

**District Council of Cleve**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2022**

**District Council of Cleve**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2022**

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**District Council of Cleve  
Annual Financial Statements  
for the year ended 30 June 2022**

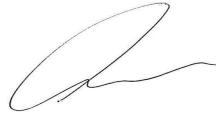
**CERTIFICATION OF FINANCIAL STATEMENTS**

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 2022 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.



.....  
**David Penfold**  
**CHIEF EXECUTIVE OFFICER**



.....  
**Philip Cameron**  
**MAYOR/COUNCILLOR**

**Date: 19 October 2022**

**District Council of Cleve**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2022**

	Notes	2022 \$	2021 \$
<b>INCOME</b>			
Rates	2	3,590,525	3,547,539
Statutory charges	2	29,701	21,584
User charges	2	224,510	218,554
Grants, subsidies and contributions	2	2,588,028	2,352,660
Investment income	2	35,586	37,115
Reimbursements	2	321,240	112,373
Other income	2	176,334	171,867
<b>Total Income</b>		<b>6,965,924</b>	<b>6,461,692</b>
<b>EXPENSES</b>			
Employee costs	3	1,850,531	1,638,850
Materials, contracts & other expenses	3	2,487,975	2,360,112
Depreciation, amortisation & impairment	3	1,825,596	1,984,281
Finance costs	3	28,782	34,046
<b>Total Expenses</b>		<b>6,192,885</b>	<b>6,017,288</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>773,039</b>	<b>444,403</b>
Asset disposal & fair value adjustments	4	(407,366)	(145,653)
Amounts received specifically for new or upgraded assets	2	926,787	722,547
<b>NET SURPLUS / (DEFICIT) (transferred to Equity Statement)</b>		<b>1,292,460</b>	<b>1,021,298</b>
<b>Other Comprehensive Income</b>			
Impairment (expense) / recoupments offset to asset revaluation reserve	9	(71,362)	-
<b>Total Other Comprehensive Income</b>		<b>(71,362)</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,221,098</b>	<b>1,021,298</b>

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

**District Council of Cleve**  
**Statement of Financial Position**  
**as at 30 June 2022**

	Notes	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	7,753,069	7,757,398
Trade & other receivables	5	831,385	568,462
Inventories	5	18,443	4,618
<b>Total Current Assets</b>		<b>8,602,897</b>	<b>8,330,478</b>
<b>Non-current Assets</b>			
Financial assets	6	202,540	200,157
Infrastructure, property, plant & equipment	7	50,396,440	50,106,053
Other non-current assets	6	1,655,076	754,210
<b>Total Non-current Assets</b>		<b>52,254,056</b>	<b>51,060,420</b>
<b>Total Assets</b>		<b>60,856,953</b>	<b>59,390,898</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	1,284,190	813,825
Borrowings	8	182,861	128,773
Provisions	8	275,897	399,242
<b>Total Current Liabilities</b>		<b>1,742,947</b>	<b>1,341,840</b>
<b>Non-current Liabilities</b>			
Borrowings	8	402,562	572,922
Provisions	8	29,637	15,427
<b>Total Non-current Liabilities</b>		<b>432,199</b>	<b>588,349</b>
<b>Total Liabilities</b>		<b>2,175,146</b>	<b>1,930,189</b>
<b>NET ASSETS</b>		<b>58,681,807</b>	<b>57,460,709</b>
<b>EQUITY</b>			
Accumulated Surplus		28,560,879	27,363,597
Asset Revaluation Reserves	9	29,479,928	29,551,290
Other Reserves	9	640,999	545,822
<b>TOTAL EQUITY</b>		<b>58,681,807</b>	<b>57,460,709</b>

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

**District Council of Cleve**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2022**

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
2022	Notes	\$	\$	\$	\$
Balance at end of previous reporting period		27,363,597	29,551,290	545,822	57,460,709
<b>Net Surplus / (Deficit) for Year</b>		<b>1,292,460</b>			<b>1,292,460</b>
<b>Other Comprehensive Income</b>					
Impairment (expense) / recoupments offset to asset revaluation reserve			(71,362)		(71,362)
Transfers between reserves		(95,177)		95,177	-
<b>Balance at end of period</b>	9	<b>28,560,879</b>	<b>29,479,928</b>	<b>640,999</b>	<b>58,681,807</b>
		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
2021	Notes	\$	\$	\$	\$
Balance at end of previous reporting period		26,014,290	29,551,290	873,831	56,439,411
<b>Net Surplus / (Deficit) for Year</b>		<b>1,021,298</b>			<b>1,021,298</b>
Transfers between reserves		328,009		(328,009)	-
<b>Balance at end of period</b>	9	<b>27,363,597</b>	<b>29,551,290</b>	<b>545,822</b>	<b>57,460,709</b>

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

**District Council of Cleve**  
**Statement of Cash Flows**  
**for the year ended 30 June 2022**

	Notes	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i><b>Receipts:</b></i>			
Rates - general & other		3,667,068	3,726,702
Fees & other charges		31,186	22,663
User charges		298,434	196,762
Investment receipts		235,340	38,023
Grants utilised for operating purposes		2,285,497	2,144,462
Reimbursements		337,302	117,992
Other revenues		(101,652)	639,263
<i><b>Payments:</b></i>			
Employee costs		(1,944,697)	(1,713,004)
Materials, contracts & other expenses		(2,107,975)	(3,048,327)
Finance payments		(29,786)	(34,023)
<b>Net Cash provided by (or used in) Operating Activities</b>		<u>2,670,716</u>	<u>2,090,512</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i><b>Receipts:</b></i>			
Amounts specifically for new or upgraded assets		926,787	722,547
Sale of replaced assets		68,636	198,573
Sale of surplus assets		600,000	-
Repayments of loans by community groups		10,017	93,625
<i><b>Payments:</b></i>			
Expenditure on renewal/replacement of assets		(2,253,074)	(2,101,303)
Expenditure on new/upgraded assets		(1,911,139)	(1,233,400)
<b>Net Cash provided by (or used in) Investing Activities</b>		<u>(2,558,772)</u>	<u>(2,319,957)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i><b>Receipts:</b></i>			
Proceeds from borrowings		-	(20,857)
<i><b>Payments:</b></i>			
Repayments of borrowings		(116,273)	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<u>(116,273)</u>	<u>(20,857)</u>
<b>Net Increase (Decrease) in cash held</b>		<u>(4,329)</u>	<u>(250,302)</u>
 Cash & cash equivalents at beginning of period	10	<u>7,757,398</u>	<u>8,007,700</u>
<b>Cash &amp; cash equivalents at end of period</b>	10	<u>7,753,069</u>	<u>7,757,398</u>

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

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 1 - Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**1 Basis of Preparation**

**1.1 Compliance with Australian Accounting Standards**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011.

**1.2 Historical Cost Convention**

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

**1.3 Critical Accounting Estimates**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying 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 this Note.

**1.4 Rounding**

All amounts in the financial statements have been rounded to the nearest dollar.

**1.5 Covid-19**

The COVID-19 pandemic has impacted the 2021/22 financial statements. The financial impacts are a direct result of either Council's response to the pandemic or due to mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

**2 The Local Government Reporting Entity**

District Council of Cleve is incorporated under the SA Local Government Act 1999 and has its principal place of business at 10 Main Street Cleve, SA 5640. These consolidated 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.

**3 Income recognition**

**3.1 Revenue**

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



**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 1 - Significant Accounting Policies**

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years, the payment of untied grants (financial assistance grants/ local roads/ supplementary grants) has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation		Difference
<b>2016-17</b>	2,036,887	1,344,427	+	692,640
<b>2017-18</b>	1,728,737	1,642,863	+	85,874
<b>2018-19</b>	2,026,300	1,647,009	+	379,291
<b>2019-20</b>	1,496,797	1,651,904	-	155,107
<b>2020-21</b>	1,457,819	1,668,774	-	210,955
<b>2021-22</b>	2,177,600	1,721,581	+	456,019

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 13 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

**3.2 Construction Contracts**

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**4 Cash, Cash Equivalents and Other Financial Instruments**

**4.1 Cash, Cash Equivalent Assets**

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.

**4.2 Other Financial Instruments**

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.

# **District Council of Cleve**

## **Notes to and forming part of the Financial Statements**

### **for the year ended 30 June 2022**

#### **Note 1 - Significant Accounting Policies**

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 12.

#### **5 Inventories**

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

##### **5.1 Real Estate Assets Developments**

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

##### **5.2 Other Real Estate held for resale**

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

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

##### **6.1 Initial Recognition**

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the 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 balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

##### **6.2 Materiality**

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

##### **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**

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, 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.

# **District Council of Cleve**

## **Notes to and forming part of the Financial Statements**

### **for the year ended 30 June 2022**

#### **Note 1 - Significant Accounting Policies**

Major depreciation periods for each class of asset are shown in Note 7. 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.

#### **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 as stands to the credit of that class of assets in Asset Revaluation Reserve, 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.

### **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 Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

### **8 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 income statement over the period of the borrowings using the effective interest method.

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 1 - Significant Accounting Policies**

**9 Provisions**

**9.1 Employee Benefits**

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

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

No accrual is made for sick leave as 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.

Superannuation:

The Council makes employer superannuation contributions in respect of its employees to the Statewide 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 15.

**9.2 Provisions for reinstatement, restoration, 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.

**11 Joint Ventures and Associated Entities**

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements are accounted for in accordance with AASB 128 Investments in Associates and are set out in detail in Note 19.

**11 GST Implications**

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

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 1 - Significant Accounting Policies**

**12 New and amended standards and interpretations**

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

*Amendments to AASB 16 Covid-19 Related Rent Concessions:*

In 2020, the AASB issued AASB 2020-4, Amendments to AASBs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 2021 the AASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. This amendment had no impact on the consolidated financial statements of the Group.

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 2 - INCOME**

	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>RATES REVENUES</b>			
<u>General Rates</u>		<b>3,002,498</b>	2,946,390
Less: Mandatory rebates		<b>(33,491)</b>	(32,792)
Less: Discretionary rebates, remissions & write offs		<b>(15,598)</b>	(15,199)
		<b>2,953,409</b>	2,898,399
<u>Other Rates (including service charges)</u>			
Landscape levy		<b>106,314</b>	105,857
Waste collection		<b>208,120</b>	205,916
Community wastewater management systems		<b>316,334</b>	317,802
Separate and Special Rates		<b>4,216</b>	7,214
		<b>634,984</b>	636,790
<u>Other Charges</u>			
Penalties for late payment		<b>15,455</b>	19,596
Legal & other costs recovered		<b>2,177</b>	7,587
		<b>17,632</b>	27,183
Less: Discretionary rebates, remissions & write offs		<b>(15,500)</b>	(14,833)
		<b>3,590,525</b>	3,547,539
<b>STATUTORY CHARGES</b>			
Development Act fees		<b>13,915</b>	5,537
Town planning fees		<b>7,183</b>	8,211
Health & Septic Tank Inspection fees		<b>1,235</b>	1,940
Animal registration fees & fines		<b>7,330</b>	5,896
Other licences, fees, & fines		<b>38</b>	-
		<b>29,701</b>	21,584
<b>USER CHARGES</b>			
Cemetery/crematoria fees		<b>9,782</b>	17,505
Arno Bay Harbour fees		<b>20,921</b>	20,215
Sanitation & garbage fees		<b>179,040</b>	144,554
Council house rentals		<b>5,571</b>	15,368
Standpipe water		<b>3,558</b>	16,636
Hall & equipment hire		<b>2,060</b>	1,275
Sundry		<b>3,577</b>	3,001
		<b>224,510</b>	218,554

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 2 - INCOME (con't)**

	Notes	2022 \$	2021 \$
<b>INVESTMENT INCOME</b>			
Interest on investments:			
Local Government Finance Authority		27,574	26,798
Banks & other		0	9
Loans to community groups		8,011	10,308
		<b>35,586</b>	<b>37,115</b>
<b>REIMBURSEMENTS</b>			
Private works		129,544	7,880
Other		191,696	104,493
		<b>321,240</b>	<b>112,373</b>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		3,532	9,020
Accommodation unit income		118,778	98,335
Sundry		54,024	64,511
		<b>176,334</b>	<b>171,867</b>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		926,787	722,547
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		2,177,600	1,457,819
Roads to Recovery		401,192	601,788
Library & Communications		4,196	3,830
Drought Communities Programme		-	283,615
Sundry		5,040	5,608
		<b>2,588,028</b>	<b>2,352,660</b>
		<b>3,514,815</b>	<b>3,075,207</b>
<i>The functions to which these grants relate are shown in Note 11.</i>			
<b>Sources of grants</b>			
Commonwealth government		1,327,979	728,155
State government		2,186,836	2,347,052
		<b>3,514,815</b>	<b>3,075,207</b>

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 2 - INCOME (con't)**

		2022	2021
<i><b>Individually Significant Item</b></i>	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<i>Unspent Grant Revenue/ Fags received in Advance</i>		1,247,612	1,050,101
 <b>Conditions over grants &amp; contributions</b>			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		<b>1,050,101</b>	804,587
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>			
<i>    Roads Infrastructure (FAG's Paid in advance)</i>		<b>791,593</b>	(804,587)
<i>    LRCIP - Phase 2</i>		<b>258,508</b>	-
<i>Subtotal</i>		<b>1,050,101</b>	(804,587)
 <i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>    Roads Infrastructure (FAG's Paid in advance)</i>		<b>1,247,612</b>	791,593
<i>    LRCIP - Phase 2</i>		-	258,508
<i>Subtotal</i>		<b>1,247,612</b>	1,050,101
<i>Unexpended at the close of this reporting period</i>		<b>3,347,814</b>	1,050,101
 <i>Net increase / (decrease) in assets subject to conditions in the current reporting period</i>			
		<b>2,297,713</b>	245,514



**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 3 - EXPENSE**

		2022	2021
	Notes	\$	\$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,772,722	1,435,377
Employee leave expense		82,843	156,337
Superannuation - defined contribution plan contributions	15	141,265	119,373
Superannuation - defined benefit plan contributions	15	21,457	22,622
Workers' Compensation Insurance		44,414	35,707
Other		-	31,192
Less: Capitalised and distributed costs		<u>(212,169)</u>	<u>(161,759)</u>
<b>Total Operating Employee Costs</b>		<b><u>1,850,531</u></b>	<b><u>1,638,850</u></b>
<b>Total Number of Employees</b>		<b>21</b>	<b>21</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		13,000	23,060
Elected members' expenses		80,399	81,825
Election expenses		543	532
Subtotal - Prescribed Expenses		<u>93,942</u>	<u>105,417</u>
<u>Other Materials, Contracts &amp; Expenses</u>			
Advertising & Printing		50,647	34,145
Contractors - Operating		534,617	509,534
Materials, Contracts & Other Capital		3,051,179	3,172,948
Drought Relief Projects - Sport & Recreation		-	237,256
Energy		65,197	61,290
Freight		35,177	24,814
Insurance		204,942	147,047
Maintenance		39	83
Materials - Operating		364,876	284,485
Legal Expenses		120,216	110,758
Levies paid to government - Landscape levy		106,356	107,246
- Other Levies		61,293	56,614
Membership & Subscriptions		67,892	70,748
Parts, accessories & consumables		87,176	54,954
Professional Services		262,460	231,998
Registration		36,284	34,603
Telecommunication & Internet		15,397	19,857
Training		35,207	44,935
Travel		28,262	27,525
Sundry - Operating		243,715	129,531
Water		74,280	67,271
Less: Capitalised and Distributed Costs		<u>(3,051,179)</u>	<u>(3,172,944)</u>
Subtotal - Other Materials, Contracts & Expenses		<b><u>2,394,033</u></b>	<b><u>2,254,696</u></b>
		<b><u>2,487,975</u></b>	<b><u>2,360,112</u></b>

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 3 - EXPENSE con't**

	2022	2021
Notes	\$	\$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Buildings & Other Structures	<b>202,886</b>	216,239
Infrastructure	-	1,215,208
Sealed	<b>357,367</b>	-
Unsealed	<b>658,595</b>	-
Kerbing & Guttering	<b>38,289</b>	-
Bridges	<b>13,256</b>	-
Culverts	<b>2,241</b>	-
Footpaths	<b>50,345</b>	-
CWMS	<b>117,820</b>	117,820
Plant, Machinery & Equipment	<b>375,168</b>	348,535
Office Equipment, Furniture & Fittings	<b>9,579</b>	15,016
Other Assets	<b>71,412</b>	71,463
Less: Impairment expense offset to asset revaluation reserve	9 <b>(71,362)</b>	-
	<b><u>1,825,596</u></b>	<b><u>1,984,281</u></b>
<b>FINANCE COSTS</b>		
Interest on Loans	<b><u>28,782</u></b>	<b><u>34,046</u></b>
	<b><u>28,782</u></b>	<b><u>34,046</u></b>

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

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

	2022	2021
Notes	\$	\$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	68,636	198,573
Less: Carrying amount of assets sold	<u>(312,212)</u>	<u>(344,226)</u>
<b>Gain (Loss) on disposal</b>	<b><u>(243,575)</u></b>	<b><u>(145,653)</u></b>
<i>Assets surplus to requirements</i>		
Proceeds from disposal	600,000	-
Less: Carrying amount of assets sold	<u>(763,791)</u>	<u>-</u>
<b>Gain (Loss) on disposal</b>	<b><u>(163,791)</u></b>	<b><u>-</u></b>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	<b><u>(407,366)</u></b>	<b><u>(145,653)</u></b>

**Note 5 - CURRENT ASSETS**

<b>CASH &amp; EQUIVALENT ASSETS</b>		
Cash on Hand and at Bank	31,629	473,538
Deposits at Call	<u>7,721,440</u>	<u>7,283,860</u>
	<b><u>7,753,069</u></b>	<b><u>7,757,398</u></b>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Rates - General & Other	207,668	212,400
Accrued Revenues	358,270	201,754
Debtors - general	129,277	63,977
Other levels of Government	1,595	3,573
GST Recoupment	101,427	41,126
Prepayments	9,636	9,720
Loans to community organisations	<u>23,512</u>	<u>35,912</u>
	<b><u>831,385</u></b>	<b><u>568,462</u></b>
<b>INVENTORIES</b>		
Stores & Materials	<u>18,443</u>	<u>4,618</u>
	<b><u>18,443</u></b>	<b><u>4,618</u></b>

**Note 6 - NON-CURRENT ASSETS**

<b>FINANCIAL ASSETS</b>		
<b>Receivables</b>		
Loans to community organisations	<u>202,540</u>	<u>200,157</u>
<b>TOTAL FINANCIAL ASSETS</b>	<b><u>202,540</u></b>	<b><u>200,157</u></b>
<b>OTHER NON-CURRENT ASSETS</b>		
<b>Inventories</b>		
Real Estate Developments	754,210	754,210
Capital Works-in-Progress	<u>900,866</u>	<u>-</u>
	<b><u>1,655,076</u></b>	<b><u>754,210</u></b>

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)**

		2021				2022			
		\$				\$			
	Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land	2	3,312,900	-	-	3,312,900	<b>3,312,900</b>	-	-	<b>3,312,900</b>
Buildings & Other Structures	3	10,841,040	742,189	(4,829,416)	6,753,813	<b>10,516,917</b>	<b>742,189</b>	<b>(4,985,984)</b>	<b>6,273,124</b>
Infrastructure	3								
Sealed	3	18,415,675	314,509	(5,512,670)	13,217,514	<b>18,365,668</b>	<b>314,509</b>	<b>(5,679,081)</b>	<b>13,001,096</b>
Unsealed	3	21,259,107	2,488,094	(13,946,839)	9,800,362	<b>21,515,503</b>	<b>2,488,094</b>	<b>(13,917,233)</b>	<b>10,086,364</b>
Kerbing & Guttering	3	3,493,826	205,321	(901,204)	2,797,943	<b>3,493,829</b>	<b>205,321</b>	<b>(939,494)</b>	<b>2,759,654</b>
Bridges	3	1,339,800	-	(898,938)	440,862	<b>1,339,800</b>	-	<b>(912,195)</b>	<b>427,606</b>
Culverts	3	84,912	17,323	(45,464)	56,771	<b>84,910</b>	<b>17,323</b>	<b>(47,704)</b>	<b>54,530</b>
Footpaths	3	2,860,826	118,009	(1,124,161)	1,854,674	<b>2,846,306</b>	<b>212,064</b>	<b>(1,166,520)</b>	<b>1,891,850</b>
CWMS	3	7,703,167	314,367	(2,582,292)	5,435,242	<b>7,703,168</b>	<b>434,367</b>	<b>(2,700,112)</b>	<b>5,437,422</b>
Plant, Machinery & Equipment		-	4,924,365	(2,112,532)	2,811,833	-	<b>5,152,642</b>	<b>(2,388,352)</b>	<b>2,764,290</b>
Office Equipment, Furniture & Fittings		-	169,512	(135,729)	33,783	<b>48,237</b>	<b>169,512</b>	<b>(145,308)</b>	<b>72,441</b>
Other Assets	3	3,464,999	1,159,445	(1,034,088)	3,590,356	<b>3,465,001</b>	<b>1,955,663</b>	<b>(1,105,501)</b>	<b>4,315,162</b>
<b>Total IPP&amp;E</b>		<b>72,776,252</b>	<b>10,453,134</b>	<b>(33,123,333)</b>	<b>50,106,053</b>	<b>72,692,239</b>	<b>11,691,684</b>	<b>(33,987,484)</b>	<b>50,396,440</b>
	<b>Comparatives</b>	<b>73,741,261</b>	<b>7,763,638</b>	<b>(32,405,045)</b>	<b>49,099,856</b>	<b>72,776,252</b>	<b>10,453,134</b>	<b>(33,123,333)</b>	<b>50,106,053</b>

*This Note continues on the following pages.*

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

	2021	Carrying Amounts Movement During the Year						2022	
	\$	\$						\$	
	Carrying Amount	Additions		Disposals	Dep'n	Transfers		Net Reval'n	Carrying Amount
New / Upgrade		Renewals	In			Out			
Land	3,312,900	-	-	-	-	-	-	-	<b>3,312,900</b>
Buildings & Other Structures	6,753,813	-	485,988	(763,791)	(202,886)	-	-	-	<b>6,273,124</b>
Infrastructure	-	-	-	-	-	-	-	-	-
Sealed	13,217,514	-	191,089	(50,140)	(325,007)	-	-	(32,360)	<b>13,001,096</b>
Unsealed	9,800,362	-	1,138,669	(194,072)	(619,593)	-	-	(39,002)	<b>10,086,364</b>
Kerbing & Guttering	2,797,943	-	-	-	(38,289)	-	-	-	<b>2,759,654</b>
Bridges	440,862	-	-	-	(13,256)	-	-	-	<b>427,606</b>
Culverts	56,771	-	-	-	(2,241)	-	-	-	<b>54,530</b>
Footpaths	1,854,674	94,055	-	(6,534)	(50,345)	-	-	-	<b>1,891,850</b>
CWMS	5,435,242	120,000	-	-	(117,820)	-	-	-	<b>5,437,422</b>
Plant, Machinery & Equipment	2,811,833	-	389,091	(61,466)	(375,168)	-	-	-	<b>2,764,290</b>
Office Equipment, Furniture & Fittings	33,783	-	48,237	-	(9,579)	-	-	-	<b>72,441</b>
Other Assets	3,590,356	796,218	-	-	(71,412)	-	-	-	<b>4,315,162</b>
<b>Total IPP&amp;E</b>	<b>50,106,053</b>	<b>1,010,273</b>	<b>2,253,074</b>	<b>(1,076,003)</b>	<b>(1,825,596)</b>	-	-	<b>(71,362)</b>	<b>50,396,440</b>
<i>Comparatives</i>	49,099,856	<b>1,233,400</b>	<b>2,101,303</b>	<b>(344,226)</b>	<b>(1,984,280)</b>	<b>104,863</b>	<b>(104,863)</b>	-	50,106,053

*This note continues on the following pages.*

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

**Valuation of Assets**

**General Valuation Principles**

**Accounting procedure:** 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, fair value is taken to be the current replacement cost.

**Highest and best use:** For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, 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". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

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.

**Fair value hierarchy level 2 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.

**Fair value hierarchy level 3 valuations of land:** 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.

**Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets:** 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 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. Accordingly, formal sensitivity analysis does not provide useful information.

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

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

Office Furniture & Equipment	3,000
Other Plant & Equipment	3,000
Buildings - new construction/extensions	10,000
Park & Playground Furniture & Equipment	2,000
Road construction & reconstruction	10,000
Paving & footpaths, Kerb & Gutter	2,000
Drains & Culverts	5,000
Reticulation extensions	5,000
Sidelines & household connections	5,000
Artworks	5,000

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

**Plant, Furniture & Equipment**

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years

**Building & Other Structures**

Buildings – masonry	50 to 90 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 90 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years

**Infrastructure**

Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 90 years
Paving & Footpaths, Kerb & Gutter	80 to 90 years
Drains	80 to 90 years

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

Culverts	50 to 75 years
Flood Control Structures	80 to 90 years
Dams and Reservoirs	80 to 90 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years
<b>Other Assets</b>	
Library Books	10 to 15 years
Artworks indefinite	
Right-of-use assets (refer Note 17)	2 to 3 years

**Land & Land Improvements**

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.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land was revalued as at 1 July 2018 by Council staff and is consistent with valuations provided to Council from the Valuer Generals office. Additions are recognised at cost.

**Buildings & Other Structures**

Buildings were revalued as at 1 July 2018 by Asset Valuation & Consulting Pty Ltd. All acquisitions made after the respective dates of valuation are recorded at cost.

**Infrastructure**

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2020 with an application date of 1 July 2019, based on actual costs incurred during the reporting periods ended 30 June 2018 and 2019. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure were revalued as at 1 July 2017 by Gayler Professional Engineering Pty Ltd at depreciated current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued at depreciation current replacement cost as at 1 July 2018 by Gayler Professional Engineering Pty Ltd. All acquisitions made after the respective dates of valuation are recorded at cost.

**Plant, Furniture & Equipment**

These assets are recognised on the cost basis.

**All other assets**

All other assets were revalued as at 1 July 2018 by Gayler Professional Engineering Pty Ltd. All acquisitions made after the respective dates of valuation are recorded at cost.



**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 8 - LIABILITIES**

	2022		2021	
	\$	\$	\$	\$
<b>TRADE &amp; OTHER PAYABLES</b>	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Goods & Services	540,116	-	188,439	-
Payments received in advance	654,854	-	538,081	-
Accrued expenses - employee entitlements	44,012	-	29,042	-
Accrued expenses - other	5,300	-	6,304	-
GST Payable	10,509	-	5,892	-
Other Payables	29,399	-	46,067	-
	<b>1,284,190</b>	<b>-</b>	<b>813,825</b>	<b>-</b>
<b>BORROWINGS</b>				
Loans	182,861	402,562	128,773	572,922
	<b>182,861</b>	<b>402,562</b>	<b>128,773</b>	<b>572,922</b>

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

**PROVISIONS**

LSL Employee entitlements (including oncosts)	104,409	29,637	209,000	15,427
AL Employee entitlements (including oncosts)	171,488	-	190,242	-
	<b>275,897</b>	<b>29,637</b>	<b>399,242</b>	<b>15,427</b>

**Movements in Provisions - 2022 year only**  
*(current & non-current)*

	<i>Insurance Losses</i>	<i>Future Reinstatement</i>	<i>Leave &amp; Other Provision</i>
Opening Balance	-	-	414,669
(Less) Payments	-	-	109,135
Closing Balance	-	-	305,534

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 9 - RESERVES**

<b>ASSET REVALUATION RESERVE</b>	1/7/2021	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2022
<b>Notes</b>	\$	\$	\$	\$
Land	2,036,422	-	-	<b>2,036,422</b>
Buildings & Other Structures	6,798,374	-	-	<b>6,798,374</b>
Infrastructure	16,582,720	-	(71,362)	<b>16,511,358</b>
CWMS	2,361,895	-	-	<b>2,361,895</b>
Other Assets	1,771,879	-	-	<b>1,771,879</b>
<b>TOTAL</b>	<b>29,551,290</b>	<b>-</b>	<b>(71,362)</b>	<b>29,479,928</b>
<b>Comparatives</b>	<b>29,551,290</b>	<b>-</b>	<b>-</b>	<b>29,551,290</b>

<b>OTHER RESERVES</b>	1/7/2021	Transfers to Reserve	Transfers from Reserve	30/6/2022
CATV Re-Transmission	104,602	1,839	-	<b>106,441</b>
Cleve CWMS	330,521	100,719	-	<b>431,240</b>
Arno Bay CWMS Reserve	22	22,349	-	<b>22,371</b>
Arno Bay Boat Ramp Reserve	24,640	-	(3,047)	<b>21,593</b>
EERDAP Reserve	-	-	-	-
Arno Bay Harbour Mtc Reserve	86,036	-	(26,682)	<b>59,354</b>
<b>TOTAL OTHER RESERVES</b>	<b>545,822</b>	<b>124,907</b>	<b>(29,730)</b>	<b>640,999</b>
<b>Comparatives</b>	<b>873,831</b>	<b>1,604</b>	<b>(329,613)</b>	<b>545,822</b>

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 10 - RECONCILIATION TO CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2022 \$	2021 \$
Total cash & equivalent assets	5	<b>7,753,069</b>	7,757,398
Balances per Cash Flow Statement		<b><u>7,753,069</u></b>	<b><u>7,757,398</u></b>

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

Net Surplus (Deficit)		<b>1,292,460</b>	1,021,298
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		<b>1,825,596</b>	1,984,280
Net increase (decrease) in unpaid employee benefits		<b>(94,165)</b>	(74,154)
Grants for capital acquisitions treated as Investing Activity		<b>(926,787)</b>	(722,547)
Net (Gain) Loss on Disposals		<b>407,366</b>	145,653
		<b><u>2,504,470</u></b>	<b><u>2,354,529</u></b>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		<b>(270,707)</b>	(123,825)
Net (increase) decrease in inventories		<b>(13,825)</b>	2,000
Net increase (decrease) in trade & other payables		<b>450,778</b>	(142,192)
<b>Net Cash provided by (or used in) operations</b>		<b><u>2,670,716</u></b>	<b><u>2,090,512</u></b>

**(c) Financing Arrangements**

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

Corporate Credit Cards	<b>21,000</b>	21,000
LGFA Cash Advance Debenture facility	<b>760,000</b>	760,000

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

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 11 - FUNCTIONS**

**INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES**

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Administration</b>	<b>5,032,909</b>	4,662,337	<b>21,771</b>	21,154	<b>5,011,138</b>	4,641,183	<b>1,689,681</b>	1,467,257	<b>10,034,656</b>	9,792,919
<b>Public Order &amp; Safety</b>	<b>10,769</b>	10,025	<b>170,422</b>	165,590	<b>(159,653)</b>	(155,565)	-	-	<b>180,142</b>	175,802
<b>Health</b>	<b>1,355</b>	1,262	<b>19,050</b>	18,510	<b>(17,695)</b>	(17,248)	-	-	-	-
<b>Housing &amp; Community Services</b>	<b>161,388</b>	150,229	<b>1,088,649</b>	1,057,781	<b>(927,261)</b>	(907,552)	<b>321,923</b>	283,615	<b>5,877,249</b>	5,735,665
<b>Sport Recreation &amp; Culture</b>	<b>124,174</b>	115,588	<b>648,231</b>	629,851	<b>(524,057)</b>	(514,263)	-	-	<b>5,462,116</b>	5,330,533
<b>Mining &amp; Manufacture</b>	<b>10,549</b>	9,819	<b>77,775</b>	75,569	<b>(67,226)</b>	(65,750)	-	-	-	-
<b>Transport &amp; Communication</b>	<b>1,402,178</b>	1,305,224	<b>2,491,016</b>	2,420,384	<b>(1,088,837)</b>	(1,115,161)	<b>1,503,212</b>	1,324,335	<b>35,638,086</b>	34,779,558
<b>Economic Affairs</b>	<b>24,286</b>	22,607	<b>120,191</b>	116,783	<b>(95,905)</b>	(94,176)	-	-	<b>506,171</b>	493,977
<b>Other Purposes</b>	<b>165,170</b>	153,750	<b>96,802</b>	94,057	<b>68,369</b>	59,692	-	-	<b>3,106,166</b>	3,031,338
<b>Governance</b>	<b>1,522</b>	1,417	<b>457,697</b>	444,719	<b>(456,175)</b>	(443,302)	-	-	-	-
<b>Support Services</b>	<b>31,621</b>	29,435	<b>980,489</b>	952,687	<b>(948,867)</b>	(923,253)	-	-	<b>52,368</b>	51,106
<b>Social Security &amp; Welfare</b>			<b>20,792</b>	20,202	<b>(20,792)</b>	(20,202)	-	-	-	-
<b>TOTALS</b>	<b>6,965,924</b>	6,461,692	<b>6,192,885</b>	6,017,288	<b>773,039</b>	444,403	<b>3,514,815</b>	3,075,207	<b>60,856,953</b>	59,390,898

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 11 (con't) - COMPONENTS OF FUNCTIONS**

The activities relating to Council functions are as follows:

**Business Undertakings**

Abattoirs, Caravan Parks, Electricity Supply, Gravel Pits/Quarries, Development of Land for Resale, Marinas/Boat Havens, Markets/Saleyards, Off-street Car Parks – fee paying, Private Works, Property Portfolio, Sewerage/CWMS, Water Supply – Domestic, Town Bus Service, and Other – please specify.

**Community Services**

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Nursing Homes, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

**Culture**

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

**Economic Development**

Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

**Environment**

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

**Recreation**

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Indoor, Swimming Centres – Outdoor, and Other Recreation.

**Regulatory Services**

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

**Transport**

Aerodrome, Bridges, Bus Service, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

**Plant Hire & Depot**

**Unclassified Activities**

**Council Administration**

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, and Separate and Special Rates.

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 12 - FINANCIAL INSTRUMENTS**

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

**Accounting Policies - Recognised Financial Instruments**

**Bank, Deposits at Call, Short Term Deposits**      **Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned

**Terms & conditions:** Deposits are returning interest rates between 0.75% and 1.25% (2021: 0.25% and 0.75%).

**Carrying amount:** approximates fair value due to the short term to maturity.

**Receivables - Rates & Associated**      **Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method

**Terms & conditions:** Secured over the subject land, arrears attract interest of 2% (2021: 2%) Although 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 & other charges**      **Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method

**Terms & conditions:** Unsecured, and do not bear interest. Although 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:** initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**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.

**Liabilities - Creditors and Accruals**      **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.

**Terms & conditions:** Liabilities are normally settled on 30 day terms.

**Carrying amount:** approximates fair value.

**Liabilities - Interest Bearing Borrowings**      **Accounting Policy:** initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate

**Terms & conditions:** secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 3.25% and 5.5% (2021: 2.15% and 5.5%)

Carrying amount: approximates fair value.

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 12 - FINANCIAL INSTRUMENTS (con't)**

**Liquidity Analysis**

<b>2022</b>	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b><u>Financial Assets</u></b>					
Cash & Equivalents	7,753,069	-	-	7,753,069	7,753,069
Receivables	831,385	202,540	-	1,033,926	1,024,289
<b>Total</b>	<b>8,584,454</b>	<b>202,540</b>	<b>-</b>	<b>8,786,994</b>	<b>8,777,358</b>
<b><u>Financial Liabilities</u></b>					
Payables	1,284,190	-	-	1,284,190	1,234,878
Current Borrowings	261,721	-	-	261,721	182,861
Non-Current Borrowings	-	805,122	-	805,122	402,562
<b>Total</b>	<b>1,545,911</b>	<b>805,122</b>	<b>-</b>	<b>2,351,033</b>	<b>1,820,301</b>

<b>2021</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b><u>Financial Assets</u></b>					
Cash & Equivalents	7,757,398	-	-	7,757,398	7,757,398
Receivables	558,742	200,157	-	758,899	758,899
<b>Total</b>	<b>8,316,140</b>	<b>200,157</b>	<b>-</b>	<b>8,516,297</b>	<b>8,516,297</b>
<b><u>Financial Liabilities</u></b>					
Payables	778,479	-	-	778,479	778,479
Current Borrowings	152,147	-	-	152,147	128,773
Non-Current Borrowings	-	646,769	-	646,769	572,922
<b>Total</b>	<b>930,626</b>	<b>646,769</b>	<b>-</b>	<b>1,577,395</b>	<b>1,480,174</b>

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

	<b>30 June 2022</b>		<b>30 June 2021</b>	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Other Variable Rates	<b>2.75</b>	<b>100,002</b>	2.05	87,501
Fixed Interest Rates	<b>3.55</b>	<b>485,421</b>	4.06	614,194
		<b>585,423</b>		<b>701,695</b>

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 13 - FINANCIAL INDICATORS**

	2022	2021	2020
<b>Operating Surplus Ratio</b>			
<u>Operating Surplus</u>	11.1%	6.9%	12.5%
Total Operating Income			

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

**Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	-95%	-102%	-106%
Total Operating Income			

Net Financial Liabilities are defined as total liabilities less financial assets. 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, as explained in Note 1. These ***Adjusted Ratios*** correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison between years.

<b><i>Adjusted Operating Surplus Ratio</i></b>	7.7%	7.1%	11.9%
<b><i>Adjusted Net Financial Liabilities Ratio</i></b>	-80%	-90%	-94%

**Asset Renewal Funding Ratio**

<u>Outlays on Existing Assets</u>	88%	79%	104%
Asset Renewals - IAMP			

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



**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 14 - UNIFORM PRESENTATION OF FINANCES**

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

	2022	2021
	\$	\$
Income	6,965,924	6,461,692
Expenses	<u>(6,192,885)</u>	<u>(6,017,288)</u>
<b>Operating Surplus / (Deficit)</b>	<b>773,039</b>	<b>444,403</b>
 <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	(2,253,074)	(2,101,303)
Add back Depreciation, Amortisation and Impairment	1,825,596	1,984,281
Proceeds from Sale of Replaced Assets	<u>68,636</u>	<u>198,573</u>
	<b>(358,842)</b>	<b>81,551</b>
 <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	(1,911,139)	(1,233,400)
Amounts received specifically for New and Upgraded Assets	926,787	722,547
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>600,000</u>	<u>-</u>
	<b>(384,352)</b>	<b>(510,853)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>29,846</u></b>	<b><u>15,102</u></b>

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 15 – SUPERANNUATION**

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

**Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.5% in 2020-21; 10.0% in 2021-22). 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 2020-21) 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 2022. 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.

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 16 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

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

**1. LAND UNDER ROADS**

As reported elsewhere in these 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 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.

**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 a deductible "insurance excess", 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 Development Act 1993 (as amended). 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. At the date of these reports, Council had notice of xx appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

**District Council of Cleve**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2022**

**Note 17 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 10 persons were paid the following total compensation:

	<b>2022</b>	2021
	<b>\$</b>	\$
Salaries, allowances & other short term benefits	<b>546,558</b>	637,969
Post-employment benefits		
Long term benefits		
Termination benefits		
<b>TOTAL</b>	<b>546,558</b>	637,969

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

	<b>2022</b>	2021
	<b>\$</b>	\$
Contributions for fringe benefits tax purposes	-	4,222
Planning and building applications fees	-	-
Rentals for Council property	<b>13,000</b>	19,552
<b>TOTAL</b>	<b>13,000</b>	23,774

**PARTIES RELATED TO KEY MANAGEMENT PERSONNEL**

KMP and relatives of KMPs own retail businesses from which various supplies were purchased as required either for cash or on 30 day account. Purchases from Cleve Hotel Motel, Cleve Foodland, Cleve Butcher Shop, Paiting Services, Cleve Field Days, Cleve Golf Club and Quinns Overnight Freight totalled \$19,141.

The following KMPs were part of the following committees during the 2020-21 financial year:

Cleve Field Days Committee - 1 KMP

Cleve Golf Club - 1 KMP

Eastern Eyre CFS Group - 1 KMP

Cleve SES Group - 1 KMP

In accordance with the Local Government Act 1999, these Elected Members declared a conflict of interest and left the council meeting environs when any matter affecting their club/group was discussed or voted on.

PG & KM Crosby undertook work to the value of \$45,000 in 2021-22. The person involved is a sibling of a KMP.

## District Council of Cleve Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of the District Council of Cleve (Council) for the year ended 30 June 2022.

### Opinion

In our opinion, the financial statements of the Council are properly drawn up:

- a) to present fairly the financial position of the Council as at the 30 June 2022 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

### Basis for Opinion

For the audit of the Council we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the council to meet the requirements of the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

### Responsibilities of Management for the Financial Report

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

### Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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



Ian G McDonald FCA  
Registered Company Auditor 16458

Signed at Grange this 27 October 2022

# Ian G McDonald FCA

## Independent Assurance Report on the Internal Controls of the District Council of Cleve

We have audited the compliance of the District Council of Cleve (Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2021 to 30 June 2022 have been conducted properly and in accordance with law.

### Opinion

In our opinion, the Council has complied, in all material respects, with *Section 125* of the *Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2021 to 30 June 2022.

### Basis for Opinion

For the audit of the Council we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129* of the *Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

### Inherent Limitations

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125* of the *Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125* of the *Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

### The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125* of the *Local Government Act 1999* in relation to Internal Controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

### Our Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125* of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable *Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements*, issued by the *Australian Auditing and Assurance Standards Board*, in order to state whether, in all material respects, the Council has complied with *Section 125* of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2021 to 30 June 2022. *ASAE 3100* also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis based on the assessed risks.

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



**Ian G McDonald FCA**  
Chartered Accountant  
Registered Company Auditor 16458

Signed at Grange, 27 October 2022

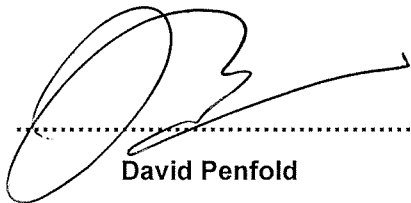
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**District Council of Cleve**  
**Annual Financial Statements**  
**for the year ended 30 June 2022**  
**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Coalface SA Council for the year ended 30 June 2022, the Council's Auditor, Ian McDonald FCA, 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*.



.....

**David Penfold**  
**CHIEF EXECUTIVE OFFICER**



.....

**David Frick**  
**PRESIDING MEMBER AUDIT COMMITTEE**

**Date:** 6/10/22.

Ian G McDonald FCA



**District Council of Cleve**  
**Annual Financial Statement**  
**For the year ended 30 June 2022**

**Audit Certificate of Audit Independence**

We confirm that, for the audit of the financial statements of the District Council of Cleve for the year ended 30 June 2022, we have maintained our 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*.

A handwritten signature in blue ink that reads 'Ian McDonald'.

**Ian G McDonald FCA**

Date: 13 September 2022

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