, Asset Consultant at Tonkin. The valuation basis used for the infrastructure and land improvement assets is the depreciated replacement cost basis.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 13. Infrastructure, property, plant and equipment (continued)

Cost approach for projects completed post asset valuations

The assessment process has involved detailed analysis of project costs for completed works to determine and assign expenditure to asset components. This analysis has been completed by the Board's Project Director, who is a Valuer with extensive experience in the preparation of asset valuations and establishment of depreciation registers for financial reporting purposes, and the Board's Program Manager, an Engineer with extensive stormwater infrastructure experience.

	2025 \$	2024 \$
Capital works-in-progress		
Betty Long Gardens (Urban Rivers)	110,648	1,915
Reference Design	912,038	912,038
Lower Brown Hill Creek - Package 1	4,291,934	13,410,195
Lower Brown Hill Creek - Package 2	4,486,011	341,052
Lower Brown Hill Creek - Package 3	5,503,522	186,512
Upper Brown Hill Creek - Area 3A Millswood	4,223,464	3,618,084
Upper Brown Hill Creek - Area 1C Forestville	-	148,503
Forestville Reserve (Urban Rivers)	46,693	-
Orphanage park (Urban Rivers)	67,560	-
Flood Model	111,648	-
Flow Diversions	50,933	15,587
Upper Brown Hill Creek - Wilberforce (DRF)	61,194	160
Upper Brown Hill Creek - 1A Everard Park Land	-	2,903
Upper Brown Hill Creek - Denning (DRF)	116,417	9,082
South Park Lands - Remaining works	-	293,790
	<u>19,982,062</u>	<u>18,939,821</u>

Note 14. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	1,604,896	2,421,974
Accrued expenses	5,900	64,448
Credit card	(595)	(597)
PAYG payable	12,515	12,819
Superannuation payable	10,170	9,522
Payments received in advance (capital grants)	4,492,477	5,925,980
	<u>6,125,363</u>	<u>8,434,146</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 15. Provisions

	2025 \$	2024 \$
<i>Current liabilities</i>		
Provision for annual leave	39,424	31,110
<i>Non-current liabilities</i>		
Provision for long service leave	15,745	12,476
	<u>55,169</u>	<u>43,586</u>

Note 16. Capital contributions of constituent councils

	2025 \$	2024 \$
City of Mitcham	2,831,991	2,431,991
City of Burnside	3,398,389	2,918,389
City of West Torrens	13,876,754	11,916,754
Corporation of the City of Adelaide	2,265,593	1,945,593
Corporation of the City of Unley	5,947,180	5,107,180
Total Contributions by Owners	<u>28,319,907</u>	<u>24,319,907</u>

	2025 \$	2024 \$
City of Mitcham Movement Table		
Opening balance	2,431,991	2,031,991
Contributions	400,000	400,000
	<u>2,831,991</u>	<u>2,431,991</u>

	2025 \$	2024 \$
City of Burnside Movement Table		
Opening balance	2,918,389	2,438,389
Contributions	480,000	480,000
	<u>3,398,389</u>	<u>2,918,389</u>

	2025 \$	2024 \$
City of West Torrens Movement Table		
Opening balance	11,916,754	9,956,754
Contributions	1,960,000	1,960,000
	<u>13,876,754</u>	<u>11,916,754</u>

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 16. Capital contributions of constituent councils (continued)

	2025	2024
	\$	\$
Corporation of the City of Adelaide Movement Table		
Opening balance	1,945,593	1,625,593
Contributions	320,000	320,000
	<u>2,265,593</u>	<u>1,945,593</u>
	2025	2024
	\$	\$
Corporation of City of Unley Movement Table		
Opening balance	5,107,180	4,267,180
Contributions	840,000	840,000
	<u>5,947,180</u>	<u>5,107,180</u>

Capital contributions of constituent councils are payments received for investing in infrastructure. The rates of contributions are agreed in the Charter of the Board.

Summary of capital contributions of constituent councils during the year:

	2025	2024
	\$	\$
City of Mitcham	400,000	400,000
City of Burnside	480,000	480,000
City of West Torrens	1,960,000	1,960,000
City of Adelaide	320,000	320,000
City of Unley	840,000	840,000
	<u>4,000,000</u>	<u>4,000,000</u>

Note 17. Asset revaluation reserve

	2025	2024
	\$	\$
Infrastructure and land improvement		
Opening balance 1 July	570,390	570,390
Net increment/(decrement)	-	-
	<u>570,390</u>	<u>570,390</u>
Closing balance 30 June		

Note 18. Capital funding and grants

	2025	2024
	\$	\$
Opening balance	26,928,381	17,224,448
Transfer from accumulated surplus	9,792,269	9,703,933
	<u>36,720,650</u>	<u>26,928,381</u>

Capital funding and grants reserve records the total revenue recognised from the funding providers for capital works to date, including funding from the Stormwater Management Authority and other government grant funding.

Note 19. Financial instruments

Financial risk management objectives

The Board is exposed to a variety of financial risks through its use of financial instruments. The most significant financial risks to which the Board is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk

The principal categories of financial instrument used by the Board are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

The Board Members have overall responsibility for the establishment of the Board's financial risk management framework. This includes the development of policies covering financial governance and the identification and management of financial risk in accordance with the Board's risk management policy.

Details of significant accounting policies and methods adopted including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instruments are disclosed in note 1 Material Accounting Policy Information.

Mitigation strategies for specific risks faced are described below:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Board.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings and the Local Government Finance Authority, which was established under the Local Government Finance Authority Act 1983 as a Body Corporate and is administered by a Board of Trustees.

Credit risk is managed through maintaining procedures to regularly monitor the financial stability of customers and counterparties. There is no collateral held by the Board securing trade and other receivables.

Liquidity risk

Liquidity risk arises from the management of working capital. It is the risk that the Board will encounter difficulty in meeting its financial obligations as they fall due.

The Board manages this risk by preparing and monitoring budgets, only investing surplus cash with major financial institutions and proactively monitoring the recovery of unpaid debts.

At the reporting date, the Board has sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The following table depicts the categorisation of financial instruments held by the Board, noting that due to the nature of the balances held, carrying value is equal to fair value:

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 19. Financial instruments (continued)

	2025 \$	2024 \$
Financial assets		
Held at amortised cost		
Cash and cash equivalents (due less than 1 year)	9,814,112	13,326,831
Trade and other receivables (due less than 1 year)	1,838,340	790,259
Total financial assets	<u>11,652,452</u>	<u>14,117,090</u>
	2025 \$	2024 \$
Financial liabilities		
Held at amortised cost		
Trade and other payables	<u>1,632,886</u>	<u>2,508,166</u>

Remaining contractual maturities

The table below reflects the undiscounted contractual maturity analysis for financial liabilities:

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2025						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables (excluding estimated annual leave)	-	1,632,886	-	-	-	1,632,886
Total non-derivatives		<u>1,632,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,632,886</u>

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Note 20. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 20. Fair value measurement (continued)

Fair value hierarchy

Infrastructure assets are carried at fair value. AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

In determining fair values for infrastructure and land improvements there is no known market for these assets, and they are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience, or on industry construction guides where these are more appropriate; and

- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by the Board.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, the fair value of all assets within the infrastructure and land improvements class are considered Level 3 in the fair value hierarchy.

Note 21. Key management personnel disclosures

Compensation

Key management personnel of the Board include the Project Director and members of the Board appointed under section 112 of the *Local Government Act 1999*. The aggregate compensation made to key management personnel of the Board is set out below:

	2025	2024
	\$	\$
Short-term employee benefits	311,726	300,262
Post-employment benefits	35,849	33,029
	<u>347,575</u>	<u>333,291</u>

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Board:

	2025	2024
	\$	\$
Audit remuneration	<u>5,900</u>	<u>5,700</u>

Note 23. Contingent liabilities

In the opinion of the Board Members, the Board is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report at 30 June 2025 (30 June 2024 : None).

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 24. Commitments

	2025 \$	2024 \$
Other capital commitments		
UBHC Millswood	38,798	409,939
UBHC 1C Forestville	-	399,729
LBHC Packages 1-3	5,483,127	1,403,089
UBHC Commonwealth Funded	178,048	42,160
Operating	12,500	-
Flood Model	137,810	-
	<u>5,850,283</u>	<u>2,254,917</u>
	2025 \$	2024 \$
Total contracted commitments	<u>5,850,283</u>	<u>2,254,917</u>

All contracted commitments noted above are expected to be paid within the next twelve months.

The Authority has been awarded the following Commonwealth Government grants:

Grant	Value	Year Awarded	To be paid	Projects
Preparing Australian Communities	\$10m	FY22	FY23 - FY26	Lower Brown Hill Creek Packages 1 - 3
Disaster Ready Fund Round 1	\$3.7m	FY24	FY25 - FY27	Upper Brown Hill Creek Wilberforce
Disaster Ready Fund Round 1	\$2.387m	FY24	FY25 - FY27	Upper Brown Hill Creek Denning St
Urban Rivers & Catchments	\$4.93m	FY24	FY24 - FY27	Forrestville Reserve, Orphanage Park and Betty Long Gardens
Disaster Ready Fund Round 2	\$150k	FY25	FY25-FY26	Flood Model
Disaster Ready Fund Round 2	\$424k	FY25	FY25-FY28	Upper Brown Hill Creek Millswood Design

Note 25. Related parties

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

There were no transactions with related parties during the current and previous financial year.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members. There were no transactions with other related parties for the year ending 30 June 2025 (2024: Nil).

Note 26. Statutory Information

The registered office and principal place of business of the Board is:
Brown Hill & Keswick Creeks Stormwater Board
PO Box 124 Unley SA 5061

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Board's operations, the results of those operations, or the Board's state of affairs in future financial years.

Brown Hill & Keswick Creeks Stormwater Board
Notes to the financial statements
As at 30 June 2025

Note 28. Reconciliation of net surplus to net cash used in operating activities

	2025	2024
	\$	\$
Net surplus for the year	8,488,743	9,746,940
Adjustments for:		
Depreciation and amortisation	275,515	170,371
Capital funding / grants	(9,792,269)	(9,703,874)
Net loss on disposal of non-current assets	1,471,777	(2,380,234)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,066,603)	(506,390)
Decrease in accrued revenue	20,750	12,594
Increase in prepayments	(2,229)	(942)
Increase in employee benefits	11,583	2,801
(Decrease)/ increase in trade and other payables (excluding income in advance relating to capital grants)	(875,281)	2,040,897
Net cash used in operating activities	<u>(1,468,014)</u>	<u>(617,837)</u>

Brown Hill & Keswick Creeks Stormwater Board
Certification of auditor independence
As at 30 June 2025

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Brown Hill and Keswick Creeks Stormwater Board for the year ended 30 June 2025, the Board's Auditor, Dean Newbery & Partners has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

Judith Choate
Board Member
August 2025

Geoff Vogt
Board Member
August 2025

Brown Hill & Keswick Creeks Stormwater Board
Statement by the auditor

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Brown Hill & Keswick Creeks Stormwater Board
Statement by the auditor

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Report on Financial Results for City of Adelaide								
Statement of Comprehensive Income								
for the year ended 30 June 2025								
2021-22 Actual	2022-23 Actual	2023-24 Actual	\$ '000	2024-25 Actual	2024-25 Adopted Budget	Variance	Commentary	
Income								
121,350	124,957	135,538	Rates Revenues	144,084	144,908	(824)	-1%	Higher level of discretionary rebates provided than budgeted
10,208	12,160	15,598	Statutory Charges	17,193	16,893	300	2%	Due to higher level of Temporary Parking Control income \$277k, parking expiation late payment and FERU income \$165k and Outdoor dining fees \$41k, offset by unfavourable Planning & Development fees (\$124k) and encroachments (\$72k)
10,302	11,393	12,913	Parking Fees	13,370	12,996	374	3%	Parking control changes (eg hours of operation) and additional Temporary Parking Controls installed during Fringe.
9,727	8,933	11,002	Property Lease	11,824	11,377	447	4%	Increase is a result of Advertising Income above minimum guarantee, and extension of a commercial lease
5,526	6,545	6,701	Adelaide Aquatic Centre Charges	169	130	39	30%	Centre favourable to budget across most areas. Closure end July 2024
3,554	3,624	4,679	North Adelaide Golf Course	4,940	4,254	686	16%	Ongoing increased activity
1,434	2,194	2,367	Adelaide Town Hall	2,330	2,798	(468)	-17%	Reduction in events held as a result of Town Hall preservation works being undertaken
138	223	1,013	Event Fees	1,011	683	328	48%	Event space and oval hire \$140k, AEDA summit \$71k, East End Unleashed recovery \$40k, Banner Income \$36k and other minor variances \$42k
27,911	30,804	31,784	Off-Street Parking	33,639	31,608	2,031	6%	Due to commercial pricing decisions, full year of income for 218 Flinders Street and 247 Pirie Street, as well as additional car park Sturt Street came on board in April
3,087	1,737	2,259	Property Recovery	2,149	1,540	609	40%	Higher level of recoveries in line with prior year actuals.
690	731	881	Nursery	982	788	194	25%	Increased volumes as other facilities in the area tempronly closed
763	732	836	Other User Charges	971	1,225	(254)	-21%	Individually immaterial items including Park Lands Event Fees and Rundle Mall Concession Income
63,132	66,916	74,435	Total User Charges	71,385	67,399	3,986	6%	
9,375	7,696	8,638	Grants, Subsidies and Contributions	6,820	4,842	1,978	41%	Increase to budget driven by the Resilient Flood Mapping Project \$950k due to the timing of delivery of the project, early payment of 2025/26 Financial Assistance Grants \$574k, Heritage Incentive Scheme - State Heritage Buildings \$250k and Workers Compensation Scheme Contribution \$92k. Offset by \$163k Roads to Recovery funding pushed into 25/26 and \$63k New Year's Eve not secured
341	1,146	1,265	Investment Income	1,048	166	882	531%	Due to interest income on cash positive balances \$633k and Investment Property Income \$225k (budgeted in Property Lease income)
934	1,164	1,639	Reimbursements	1,659	150	1,509	1006%	Events income in City Operations offset by costs as this income is a pass through of costs, plus reinstatements of footpaths for 3rd parties
366	1,436	1,292	Other Income	988	866	122	14%	Due to an increase in insurance & other recoupments
-	10	3	Net Gain - Equity Accounted Council Businesses	13	-	13	0%	Share of operating surplus in Brown Hill and Keswick Creeks Stormwater Board
205,706	215,485	238,408	Total Income	243,190	235,225	7,965	3%	
Expenses								
69,092	72,478	77,786	Employee Costs	80,062	86,220	6,158	7%	Due to vacancies across the organisation offset by an increase in temporary labour
14,558	15,947	24,701	Contractors	22,409	14,241	(8,168)	-57%	Temporary labour (\$5,757k) backfilling vacancies and working on capital projects. Contractors (\$3,544k) mainly working on events and the Business Systems Roadmap
8,144	9,044	9,267	Maintenance	10,687	11,688	1,001	9%	Business Systems Roadmap reallocation of budget from software maintenance to contractors. Building maintenance higher than budget due to vandalism in public buildings
1,428	1,587	1,716	Legal Expenses	1,479	1,053	(426)	-40%	Additional spend in relation to court costs to recover expiations and other late payments \$106k, People \$125k, Corporate Governance \$114k and other legal matters \$81k
2,346	2,546	2,317	Levies Paid to Government - including NRM levy	3,117	2,276	(841)	-37%	Due to Land tax and ESL payable on Tapanka (Andrew Street UPark) \$527k, Open Space Levy Contribution \$258k for 88 O'Connell Street
5,892	5,416	5,354	Parts, Accessories & Consumables	4,376	4,501	125	3%	Budget included a number of activities where actual spend is less than the expense, such as accelerated greening and library operations
3,932	6,710	6,348	Professional Services	6,009	6,635	626	9%	Budget included a number of activities where actual spend is less than the expense, such as Adelaide New Years' Eve and Planning and Design Code Amendments
4,068	3,644	3,786	Advertising and Promotion	3,684	3,966	282	7%	Due to targeted reduced spending in AEDA to fund future investment
1,034	1,103	971	Bank Charges and Cash Collection	865	1,355	490	36%	Savings as a result of the transition of transactional banking provider
880	1,226	1,334	Catering	941	1,697	756	45%	Reduced catering in line with reduction in Adelaide Town Hall income
2,962	2,671	2,848	Cleaning	2,457	2,267	(190)	-8%	First full year of new contract. Budget increased in 25-26
7,857	9,149	9,315	Energy and Water	9,300	8,500	(800)	-9%	Increase in cost of watering the Park Lands due to dry Summer and Autumn (\$530k), street lighting due to higher market cost for renewable energy
2,237	2,528	2,897	Insurance	2,681	2,686	5	0%	
2,025	2,255	2,452	Security	2,273	2,364	91	4%	
10,829	11,348	8,238	Sponsorships, Contributions and Donations	7,324	6,149	(1,175)	-19%	Additional funding provided for Commercial Events through AEDA \$471k, Heritage Incentive Scheme \$320k, Disability Access and Inclusioning plan \$90k, Australia Day Sponsorship \$80k and UNESCO City of Music Partnership \$54k
1,684	1,779	1,697	Subscriptions	2,371	2,074	(297)	-14%	Additional spend in Microsoft \$156k, Sensen licence fee \$128k and Culture Amp \$51k
1,673	3,593	3,742	Waste Services	3,592	3,813	221	6%	Review of contract found one off savings
6,216	8,756	9,264	Other expenses	8,681	6,528	(2,153)	-33%	21 minor items
77,765	88,076	96,247	Total Materials, Contracts & Other Expenses	92,246	81,973	(10,273)	-13%	
56,568	52,287	55,008	Depreciation, Amortisation & Impairment	60,332	56,857	(3,475)	-6%	Increase in depreciation due to asset revaluations, impairment of assets and remeasurement of lease terms
1,277	952	891	Finance Costs	1,075	808	(267)	-33%	Finance costs associated with leases, not borrowings
27	-	-	Net loss - Equity Accounted Council Businesses	-	-	-	-	
204,729	213,793	220,932	Total Expenses	233,715	225,858	7,857	3%	
977	1,692	8,476	Operating Surplus / (Deficit)	9,475	9,367	108	1%	
373	2,280	464	Physical Resources Receive Free of Charge	1,262	-	1,262		Gifted Assets
(658)	(14,747)	(6,160)	Asset Disposal & Fair Value Adjustments	(11,547)	-	(11,547)	#DIV/0!	Includes the carrying amount (remaining useful lives) of assets renewed or directly replaced in the period
3,411	6,655	5,521	Amounts Received Specifically for New or Upgraded Assets	4,703	7,026	(2,323)	-33%	Due to reduced grant funding recognised on Assets still under construction including Visitor Experience Adelaide
4,103	(4,120)	8,301	Net Surplus / (Deficit)	3,893	16,393	(12,500)	-76%	
Other Comprehensive Income								
84,305	(6,328)	158,673	Changes in Revaluation Surplus - LPP&E	124,105	-	124,105		The movement represents an accounting adjustment for the asset valuations conducted during the year for Lighting & Electrical and Traffic Signals, as well as a desktop indexation for Footpaths, Roads, Kerb & Water Table, Bridges, Water Infrastructure
		2,125	Share of other comprehensive income - equity accounted council businesses	666		666		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	(11,424)		(11,424)		Impairment of assets recognised against the Asset Revaluation Reserve
		(4,950)	Rehabilitation Provision recognised directly in the asset revaluation reserve	-		-		
(206)	-	-	Net actuarial gains/(losses) on CCASP sub-fund	-	-	-	-	
84,099	(48,295)	155,848	Total Other Comprehensive Income	113,347	-	113,347		

88,202	(52,415)	164,149	Total Comprehensive Income	117,240	16,393	100,847	615%
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Statement of Financial Position as at 30 June 2025								
2021-22 Actual	2022-23 Actual	2023-24 Actual	\$ '000	2024-25 Actual	2024-25 Adopted Budget	Variance	Commentary	
ASSETS								
Current Assets								
2,984	871	2,077	Cash and Cash Equivalents	2,288	800	1,488	186%	Cash on hand as at 30 June
15,774	22,049	38,314	Trade & Other Receivables	29,860	45,116	(15,256)	-34%	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%	
541	741	804	Inventories	749	741	8	1%	
5,965	26,000	-	Non-Current Assets Held for Sale	-	-	-	-	
		18,500	Other Current Assets	45,500	-	45,500	-	Final payment to be received for 88 O'Connell Street and Central Market Arcade returnable works expected in FY26
25,264	60,294	59,695	Total Current Assets	78,397	46,657	31,740		
Non-Current Assets								
466	838	932	Financial Assets	812	679	133	20%	Increase due to Finance Lease Receivable recognised
1,412	1,618	4,066	Equity Accounted Investments in Council Businesses	5,065	2,258	2,807	124%	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
42,473	44,452	26,153	Other Non-Current Assets	87	1,306	(1,219)	-93%	Includes Deferred Rent as a result of COVID-19 measures.
1,906,716	1,823,299	2,009,872	Infrastructure, Property, Plant & Equipment	2,159,705	1,924,348	235,357	12%	Movements in the capital program, including revaluations offset by asset sales
2,870	2,910	3,065	Investment Property	4,705	2,968	1,737	59%	Investment Properties
1,953,937	1,873,117	2,044,088	Total Non-Current Assets	2,170,374	1,931,559	238,815		
1,979,201	1,933,411	2,103,783	TOTAL ASSETS	2,248,771	1,978,216	270,555		
LIABILITIES								
Current Liabilities								
24,286	33,165	30,087	Trade & Other Payables	32,916	19,071	13,845	73%	Actuals in line with prior years and includes timing of payments received in advance for projects to be delivered in future years and an increase in creditors and accrued expenses due to the timing of receipt of invoices
4,842	4,844	5,077	Borrowings (Finance Leases)	3,314	5,142	(1,828)	-36%	Result of remeasuring lease terms
13,605	13,636	18,858	Provisions	13,877	21,595	(7,718)	-36%	Actual in line with prior years, adjusted for the utilisation of the rehabilitation provision in FY25
42,733	51,645	54,022	Total Current Liabilities	50,107	45,808	4,299		
Non-Current Liabilities								
293	293	16,232	Trade & Other Payables	16,063	-	16,063	#DIV/0!	Includes the liability for the long term lease extension, which will be amortised over the life of the lease
8,000	7,519	-	Borrowings	23,820	53,677	(29,857)	-56%	Borrowings were significantly lower than anticipated due to an extension of a long term lease, and the timing of spend on Capital Works
46,041	43,913	39,318	Borrowings (Finance Leases)	47,252	30,922	16,330	53%	Result of remeasuring lease terms
1,655	1,977	1,998	Provisions	2,076	2,103	(27)	-1%	Employee provisions
55,989	53,702	57,548	Total Non-Current Liabilities	89,211	86,703	2,508		
98,722	105,347	111,570	TOTAL LIABILITIES	139,318	132,511	6,807		
1,880,479	1,828,064	1,992,213	Net Assets	2,109,453	1,845,705	263,748		
EQUITY								
792,262	781,667	783,588	Accumulated Surplus	810,417	807,168	3,249		A result of the Net Surplus position. Refer to Statement of Comprehensive Income
1,066,618	1,018,226	1,171,995	Asset Revaluation Reserves	1,284,676	1,004,383	280,293		Movement as a result of revaluations in the period
21,599	28,171	36,630	Future Fund Reserve	14,360	34,154	(19,794)		Decrease is a result of higher spend than originally forecast on Central Market Arcade Redevelopment for the year, and retiming of 88 O'Connell street final payment into 2025/26
21,599	28,171	36,630	Total Other Reserves	14,360	34,154	(19,794)		
1,880,479	1,828,064	1,992,213	Total Council Equity	2,109,453	1,845,705	263,748		

**Financial Indicators
for the year ended 30 June 2025**

2021-22 Actual	2022-23 Actual	2023-24 Actual	\$ '000	2024-25 Actual	2024-25 Adopted Budget	Variance	Commentary
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							
977	1,692	6,476	Operating Surplus	9,475			
205,706	215,485	238,408	Total Operating Revenue	243,190			In line with budget
0.5%	0.8%	4%	This ratio expresses the operating surplus as a percentage of total operating revenue.	4%	4.0%		
2. Net Financial Liabilities Ratio							
79,498	70,956	70,247	Net Financial Liabilities	106,358			Calculation in the Financial Statements includes Lease Liabilities not included in the adopted budget
205,706	215,485	238,408	Total Operating Revenue Less NRM Levy	243,190			
39%	33%	29%	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.	44%	21.0%		
3. Adjusted Asset Sustainability Ratio							
32,754	36,157	54,134	Net Asset Renewals	53,394			
65,854	50,501	56,018	Infrastructure & Asset Management Plan required expenditure	55,920			Adjusted ratio compares works completed against the Asset Management Plan required expenditure adjusted for performance against contingency
50%	73%	97%	on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.	95%	92.5%		

Report on Financial Results for Adelaide Central Market Authority							Commentary
Statement of Comprehensive Income							
for the year ended 30 June 2025							
2022/23 Actual	2023/24 Actual	\$ '000	Actual	Budget	Variance		
Income							
3,804	4,260	Property Lease	4,393	4,228	165	4%	Due to higher occupancy than budgeted in the Market, in addition to reduced incentives due to the renewal of tenancies as opposed to new tenants coming into the market.
843	1,099	Property Recovery	1,075	1,014	61	6%	Recovery of outgoings from Tenants. Increase due to recovery for stallholder improvements.
	2	Hall & Equipment Hire	0	0	-	0%	
		Reimbursements	8	0	8	100%	Reimbursement of security and cleaning costs from tenants
-	-	Grants, Subsidies and Contributions	50	-	50	100%	Grants received from Green Industries SA for ACMA Traders Sustainability program
128	125	Other Income	144	101	43	43%	Commission on ACMA online and Merchandise sales
4,775	5,486	Total Income	5,670	5,343	327		
Expenses							
9	10	Auditors Remuneration	10	7	(3)	-43%	
-	10	Bad and Doubtful Debts	18	-	(18)		Provision for tenants - Something Wild and Daniels & Wills as decision from ACMA Board
113	122	Board Fees	142	119	(23)	-19%	Increase in long term benefits accrued for board members
1,130	1,235	Contractors	1,508	1,986	478	24%	Includes employees contracted from the City of Adelaide. Budget assumed a higher level of employee and contract labour as a result of the market expansion, some of which was utilised with external professional services. Overall due to the timing of construction, expenditure was not incurred.
598	608	Energy	731	844	113	13%	Savings in electricity costs
339	425	Maintenance	527	460	(67)	-15%	Increased Building Maintenance and Fire Protection
16	17	Legal Expenses	52	53	1	2%	
27	28	Levies Paid to Government - including Landscape levy	29	29	-	0%	
43	57	Parts, Accessories & Consumables	69	67	(2)	-3%	
114	289	Professional Services	457	321	(136)	-42%	Increased Consultancy spend, due to the Central Market Expansion Operational Preparedness and ACMA Traders Sustainability program.
125	200	Advertising and Promotion	192	171	(21)	-12%	Increase associated with the project of Central Market Expansion Operational Preparedness and an increase in advertising business as usual of the market
12	11	Bank Charges and Cash Collection	16	11	(5)	-	
967	1,011	Cleaning	870	865	(5)	-1%	
111	118	Water	117	133	16	12%	Water in line with prior year actuals
52	112	Insurance	96	107	11	10%	Assets insurance premium cost for ACMA was less than anticipated.
73	66	Printing, Freight and Postage	75	71	(4)	-6%	Cost includes delivery charges for ACMA Online.
38	52	Rates and Taxes	57	73	16	22%	Payroll Tax in line with prior year actuals and lower than budget due to vacant positions.
519	553	Security	559	561	2	0%	
328	377	Waste services	412	348	(64)	-18%	Waste services were 10% higher than the previous year (23/24: 15%)
37	57	Other	32	38	6	16%	Individually insignificant expenses
39	39	Depreciation, Amortisation & Impairment	39	36	(3)	-	Right of Use Asset for lease space entered into for the ACMA online (cold room)
2	1	Finance Costs	1	1	-	-	Interest on lease liability
4,692	5,398	Total Expenses	6,009	6,301	292		
83	88	Operating Surplus / (Deficit)	(339)	(958)	619		
83	88	Total Comprehensive Income	(339)	(958)	619		

Report on Financial Results for Adelaide Central Market Authority							
Statement of Financial Position as at 30 June 2025							
Actual	Actual	\$ '000	Actual	Budget	Variance	Commentary	
ASSETS							
Current Assets							
276	464	Trade & Other Receivables	319	298	21	7%	Debtor balances have been tightly managed. The Actual balance includes timing of receipts and payments from CoA (inter-company)
31	24	Inventories	50	31	19	61%	Merchandise stock on hand
72	36	Other Current Assets	15	36	(21)	100%	Current portion of the rent relief incentives, amortised over the lease terms
379	524	Total Current Assets	384	365			
Non-Current Assets							
75	36	Infrastructure, Property, Plant & Equipment	81	-	81	-	Lease for the ACMA online space extended.
29	43	Other Non-Current Assets	87	7	80	1143%	Non-Current portion of the rent relief incentives, amortised over the lease terms
104	79	Total Non-Current Assets	168	7			
483	603	Total Assets	552	372			
LIABILITIES							
Current Liabilities							
323	398	Trade & Other Payables	475	372	103	28%	An increase in creditors and accrued expenses compared to budget due to the timing of the receipt of invoices
39	34	Borrowings	37	-	37	-	Current portion of the Lease Liability for the cool room and storage for the online market.
362	432	Total Current Liabilities	512	372			
Non-Current Liabilities							
38	-	Borrowings	40	-	40	-	Non-Current portion of the Lease Liability for the cool room and storage for the online market.
38	-	Total Non-Current Liabilities	40	-			
400	432	Total Liabilities	552	372			
83	171	Net Assets	-	0			
EQUITY							
(712)	(624)	Accumulated Surplus	(963)	(1,753)	790	-45%	
795	795	Other Reserves	963	1,753	(790)	-	
83	171	Total Equity	-	-			

Report on Financial Results for Adelaide Economic Development Agency

Statement of Comprehensive Income

for the year ended 30 June 2025

2022-23 Actual	2023-24 Actual	\$ '000	Actual	Budget	Variance	Commentary	
		Income					
3,889	3,918	Rundle Mall Levy	4,049	4,017	32	1%	Rundle Mall Separate Rates higher due to lower level of objections upheld
560	625	User Charges	656	380	276	73%	Rundle Mall concessions income \$204k above original budget. In addition the AEDA Business Summit generated \$71k in unbudgeted sales.
7	2	Reimbursements	-	-	-	100%	
11	12	Other Income	7	19	(12)	100%	
17	30	Grants, Subsidies and Contributions	15	-	15	100%	Sponsorship from University of Adelaide for AEDA Business Summit
9,833	8,891	Grants, Subsidies and Contributions	8,413	8,392	21	0%	Budget includes \$233k contribution for strategic projects. Actual strategic project spend was \$702k, offset by salary savings (included in contractors below), resulting in net contribution increase of \$21k.
14,317	13,478	Total Income	13,140	12,809	331		

Expenses

47	1	Auditor's Remuneration	1	2	1	50%	Actual expenditure reflects the external audit of the financial statements
5	(5)	Bad and Doubtful Debts	5	-	(5)	-100%	Provision for Spheres Restaurant for Rundle Mall hire fees, which is over 180 days
97	81	Board Fees	130	120	(10)	-8%	Increase in long term benefits for board members
36	42	Lease Expense - Short Term Leases	48	53	5	-100%	Decrease in short term rental/room hire for events. Budget assumed month-to-month lease for Rundle Mall Storage.
4,813	4,172	Contractors	4,449	4,983	534	11%	Reflects salaries and wages. Underspend reflective of vacancies within the team, offset by temp staff
2,727	2,787	Advertising and Promotion	2,720	3,002	282	9%	Fashion on the Mall, Christmas on the Mall, Food Festival on the Mall and Festival Season on the Mall budgets were against advertising. Underspend aligns with overspend in external plant hire
708	741	External Plant Hire	596	324	(272)	-84%	Fashion on the Mall, Christmas on the Mall, Food Festival on the Mall and Festival Season on the Mall budgets were against advertising therefore overspend is offset by underspend in advertising
397	293	Professional Services	239	341	102	30%	Less spending in consultant fees for marketing tourism projects
380	549	Security	413	308	(105)	-34%	Increased security presence in the mall
4,434	4,532	Sponsorships, Contributions and Donations	3,605	3,249	(356)	-11%	Due to the Commercial Events and Festivals Sponsorship Program funding of \$0.5 million provided during the Q2 and Q3.
50	40	Subscriptions	148	156	8	5%	
361	189	Other Expenses	312	177	(135)	-76%	Individually immaterial items
33	58	Depreciation, Amortisation & Impairment	96	88	(8)	-9%	Increase to budget due to new right of use asset from lease of Myer Centre storage
-	3	Finance Costs	7	6	(1)	-17%	Interest expense associated with lease liability for right of use asset under AASB16
14,088	13,483	Total Expenses	12,769	12,809	40		

229	(5)	Operating Surplus / (Deficit)	371	-	371	
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-	-	Total Other Comprehensive Income	-	-	-	
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229	(5) Total Comprehensive Income	371	-	371
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Report on Financial Results for Adelaide Economic Development Agency

Statement of Financial Position

as at 30 June 2025

Actual		\$ '000	Actual	Budget	Variance	Commentary	
ASSETS							
Current Assets							
864	491	Trade & Other Receivables	1,240	678	562	83%	An increase in debtors and prepayments compared to budget due to the increase in the inter entity funds transfer
4	6	Inventories	4	6	(2)	-33%	Merchandise stock on hand
868	497	Total Current Assets	1,244	684			
Non-Current Assets							
98	184	Infrastructure, Property, Plant & Equipment	163	96	67	-	Increase in right of use assets due to the new lease of Myer Centre Storage
98	184	Total Non-Current Assets	163	96			
966	681	Total Assets	1,407	780			
LIABILITIES							
Current Liabilities							
693	283	Trade & Other Payables	610	693	(83)	-12%	A decrease in creditors and accrued expenses compared to budget due to the timing of the receipt of invoices
-	43	Borrowings	73	43	30	0%	Right of use Asset - Lease liability, new Myer Centre Storage
693	326	Total Current Liabilities	683	736			
Non-Current Liabilities							
-	87	Borrowings	85	44	41	-	Right of use Asset - Lease liability, new Myer Centre Storage
-	87	Total Non-Current Liabilities	85	44			
693	413	Total Liabilities	768	780			
273	268	Net Assets	639	-			
EQUITY							
273	268	Accumulated Surplus	639	-	639	#DIV/0!	Rundle Mall carry forward
-	-	Other Reserves	-	-	-	-	
273	268	Total Equity	639	-			

Report on Financial Results for Adelaide Park Lands Authority						
Statement of Comprehensive Income for the year ended 30 June 2025						
2022-23 Actual	2023-24 Actual	\$ '000	Actual	Budget	Variance	Commentary
Income						
181	234	Grants, Subsidies and Contributions	306	328	(22)	-7%
181	234	Total Income	306	328	(22)	Grant income received to match expenditure.
Expenses						
1	1	Auditors Remuneration	1	2	1	50%
96	139	Contractors	155	180	25	14%
-	2	Catering	4	4	-	0%
23	6	Professional Services	26	-	(26)	Due to stakeholder engagement activity undertaken for the Adelaide Park Lands Management Strategy (APLMS)
3	21	Advertising and Promotion	34	25	(9)	Launch of the Adelaide Park Lands Management Strategy (APLMS)
15	-	Sponsorships, Contributions & Donations	15	15	-	0% Biennial grant provided in FY25
16	21	Insurance	13	17	4	24% Insurance premium costs
-	2	Minor Plant and Equipment	-	-	-	
-	1	Legal Fees	-	3	3	100% No expenditure incurred in FY25
26	40	Sitting Fees	57	72	15	21% Budget assumed 11 meetings, actual meetings held xxxx
1	1	Other	1	10	9	90% Majority of budget was to be used to conduct Community Forums
181	234	Total Expenses	306	328	22	
-	-	Operating Surplus / (Deficit)	-	-	-	
-	-	Net Surplus / (Deficit) ¹	-	-	-	
-	-	Total Comprehensive Income	-	-	-	

Report on Financial Results for Adelaide Park Lands Authority					
Statement of Financial Position					
as at 30 June 2025					
2022-23 Actual	2023-24 Actual	\$ '000	Actual	Budget	
ASSETS					
-	-	Total Assets	-	-	
LIABILITIES					
-	-	Total Liabilities	-	-	
-	-	Net Assets	-	-	
EQUITY					
-	-	Total Equity	-	-	