



**General Purpose Financial Reports
for the year ended 30 June 2025**

District Council of Cleve
General Purpose Financial Reports
for the year ended 30 June 2025

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District Council of Cleve
Annual Financial Statements
for the year ended 30 June 2025

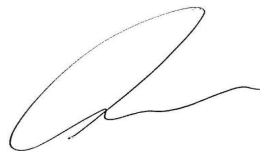
CERTIFICATION OF FINANCIAL STATEMENTS

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.



.....
David Penfold
CHIEF EXECUTIVE OFFICER



.....
Phil Cameron
MAYOR/COUNCILLOR

Date:

District Council of Cleve
Statement of Comprehensive Income
for the year ended 30 June 2025

	Notes	2025 \$	2024 \$
INCOME			
Rates	2	4,411,735	4,146,508
Statutory charges	2	28,948	51,981
User charges	2	118,743	96,153
Grants, subsidies and contributions - Capital	2	964,321	584,022
Grants, subsidies and contributions - Operating	2	3,827,444	1,528,562
Investment income	2	275,823	188,855
Reimbursements	2	84,635	85,102
Other income	2	153,796	113,842
Total Income		9,865,446	6,795,025
EXPENSES			
Employee costs	3	2,453,586	2,472,412
Materials, contracts & other expenses	3	2,750,550	2,766,530
Depreciation, amortisation & impairment	3	2,674,732	2,564,994
Finance costs	3	21,686	22,486
Total Expenses		7,900,554	7,826,421
OPERATING SURPLUS / (DEFICIT)		1,964,892	(1,031,396)
Asset disposal & fair value adjustments	4	45,124	47,542
Amounts received specifically for new or upgraded assets	2	83,955	1,890,207
NET SURPLUS / (DEFICIT)		2,093,971	906,353
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	11,896,316
TOTAL COMPREHENSIVE INCOME		2,093,971	12,802,669

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

District Council of Cleve
Statement of Financial Position
as at 30 June 2025

		2025	2024
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	6,240,562	5,460,482
Trade & other receivables	5	417,499	313,155
Inventories	5	20,317	15,199
Total Current Assets		6,678,377	5,788,836
Non-current Assets			
Financial assets	6	56,430	105,048
Infrastructure, property, plant & equipment	7	71,217,850	69,760,131
Other non-current assets	6	754,210	754,210
Total Non-current Assets		72,028,490	70,619,389
Total Assets		78,706,867	76,408,225
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,309,587	1,081,593
Borrowings	8	58,154	65,553
Provisions	8	361,355	316,026
Total Current Liabilities		1,729,096	1,463,172
Non-current Liabilities			
Borrowings	8	258,390	339,043
Provisions	8	52,694	33,294
Total Non-current Liabilities		311,084	372,337
Total Liabilities		2,040,180	1,835,509
NET ASSETS		76,666,687	74,572,716
EQUITY			
Accumulated surplus		34,632,766	32,538,795
Asset revaluation reserves	9	41,376,244	41,376,244
Other reserves	9	657,677	657,677
TOTAL EQUITY		76,666,687	74,572,716

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 2025

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
2025	Notes	\$	\$	\$	\$
Balance at end of previous reporting period		32,538,795	41,376,244	657,677	74,572,716
Net Surplus / (Deficit) for Year		2,093,971			2,093,971
Balance at end of period	9	34,632,766	41,376,244	657,677	76,666,687

2024	Notes				
Balance at end of previous reporting period		31,660,978	29,479,928	629,141	61,770,047
Net Surplus / (Deficit) for Year		906,353	-	-	906,353
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	11,896,316	-	11,896,316
Transfers between reserves		(28,536)	-	28,536	-
Balance at end of period	9	32,538,795	41,376,244	657,677	74,572,716

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 2025

		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$	\$
<i>Receipts:</i>			
Rates - general & other		4,354,680	4,159,525
Fees & other charges		31,843	57,179
User charges		929,017	636,202
Investment receipts		272,070	192,098
Grants utilised for operating purposes		3,292,744	1,529,182
Reimbursements		93,099	93,612
Other revenues		686,039	563,032
<i>Payments:</i>			
Employee costs		(2,360,084)	(2,493,961)
Materials, contracts & other expenses		(3,473,658)	(3,022,494)
Finance payments		(22,613)	(22,693)
Net Cash provided by (or used in) Operating Activities		3,803,138	1,691,682
 CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		83,955	1,890,207
Grants utilised for capital purposes		1,012,537	1,181,608
Sale of replaced assets		104,114	57,000
Repayments of loans by community groups		55,830	-
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(3,781,639)	(3,290,828)
Expenditure on new/upgraded assets		(409,803)	(2,202,225)
Loans made to community groups		-	(8,143)
Net Cash provided by (or used in) Investing Activities		(2,935,005)	(2,372,381)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Payments:</i>			
Repayments of borrowings		(88,053)	(37,965)
Net Cash provided by (or used in) Financing Activities		(88,053)	(37,965)
Net Increase (Decrease) in cash held		780,080	(718,664)
 Cash & cash equivalents at beginning of period	11	5,460,482	6,179,146
Cash & cash equivalents at end of period	11	6,240,562	5,460,482

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 2025

Note 1 - Material 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 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 6 November 2025.

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 material to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

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

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.

In other cases, AASB 1058 applies when Council enters into transactions where the consideration to acquire an asset is materially 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.

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

Note 1 - Material Accounting Policies

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	
2016-17	2,036,887	1,344,427	+	692,460
2017-18	1,728,737	1,642,863	+	85,874
2018-19	2,026,300	1,647,009	+	379,291
2019-20	1,496,797	1,651,904	-	155,107
2020-21	1,457,819	1,668,774	-	210,955
2021-22	2,177,600	1,721,581	+	456,019
2022-23	2,396,476	1,780,455	+	616,021
2023-24	74,603	1,855,058	-	1,780,455
2024-25	1,551,757	2,644,989	-	1,093,232

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 amount of the distortion for FY 25 is (\$1.1M). FY23: (\$1.8M)

The Operating Surplus Ratio disclosed in Note 12 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 Contract Revenue

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 immaterial 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.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments also form part of Note 12.

District Council of Cleve
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025
Note 1 - Material Accounting Policies

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.

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. Material 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.

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.

District Council of Cleve
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025
Note 1 - Material Accounting Policies

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.

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 (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.

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.

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". Interest free loans are initially recognised at fair value with any difference between fair value and proceeds recognised in the profit and loss. The loan is subsequently measured at amortised cost with interest being recognised using the effective interest rate method.

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.

District Council of Cleve
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025
Note 1 - Material Accounting Policies

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 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 material uncertainty exists in the estimation of the future closure date.

10 Goods & Services Tax

In accordance with interpretation of 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 2025

Note 2 - INCOME

	Notes	2025 \$	2024 \$
RATES REVENUES			
<u>General Rates</u>		3,689,877	3,474,181
Less: Mandatory rebates		(40,599)	(39,508)
Less: Discretionary rebates, remissions & write offs		(18,365)	(18,151)
		<u>3,630,913</u>	<u>3,416,522</u>
<u>Other Rates</u> (including service charges)			
Landscape levy		124,060	116,848
Waste collection		257,327	242,978
Community wastewater management systems		372,981	357,925
Separate and Special Rates		4,990	4,800
		<u>759,358</u>	<u>722,551</u>
<u>Other Charges</u>			
Penalties for late payment		30,755	22,206
Legal & other costs recovered		8,391	3,106
		<u>39,145</u>	<u>25,312</u>
Less: Discretionary rebates, remissions & write offs		(17,681)	(17,877)
		<u>4,411,735</u>	<u>4,146,508</u>
STATUTORY CHARGES			
Planning Development and Infrastructure Act Fees		15,315	40,881
Town planning fees		6,863	3,637
Health & Septic Tank Inspection fees		272	792
Animal registration fees & fines		6,499	6,671
		<u>28,948</u>	<u>51,981</u>
USER CHARGES			
Cemetery/crematoria fees		18,214	23,083
Arno Bay Harbour fees		2,275	23,967
Sanitation & garbage fees		24,658	18,137
Council house rentals		56,057	11,200
Standpipe water		9,997	11,632
Hall & equipment hire		3,210	3,652
Sundry		4,333	4,482
		<u>118,743</u>	<u>96,153</u>

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

Note 2 - INCOME (con't)

	Notes	2025 \$	2024 \$
INVESTMENT INCOME			
Interest on investments:			
Local Government Finance Authority		275,823	188,855
		<u>275,823</u>	<u>188,855</u>
REIMBURSEMENTS			
Other		84,635	85,102
		<u>84,635</u>	<u>85,102</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		9,480	16,417
Wheat Sales		77,474	-
Rebates received		10,111	51,700
Sundry		56,731	45,725
		<u>153,796</u>	<u>113,842</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
<i>Amounts received specifically for new or upgraded assets</i>		83,955	1,890,207
<i>Other grants, subsidies and contributions - Capital</i>			
Roads to Recovery		514,276	584,022
Special Local Roads Program		450,045	-
<i>S/Tot Other grants, subsidies and contributions - Capital</i>		<u>964,321</u>	<u>584,022</u>
<i>Other grants, subsidies and contributions - Operating</i>			
Financial Assistance Grant - General Purpose		1,977,953	74,603
Financial Assistance Grant - Identified Local Roads		829,073	27,211
Supplementary Local Roads Funding		195,860	196,572
Coastal Erosion Prevention		108,000	-
LRCIP Phase 4		641,175	457,235
Library & Communications		3,578	3,806
Disaster Recovery Fund		-	751,515
Green Industries		-	3,476
Other		9,255	4,144
EP Landscape Board		62,550	10,000
<i>S/Tot Other grants, subsidies and contributions - Operating</i>		<u>3,827,444</u>	<u>1,528,562</u>
Grants Included in Operating Surplus/(deficit)		<u>4,791,765</u>	<u>2,112,584</u>
Total Grants all sources		<u>4,875,720</u>	<u>4,002,791</u>

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

Note 2 - INCOME (con't)

		2025	2024
Sources of grants	Notes	\$	\$
<i>Commonwealth government</i>		1,155,451	2,931,464
<i>State government</i>		3,720,269	1,067,183
<i>Other</i>		-	4,144
		<u>4,875,720</u>	<u>4,002,791</u>
 Individually Material Item			
Additional FAGs grant payment - June 2025		947,203	-
 Conditions over grants & contributions			
<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>		-	1,780,455
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>			
<i>Roads Infrastructure (FAG's Paid in Advance)</i>		-	(1,780,455)
<i>Subtotal</i>		-	(1,780,455)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Additional FAGs grant payment - June 2025</i>		947,203	-
<i>Subtotal</i>		947,203	-
<i>Unexpended at the close of this reporting period</i>		947,203	-
<i>Net increase / (decrease) in assets subject to conditions in the current reporting period</i>		947,203	(1,780,455)

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

Note 3 - EXPENSE

	Notes	2025 \$	2024 \$
EMPLOYEE COSTS			
Salaries and Wages		2,198,947	2,291,872
Employee leave expense		167,699	142,115
Superannuation - defined contribution plan contributions	17	224,873	188,098
Superannuation - defined benefit plan contributions	17	21,029	20,360
Workers' Compensation Insurance		84,771	65,730
Less: Capitalised and distributed costs		(243,733)	(235,763)
Total Operating Employee Costs		2,453,586	2,472,412
Total Number of Employees		22	25
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		13,000	13,000
Elected members' expenses		72,017	74,084
Election expenses		708	607
Subtotal - Prescribed Expenses		85,724	87,691
<u>Other Materials, Contracts & Expenses</u>			
Advertising & Printing		32,145	32,595
Contractors - Operating		301,365	729,851
Materials, Contracts & Other Capital		4,827,652	6,308,614
Electricity		94,518	92,599
Freight		20,003	15,603
Fringe Benefits Tax		21,255	27,547
Insurance		251,035	221,289
IT		92,646	-
Maintenance		6,832	-
Materials - Operating		308,729	339,387
Legal Expenses		323,447	218,387
Levies paid to government - Landscape levy		123,428	116,583
- Other Levies		10,510	11,891
Membership & Subscriptions		70,672	59,987
Parts, accessories & consumables		102,062	109,119

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

Note 3 - EXPENSE con't

	2025	2024
Notes	\$	\$
Professional Services	199,510	185,684
Registration	45,507	41,797
Telecommunication & Internet	17,020	21,849
Training	28,714	47,458
Travel	28,287	45,223
Water	158,979	102,004
Sundry	35,683	259,986
Less: Capitalised and Distributed Costs	(4,435,173)	(6,308,614)
Subtotal - Other Materials, Contracts & Expenses	<u>2,664,825</u>	<u>2,678,839</u>
	<u>2,750,550</u>	<u>2,766,530</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Buildings & Other Structures	661,870	567,411
Infrastructure		
Sealed	433,130	433,130
Unsealed	922,626	911,395
Kerbing & Guttering	56,684	56,684
Bridges	19,564	19,564
Culverts	2,249	2,249
Footpaths	55,753	55,753
CWMS	144,266	144,266
Plant, Machinery & Equipment	361,969	368,650
Office Equipment, Furniture & Fittings	16,623	5,892
	<u>2,674,732</u>	<u>2,564,994</u>
FINANCE COSTS		
Interest on Loans	21,686	22,486
	<u>21,686</u>	<u>22,486</u>

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

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	2025	2024
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	104,114	57,000
Less: Carrying amount of assets sold	58,990	9,458
Gain (Loss) on disposal	45,124	47,542
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 45,124	 47,542

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

Note 5 - CURRENT ASSETS

		2025	2024
	Notes	\$	\$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		68,229	219,923
Deposits at Call		6,172,333	5,240,559
		<u>6,240,562</u>	<u>5,460,482</u>
 TRADE & OTHER RECEIVABLES			
Rates - General & Other		266,107	209,052
Accrued Revenues		17,515	13,761
Debtors - general		13,143	11,543
Other levels of Government		3,664	2,964
GST Recoupment		78,647	30,200
Loans to community organisations		38,423	45,635
		<u>417,499</u>	<u>313,155</u>
 INVENTORIES			
Stores & Materials		20,317	15,199
		<u>20,317</u>	<u>15,199</u>

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

Note 6 - NON-CURRENT ASSETS

		2025	2024
FINANCIAL ASSETS	Notes	\$	\$
Receivables			
Loans to community organisations		<u>56,430</u>	<u>105,048</u>
TOTAL FINANCIAL ASSETS		<u>56,430</u>	<u>105,048</u>
 OTHER NON-CURRENT ASSETS			
Inventories			
Real Estate Developments		<u>754,210</u>	<u>754,210</u>
		<u>754,210</u>	<u>754,210</u>
 Real Estate Developments - Current & Non-Current			
<i>(Valued at the lower of cost and net realisable value)</i>			
<i>Residential</i>		<u>754,210</u>	<u>754,210</u>
Total Real Estate for Resale		<u>754,210</u>	<u>754,210</u>
<i>Represented by:</i>			
<i>Acquisition Costs</i>		<u>754,210</u>	<u>754,210</u>
Total Real Estate for Resale		<u>754,210</u>	<u>754,210</u>
 Apportionment of Real Estate Developments			
<i>Current Assets</i>		-	-
<i>Non-Current Assets</i>		<u>754,210</u>	<u>754,210</u>
		<u>754,210</u>	<u>754,210</u>

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

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

	2024				2025			
	\$				\$			
Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land	3,574,701	-	-	3,574,701	3,574,701	-	-	3,574,701
Buildings & Other Structures	26,433,499	3,253,548	(10,489,809)	19,197,238	26,433,499	3,600,203	(11,151,679)	18,882,024
Infrastructure								
Sealed	22,755,861	1,300,200	(7,477,833)	16,578,227	22,755,861	2,681,488	(7,910,962)	17,526,385
Unsealed	25,466,430	807,791	(11,387,077)	14,887,144	25,466,430	2,388,437	(12,309,704)	15,545,164
Kerbing & Guttering	4,534,698	34,234	(1,398,923)	3,170,009	4,534,699	61,242	(1,455,607)	3,140,334
Bridges	1,490,560	-	(1,451,432)	39,127	1,490,560	-	(1,470,996)	19,563
Culverts	179,900	-	(78,940)	100,961	179,900	-	(81,189)	98,712
Footpaths	3,735,297	-	(1,445,765)	2,289,531	3,735,297	-	(1,501,518)	2,233,778
CWMS	9,417,462	8,886	(2,806,173)	6,620,175	9,417,462	191,657	(2,950,439)	6,658,680
Plant, Machinery & Equipment	-	6,134,360	(2,923,590)	3,210,772	-	6,531,382	(3,068,497)	3,462,886
Office Equipment, Furniture & Fittings	-	249,338	(157,092)	92,246	249,338	-	(173,714)	75,623
Total IPP&E	97,588,408	11,788,357	(39,616,634)	69,760,131	97,837,748	15,454,409	(42,074,305)	71,217,850
Comparatives	78,013,995	11,746,072	(35,866,178)	53,893,890	97,588,408	11,788,357	(39,616,634)	69,760,131

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 2025

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2024 \$	Carrying Amounts Movement During the Year \$							2025 \$
	Carrying Amount	Additions		Disposals	Dep'n	Transfers		Net Reval'n	Carrying Amount
		New / Upgrade	Renewals			In	Out		
Land	3,574,701	-	-	-	-	-	-	-	3,574,701
Buildings & Other Structures	19,197,238	111,063	235,593	-	(661,870)	-	-	-	18,882,024
Infrastructure									
Sealed	16,578,227	-	1,381,288	-	(433,130)	-	-	-	17,526,385
Unsealed	14,887,144	-	1,580,646	-	(922,626)	-	-	-	15,545,164
Kerbing & Guttering	3,170,010	-	27,008	-	(56,684)	-	-	-	3,140,334
Bridges	39,127	-	-	-	(19,564)	-	-	-	19,563
Culverts	100,961	-	-	-	(2,249)	-	-	-	98,712
Footpaths	2,289,531	-	-	-	(55,753)	-	-	-	2,233,778
CWMS	6,620,175	-	182,771	-	(144,266)	-	-	-	6,658,680
Plant, Machinery & Equipment	3,210,772	298,740	374,332	(58,990)	(361,969)	-	-	-	3,462,886
Office Equipment, Furniture & Fittings	92,246	-	-	-	(16,623)	-	-	-	75,623
Total IPP&E	69,760,132	409,803	3,781,638	(58,990)	(2,674,732)	-	-	-	71,217,850
Comparatives	53,893,890	3,253,548	3,290,829	(9,458)	(2,564,993)	4,139,782	(4,139,782)	11,896,316	69,760,131

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 2025

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, current replacement cost is taken to be the fair value.

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.

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 2025

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	3,000
Road construction & reconstruction	10,000
Paving & footpaths, Kerb & Gutter	3,000
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 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 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 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains & Culverts	80 to 100 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC Other	70 to 80 years
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite
Right-of-use assets (refer Note 17)	2 to 3 years

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

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

Buildings, Structures and Other Community Assets

- Date of valuation: 01/07/2023
- Valuer: Mitch Ekonomopoulos AAPI, and Nick Fein BENg (Mech) MIEAust, of AVR Consulting.
- Basis of valuation:
 - Market Value - for buildings where a market value can be reliably determined.
 - Current Replacement Cost - for buildings where there is no active market due to specialised nature of the assets and the service they provide.
- (if applicable) Council reviews unit rates annually in between revaluations, based on approaches followed in the local government sector.

Infrastructure

- Date of valuation: 01/07/2023
- Valuer: Mitch Ekonomopoulos AAPI, and Nick Fein BENg (Mech) MIEAust, of AVR Consulting.
- Basis of valuation: Current Replacement Cost - comprised by gross replacement cost (based on estimated unit costs for which a substitute asset with similar service potential, physical characteristics, dimensions, depth and environmental parameters could be constructed) and accumulated depreciation (estimated total and remaining useful lives informed by the condition assessment of the asset, and the planned asset management strategy applicable to the asset).
- (if applicable) Council reviews unit rates annually in between revaluations, based on approaches followed in the local government sector.

CWMS

- Date of valuation: 01/07/2023
- Valuer: Mitch Ekonomopoulos AAPI, and Nick Fein BENg (Mech) MIEAust, of AVR Consulting.
- Basis of valuation: Current Replacement Cost - comprised by gross replacement cost (based on estimated unit costs for which a substitute asset with similar service potential, physical characteristics, dimensions, depth and environmental parameters could be constructed) and accumulated depreciation (estimated total and remaining useful lives informed by the condition assessment of the asset, and the planned asset management strategy applicable to the asset).
- (if applicable) Council reviews unit rates annually in between revaluations, based on approaches followed in the local government sector.

Plant, Furniture & Equipment

These assets are recognised at cost.

Office Equipment, Furniture & Fittings

These assets are recognised at cost.

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

Note 8 - LIABILITIES

		2025		2024	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		406,218	-	471,628	-
Payments received in advance		800,000	-	534,000	-
Accrued expenses - employee entitlements		59,480	-	30,708	-
Accrued expenses - other		3,592	-	4,519	-
GST Payable		3,320	-	3,100	-
Other		36,977	-	37,638	-
		<u>1,309,587</u>	<u>-</u>	<u>1,081,593</u>	<u>-</u>

BORROWINGS

Loans	<u>58,154</u>	<u>258,390</u>	<u>65,553</u>	<u>339,043</u>
	<u>58,154</u>	<u>258,390</u>	<u>65,553</u>	<u>339,043</u>

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

PROVISIONS

LSL Employee entitlements (including oncosts)	142,229	52,694	97,534	33,294
AL Employee entitlements (including oncosts)	219,126	-	218,492	-
	<u>361,355</u>	<u>52,694</u>	<u>316,026</u>	<u>33,294</u>

Movements in Provisions - 2024 year only
(current & non-current)

<i>Opening Balance</i>	<i>349,320</i>
<i>Add Additional amounts recognised</i>	<i>64,729</i>
<i>Closing Balance</i>	<u><i>414,049</i></u>

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

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2024	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2025
Notes	\$	\$	\$	\$
Land	2,036,422	-	-	2,036,422
Buildings & Other Structures	11,654,529	-	-	11,654,529
Infrastructure	23,887,444	-	-	23,887,444
CWMS	3,797,849	-	-	3,797,849
TOTAL	41,376,244	-	-	41,376,244
Comparatives	29,479,928	11,896,316	-	41,376,244

OTHER RESERVES	1/7/2024	Transfers to Reserve	Transfers from Reserve	30/6/2025
CATV Re-Transmission	77,941	-	-	77,941
Cleve CWMS	464,694	-	-	464,694
Arno Bay CWMS Reserve	24,020	-	-	24,020
Arno Bay Boat Ramp Reserve	26,799	-	-	26,799
Arno Bay Harbour Mtc Reserve	64,222	-	-	64,222
TOTAL OTHER RESERVES	657,677	-	-	657,677
Comparatives	629,141	28,536	-	657,677

PURPOSES OF RESERVES

Asset Revaluation Reserve

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).

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

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	2025 \$	2024 \$
Total cash & equivalent assets	5	6,240,562	5,460,482
Balances per Cash Flow Statement		6,240,562	5,460,482

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

Net Surplus (Deficit)	2,093,971	906,353
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	2,674,732	2,564,993
Net increase (decrease) in unpaid employee benefits	93,501	(21,549)
Grants for capital acquisitions treated as Investing Activity	(1,096,492)	(3,071,815)
Net (Gain) Loss on Disposals	(45,124)	(47,542)
	3,720,589	330,440
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(111,336)	725,368
Net (increase) decrease in inventories	(5,118)	(6,357)
Net increase (decrease) in trade & other payables	199,002	642,231
Net Cash provided by (or used in) operations	3,803,138	1,691,682

(c) Financing Arrangements

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

Corporate Credit Cards	25,000	25,000
LGFA Cash Advance Debenture facility	570,000	570,000

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 2025

Note 11 - 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 fixed interest rates between 4.15% and 4.65% (2024: 4.3% and 4.65%).

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% (2024: 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.

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

Note 11 - FINANCIAL INSTRUMENTS

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 2.15% and 6.15% (2024: 2.15% and 6.15%)

Carrying amount: approximates fair value.

Liabilities - Finance Leases

Accounting Policy: accounted for in accordance with AASB 16 as stated in Note 16

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

Note 11 - FINANCIAL INSTRUMENTS

Liquidity Analysis

2025	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	6,240,562	-	-	6,240,562	6,240,562
Receivables	456,414	-	-	456,414	473,929
Total	6,696,976	-	-	6,696,976	6,714,491
<u>Financial Liabilities</u>					
Payables	446,515	-	-	446,515	1,246,515
Current Borrowings	58,154	-	-	58,154	58,154
Non-Current Borrowings	-	258,390	-	258,390	258,390
Total	504,668	258,390	-	763,058	1,563,058

2024	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	5,460,482	-	-	5,460,482	5,460,482
Receivables	418,203	-	-	418,203	418,203
Total	5,878,685	-	-	5,878,685	5,878,685
<u>Financial Liabilities</u>					
Payables	1,046,366	-	-	1,046,366	1,046,366
Current Borrowings	78,391	-	-	78,391	65,553
Non-Current Borrowings	-	358,825	-	358,825	339,043
Total	1,124,757	358,825	-	1,483,582	1,450,962

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

	30 June 2025		30 June 2024	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Other Variable Rates	5.5%	65,000	6.2%	65,000
Fixed Interest Rates	3.9%	339,596	4.1%	339,596
		404,596		404,596

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

Note 12 - FINANCIAL INDICATORS

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. Detailed methods of calculation are set out in the SA Model Statements.

	2025	2024	2023
Operating Surplus Ratio			
<u>Operating Surplus</u>	19.9%	5.4%	11.1%
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>	-47%	-80%	-95%
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 the financial year end June 2025 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.

Adjusted Operating Surplus Ratio	11.4%	8.7%	-1.7%
Adjusted Net Financial Liabilities Ratio	-42%	-47%	-61%

Asset Renewal Funding Ratio

<u>Outlays on Existing Assets</u>	113%	60%	88%
Asset Renewals - IAMP			

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.

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

Note 13 - UNIFORM PRESENTATION OF FINANCES

The following is a detailed summary of both operating and capital investment activities of the Council 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.

	2025	2024
	\$	\$
Income		
<i>Rates</i>	4,411,735	4,146,508
<i>Statutory charges</i>	28,948	51,981
<i>User charges</i>	118,743	96,153
<i>Grants, subsidies and contributions - Capital</i>	964,321	584,022
<i>Grants, subsidies and contributions - Operating</i>	3,827,444	1,528,562
<i>Investment income</i>	275,823	188,855
<i>Reimbursements</i>	84,635	85,102
<i>Other income</i>	153,796	113,842
	<u>9,865,446</u>	<u>6,795,025</u>
Expenses		
<i>Employee costs</i>	(2,453,586)	(2,472,412)
<i>Materials, contracts and other expenses</i>	(2,750,550)	(2,766,530)
<i>Depreciation, amortisation and impairment</i>	(2,674,732)	(2,564,994)
<i>Finance costs</i>	(21,686)	(22,486)
	<u>(7,900,554)</u>	<u>(7,826,421)</u>
Operating Surplus / (Deficit)	1,964,892	(1,031,396)
Net Timing Adjustment for General Purpose Funding	(947,203)	1,780,455
Less: Grants, Subsidies & Contributions - Capital	(964,321)	(584,022)
Add Road to Recovery Funding	514,276	-
Adjusted Operating Surplus / (Deficit)	567,644	165,037
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(3,781,639)	(3,290,828)
Add back Depreciation, Amortisation and Impairment	2,674,732	2,564,994
Grants Subsidies and Contributions - Capital Renewal	964,321	584,022
Proceeds from Sale of Replaced Assets	104,114	57,000
	<u>(38,472)</u>	<u>(84,813)</u>
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(409,802)	(2,202,225)
Amounts received specifically for New and Upgraded Assets	83,955	1,890,207
	<u>(325,847)</u>	<u>(312,018)</u>
Adjusted Annual Net Impact to Financing Activities surplus/ (deficit)	<u>203,325</u>	<u>(231,794)</u>

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

Note 14 – 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 (11.5% in 2024-25; 11% 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 2025. 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 2025

Note 15 - 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 Planning, Development & 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. 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 2025

Note 16 - 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:

	2025	2024
	\$	\$
Salaries, allowances & other short term benefits	572,250	618,063
TOTAL	572,250	618,063

Allowances / benefits incurred in the ordinary course of performing the KMPs role, and amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

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

	2025	2024
	\$	\$
Contributions for fringe benefits tax purposes	41,021	44,043
Rentals for Council property	13,000	13,000
TOTAL	54,021	57,043

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 Butcher Shop \$388, Cleve Hardware \$36,634, and G Fennell \$31,097.

No close family members of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the *Local Government Act 1999*.

District Council of Cleve Independent Auditor's Report

To the members of the District Council of Cleve

Opinion

We have audited the accompanying financial report of the District Council of Cleve (the Council), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the District Council of Cleve.

In our opinion, the accompanying financial report presents fairly, in all material aspects, 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 the Australian Accounting Standards, Local Government Act 1999 and 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 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 ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's responsibility for the financial report

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

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either 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 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.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ian G McDonald FCA
Registered Company Auditor 16458

Signed at Grange, 20 November 2025

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 2024 to 30 June 2025 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 2024 to 30 June 2025.

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 2024 to 30 June 2025. *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, 20 November 2025

District Council of Cleve
Annual 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 The District Council of Cleve for the year ended 30 June 2025, 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



.....
Chris Tarran
PRESIDING MEMBER AUDIT COMMITTEE

Date:

District Council of Cleve

Annual Financial Statement

For the year ended 30 June 2025

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 2025, 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*.



Ian G McDonald FCA

Date: 31 October 2025