



# AUDITED FINANCIAL STATEMENTS 2020-21



***Tatiara***  
*the good country*

# TATIARA DISTRICT COUNCIL

## General Purpose Financial Reports

### for the year ended 30 June 2021

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**Tatiara District Council**  
**Annual Financial Statements**  
**for the year ended 30 June 2021**

**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 2021 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.

  
Anne Champness  
CHIEF EXECUTIVE OFFICER

  
Graham Excell  
MAYOR

Date:

**TATIARA DISTRICT COUNCIL**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2021**

		2021	2020
	Notes	\$'000	\$'000
<b>INCOME</b>			
Rates	2	10,556	10,457
Statutory charges	2	181	134
User charges	2	626	492
Grants, subsidies and contributions	2	6,098	4,233
Investment income	2	160	256
Reimbursements	2	474	192
Other income	2	305	375
<b>Total Income</b>		<b>18,400</b>	<b>16,139</b>
<b>EXPENSES</b>			
Employee costs	3	4,944	4,666
Materials, contracts & other expenses	3	7,065	6,084
Depreciation, amortisation & impairment	3	5,327	5,389
Finance costs	3	71	78
<b>Total Expenses</b>		<b>17,407</b>	<b>16,217</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>993</b>	<b>(78)</b>
Asset disposal & fair value adjustments	4	(44)	(43)
Amounts received specifically for new or upgraded assets	2	1,430	425
<b>NET SURPLUS / (DEFICIT) (transferred to Equity Statement)</b>		<b>2,379</b>	<b>304</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	3,632	1,530
<b>Total Other Comprehensive Income</b>		<b>3,632</b>	<b>1,530</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>6,011</b>	<b>1,834</b>

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

**TATIARA DISTRICT COUNCIL**  
**Statement of Financial Position**  
**as at 30 June 2021**

		2021	2020
	Notes	\$'000	\$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	19,815	16,785
Trade & other receivables	5	1,051	618
Inventories	5	562	879
<b>Total Current Assets</b>		<b>21,428</b>	<b>18,282</b>
<b>Non-current Assets</b>			
Financial assets	6	160	84
Infrastructure, property, plant & equipment	7	194,591	190,815
<b>Total Non-current Assets</b>		<b>194,751</b>	<b>190,899</b>
<b>Total Assets</b>		<b>216,179</b>	<b>209,181</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	2,170	1,196
Borrowings	8	142	133
Provisions	8	1,217	1,085
<b>Total Current Liabilities</b>		<b>3,529</b>	<b>2,414</b>
<b>Non-current Liabilities</b>			
Borrowings	8	579	721
Provisions	8	71	57
<b>Total Non-current Liabilities</b>		<b>650</b>	<b>778</b>
<b>Total Liabilities</b>		<b>4,179</b>	<b>3,192</b>
<b>NET ASSETS</b>		<b>212,000</b>	<b>205,989</b>
<b>Accumulated Surplus</b>			
Accumulated Surplus		689	(94)
Asset Revaluation Reserves	9	197,201	193,569
Other Reserves	9	14,110	12,514
<b>TOTAL EQUITY</b>		<b>212,000</b>	<b>205,989</b>

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

# TATIARA DISTRICT COUNCIL

## Statement of Changes in Equity

for the year ended 30 June 2021

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
2021	Notes	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period		(94)	193,569	12,514	205,989
Restated opening balance		(94)	193,569	12,514	205,989
<b>Net Surplus / (Deficit) for Year</b>		<b>2,379</b>			<b>2,379</b>
<b>Other Comprehensive Income</b>					
Gain on revaluation of infrastructure, property, plant & equipment	9	-	3,632	-	3,632
Transfers between reserves	9	(1,596)	-	1,596	-
<b>Balance at end of period</b>	<b>9</b>	<b>689</b>	<b>197,201</b>	<b>14,110</b>	<b>212,000</b>

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
2020	Notes	\$'000	\$'000	\$'000	\$'000
Balance at end of previous reporting period		835	192,039	11,281	204,155
Restated opening balance		835	192,039	11,281	204,155
<b>Net Surplus / (Deficit) for Year</b>		<b>304</b>	<b>-</b>	<b>-</b>	<b>304</b>
<b>Other Comprehensive Income</b>					
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	1,530	-	1,530
Transfers between reserves	9	(1,233)	-	1,233	-
<b>Balance at end of period</b>	<b>9</b>	<b>(94)</b>	<b>193,569</b>	<b>12,514</b>	<b>205,989</b>

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



# TATIARA DISTRICT COUNCIL

## Statement of Cash Flows

for the year ended 30 June 2021

		2021	2020
	Notes	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Receipts:</i>			
Rates - general & other		10,569	10,487
Fees & other charges		181	134
User charges		313	1,077
Investment receipts		165	267
Grants utilised for operating purposes		5,555	4,233
Reimbursements		474	192
Other revenues		150	411
<i>Payments:</i>			
Employee costs		(4,964)	(4,620)
Materials, contracts & other expenses		(5,063)	(6,285)
Finance payments		(73)	(82)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>7,307</b>	<b>5,814</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		1,430	425
Sale of replaced assets		878	173
Repayments of loans by community groups		41	31
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(2,756)	(3,192)
Expenditure on new/upgraded assets		(3,637)	(1,103)
Loans made to community groups		(100)	(70)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(4,144)</b>	<b>(3,736)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Payments:</i>			
Repayments of borrowings		(133)	(123)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(133)</b>	<b>(123)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>3,030</b>	<b>1,955</b>
Cash & cash equivalents at beginning of period	11	16,785	14,830
<b>Cash &amp; cash equivalents at end of period</b>	<b>11</b>	<b>19,815</b>	<b>16,785</b>

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

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**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 dated 12<sup>th</sup> October 2021.

**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 thousand dollars (\$'000).

**1.5 Covid-19**

The COVID-19 pandemic has impacted the 2020/21 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes. 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.

COVID-19 is not expected to have a significant financial impact on Council operations with the Council working to reduce discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. It is expected further financial impacts will flow into the 2021/22 financial year, but these have been largely taken into account during the development of the budget process for 2021/22. The budget assumptions for 2021/22 assume that no further harsher restrictions are put in place by the government. However, Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

**2 The Local Government Reporting Entity**

Tatiara District Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 43 Woolshed Street, Bordertown. 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.



**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

**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 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:

	<b>Cash Payment Received</b>	<b>Annual Allocation</b>	<b>Difference</b>	
2018-19	\$3,756,372	\$3,511,934	+ / -	\$244,438
2019-20	\$3,490,043	\$3,706,983	+ / -	(\$216,940)
2020-21	\$4,165,967	\$3,877,811	+ / -	\$288,156

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 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

**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.

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 13.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 1 - SIGNIFICANT 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.

**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.

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.

**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.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

**8 Borrowings**

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.

**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.

Weighted average discount rate	0.36% (2020, 0.34%)
Weighted average settlement period	1 year (2020, 1 year)

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.

**9.2 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 17.

**12 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.

**13 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 2020. 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 101 and AASB 108 Definition of Material:

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

had no impact on the financial statements of, nor is there expected to be any future impact to the Council.

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

In 2020, the AASB issued AASB 2020-4, Amendments to AASs - 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 applies to annual reporting periods beginning on or after 1 June 2020. This amendment had no impact on the consolidated financial statements of the Group.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 2 - INCOME**

	Notes	2021 \$'000	2020 \$'000
<b>RATES REVENUES</b>			
<u>General Rates</u>		8,575	8,499
Less: Mandatory rebates		(138)	(139)
Less: Discretionary rebates, remissions & write offs		(37)	(33)
		<u>8,400</u>	<u>8,327</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		548	543
Waste collection		703	679
Community wastewater management systems		867	862
		<u>2,118</u>	<u>2,084</u>
<u>Other Charges</u>			
Penalties for late payment		38	46
		<u>38</u>	<u>46</u>
		<u>10,556</u>	<u>10,457</u>
<b>STATUTORY CHARGES</b>			
Development Act fees		112	61
Health & Septic Tank Inspection fees		11	9
Animal registration fees & fines		40	48
Other licences, fees, & fines		18	16
		<u>181</u>	<u>134</u>
<b>USER CHARGES</b>			
Cemetery/crematoria fees		68	70
Visitor Information Centre		6	16
Truck Wash Fees		82	74
Sangarb Collection Fees		57	78
Swimming Pool Revenue		95	109
Ticket Sales		3	28
Caravan Park Fees		265	56
Hall & equipment hire		28	36
Sundry		22	25
		<u>626</u>	<u>492</u>
<b>INVESTMENT INCOME</b>			
Interest on investments:			
Local Government Finance Authority		122	173
Banks & other		34	79
Loans to community groups		4	4
		<u>160</u>	<u>256</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

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

	Notes	2021 \$'000	2020 \$'000
<b>REIMBURSEMENTS</b>			
Private Works		79	58
Community Clubs Reimbursements		287	13
Other		108	121
		<b>474</b>	<b>192</b>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		-	1
Rebates received		12	20
Keith Service Income (Services SA, Centrelink)		126	125
Health Inspection Food Premises Audits		78	103
Sundry		89	126
		<b>305</b>	<b>375</b>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		1,430	425
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		3,833	3,315
Roads to Recovery		850	850
Library & Communications		31	21
Drought Grant		900	-
Sundry		484	47
		<b>6,098</b>	<b>4,233</b>
		<b>7,528</b>	<b>4,658</b>
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of grants</b>			
Commonwealth government		2,839	878
State government		4,689	3,780
		<b>7,528</b>	<b>4,658</b>



**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 3 - EXPENSE**

	Notes	2021 \$'000	2020 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		4,513	4,225
Employee leave expense		195	160
Superannuation - defined contribution plan contributions	17	334	304
Superannuation - defined benefit plan contributions	17	90	101
Workers' Compensation Insurance		169	159
Less: Capitalised and distributed costs		(357)	(283)
<b>Total Operating Employee Costs</b>		<b>4,944</b>	<b>4,666</b>
 <b>Total Number of Employees</b>		 <b>60</b>	 <b>60</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		27	21
Elected members' expenses		223	221
Election expenses		2	2
Subtotal - Prescribed Expenses		<b>252</b>	<b>244</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		3,000	1,773
Maintenance		2,619	2,764
Legal Expenses		21	33
Levies paid to government - NRM levy		552	548
Minor capital purchases		41	221
Caravan Park		226	160
Fuel and oil		268	294
Sundry		86	47
Subtotal - Other Materials, Contracts & Expenses		<b>6,813</b>	<b>5,840</b>
		<b>7,065</b>	<b>6,084</b>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 3 - EXPENSE con't**

	2021	2020
Notes	\$'000	\$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Buildings & Other Structures	743	755
Roads	3,330	3,359
Bridges	41	40
Footways	152	139
Sewerage, Effluent Drainage	420	456
Stormwater Drainage	78	75
Other Structures	72	71
Plant & Equipment	490	494
Other Community Assets	1	-
	<u>5,327</u>	<u>5,389</u>
<b>FINANCE COSTS</b>		
Interest on Loans	<u>71</u>	<u>78</u>
	<u>71</u>	<u>78</u>

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

	2021	2020
Notes	\$'000	\$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b><i>Assets renewed or directly replaced</i></b>		
Proceeds from disposal	878	173
Less: Carrying amount of assets sold	922	216
<b>Gain (Loss) on disposal</b>	<u>(44)</u>	<u>(43)</u>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	<u>(44)</u>	<u>(43)</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 5 - CURRENT ASSETS**

		2021	2020
	Notes	\$'000	\$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		395	305
Deposits at Call		10,635	7,729
Short Term Deposits & Bills, etc		8,785	8,751
		<u>19,815</u>	<u>16,785</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		419	435
Accrued Revenues		25	30
Debtors - general		374	61
GST Recoupment		214	59
Loans to community organisations		22	39
Total		<u>1,054</u>	<u>624</u>
Less: Allowance for Doubtful Debts		<u>(3)</u>	<u>(6)</u>
		<u>1,051</u>	<u>618</u>
<b>INVENTORIES</b>			
Stores & Materials		562	879
		<u>562</u>	<u>879</u>

*Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.*

**Note 6 - NON-CURRENT ASSETS**

		2021	2020
	Notes	\$'000	\$'000
<b>FINANCIAL ASSETS</b>			
<b>Receivables</b>			
Loans to community organisations		160	84
<b>TOTAL FINANCIAL ASSETS</b>		<u>160</u>	<u>84</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

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

		2020 \$'000				2021 \$'000			
	Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land - Other	2	6,927	-	-	6,927	6,376	-	-	6,376
Land - Community	3	4,273	-	-	4,273	4,273	-	-	4,273
Buildings & Other Structures Level 2	2	4,823	149	(3,864)	1,108	4,972	1,399	(3,920)	2,451
Buildings & Other Structures Level 3	3	25,251	958	(12,712)	13,497	26,498	-	(12,166)	14,332
Roads	3	184,747	15,303	(61,644)	138,406	200,733	3,400	(64,237)	139,896
Bridges	3	2,483	26	(911)	1,598	2,502	186	(938)	1,750
Footways	3	5,127	859	(1,737)	4,249	6,393	285	(1,864)	4,814
Sewerage, Effluent Drainage	3	25,849	1,818	(16,753)	10,914	25,607	-	(15,389)	10,218
Stormwater Drainage	3	6,356	568	(2,402)	4,522	7,193	269	(2,513)	4,949
Other Structures	3	2,468	128	(1,321)	1,275	2,640	259	(1,392)	1,507
Plant & Equipment	3	6,755	278	(3,127)	3,906	6,589	443	(3,207)	3,825
Other Community Assets		-	23	(3)	20	-	23	(4)	19
Work in Progress		-	120	-	120	-	181	-	181
<b>Total IPP&amp;E</b>		275,059	20,230	(104,474)	190,815	293,776	6,445	(105,630)	194,591
<b>Comparatives</b>		274,531	14,660	(98,596)	190,595	275,059	20,230	(104,474)	190,815

*This Note continues on the following pages.*

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

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

	2020 \$'000								2021 \$'000
	Carrying Amount	Additions		Disposals	Dep'n	Transfers		Net Reval'n	Carrying Amount
		New / Upgrade	Renewals			In	Out		
Land - Other	6,927	-	-	(551)	-	-	-	-	6,376
Land - Community	4,273	-	-	-	-	-	-	-	4,273
Buildings & Other Structures Level 2	1,108	1,399	-	-	(56)	-	-	-	2,451
Buildings & Other Structures Level 3	13,497	-	-	(25)	(687)	-	-	1,547	14,332
Roads	138,406	1,192	2,208	(146)	(3,330)	48	-	1,518	139,896
Bridges	1,598	167	19	-	(41)	-	-	7	1,750
Footways	4,249	268	17	-	(152)	3	-	429	4,814
Sewerage, Effluent Drainage	10,914	-	-	-	(420)	-	-	(276)	10,218
Stormwater Drainage	4,522	215	54	(6)	(78)	40	-	202	4,949
Other Structures	1,275	244	15	(2)	(72)	-	-	47	1,507
Plant & Equipment	3,906	-	443	(192)	(490)	-	-	158	3,825
Other Community Assets	20	-	-	-	(1)	-	-	-	19
Work in Progress	120	152	-	-	-	-	(91)	-	181
Total IPP&E	190,815	3,637	2,756	(922)	(5,327)	91	(91)	3,632	194,591
Comparatives	190,595	1,103	3,192	(216)	(5,389)	-	-	1,530	190,815

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**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.



**TATIARA DISTRICT COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**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.

Buildings - new construction/extensions	\$5,000
Park & Playground Furniture & Equipment	\$5,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$5,000
Drains & Culverts	\$5,000
Reticulation extensions	\$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	
Vehicles and Road-making Equip	5 to 50 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	10 to 100 years
Playground equipment	2 to 100 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	17 to 25 years
Sealed Roads – Structure	3 to 50 years
Unsealed Roads	19 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	15 to 40 years
Drains	25 to 65 years
Culverts	80 to 100 years
Flood Control Structures	50 to 75 years
Bores	20 to 40 years
Reticulation Pipes – PVC	60 to 100 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 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.

**Buildings & Other Structures**

Buildings and other structures were revalued as at 30 June 2017 by Peta Mantzarpis FAPA and Mitch Ekonomoploulos AAPI of Maloney Field Services. A subsequent desktop valuation incorporating update of unit rates occurred as at 1 July 2020, and data corrections have been made following updated information being available. All acquisitions made after the respective dates of valuation are recorded at cost.

**TATIARA DISTRICT COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

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

**Infrastructure**

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2017, based on actual costs incurred during the reporting periods ended 30 June 2016 and 2017. A subsequent desktop valuation incorporating update of unit rates occurred as at 1 July 2020, and data corrections have been made following segment adjustments. All acquisitions made after the respective dates of valuation are recorded at cost.

Bridges assets were valued by Council officers and depreciated at current replacement cost during the reporting period ended 30 June 2020, based on actual costs incurred during the reporting period ended 30 June 2020. All acquisitions made after the respective date of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Council officers as at 30 June 2017 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2017. A subsequent desktop valuation incorporating update of unit rates occurred as at 1 July 2020, and data corrections have been made following segment adjustments. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued at depreciated current replacement cost during the reporting period ended 30 June 2017, based on actual costs incurred during the reporting periods ending 30 June 2015 and 30 June 2016. A subsequent desktop valuation incorporating update of unit rates occurred as at 1 July 2020, and data corrections have been made following segment adjustments. All acquisitions made after the respective dates of valuation are recorded at cost.

**Plant, Furniture & Equipment**

These assets were revalued as at 30 June 2016 by Council officers with a valuation basis of modern equivalent.

**All other assets**

These assets are recognised on the cost basis.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 8 - LIABILITIES**

		<b>2021</b>		<b>2020</b>	
		<b>\$'000</b>		<b>\$'000</b>	
<b>TRADE &amp; OTHER PAYABLES</b>	<b>Notes</b>	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Goods & Services		2,016	-	330	-
Payments received in advance		-	-	543	-
Accrued expenses - employee entitlements		107	-	273	-
Accrued expenses - other		25	-	27	-
Deposits, Retentions & Bonds		22	-	23	-
		<u>2,170</u>	<u>-</u>	<u>1,196</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		142	579	133	721
		<u>142</u>	<u>579</u>	<u>133</u>	<u>721</u>
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		1,217	71	1,085	57
		<u>1,217</u>	<u>71</u>	<u>1,085</u>	<u>57</u>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 9 - RESERVES**

<b>ASSET REVALUATION RESERVE</b>	<b>1/7/2020</b>	<b>Net Increments/ (Decrements)</b>	<b>Transfers, Impairments</b>	<b>30/6/2021</b>
<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Land - Community	63,761	-	-	<b>63,761</b>
Land - Other	5,121	-	-	<b>5,121</b>
Buildings & Other Structures	78,513	1,594	-	<b>80,107</b>
Sewerage, Effluent Drainage	4,272	(276)	-	<b>3,996</b>
Stormwater Drainage	2,842	202	-	<b>3,044</b>
Plant & Equipment	1,096	158	-	<b>1,254</b>
Roads	29,629	1,518	-	<b>31,147</b>
Footways	979	429	-	<b>1,408</b>
Bridges	7,356	7	-	<b>7,363</b>
<b>TOTAL</b>	<b>193,569</b>	<b>3,632</b>	<b>-</b>	<b>197,201</b>
<b>Comparatives</b>	<b>192,039</b>	<b>1,530</b>	<b>-</b>	<b>193,569</b>

<b>OTHER RESERVES</b>	<b>1/7/2020</b>	<b>Transfers to Reserve</b>	<b>Transfers from Reserve</b>	<b>30/6/2021</b>
Long Service Leave Reserve	359	1	-	<b>360</b>
Plant Replacement Reserve	356	1	-	<b>357</b>
Clayton Farm Reserve	70	-	(3)	<b>67</b>
CWMS Maintenance Reserve	8,000	656	-	<b>8,656</b>
Reserve Land Development	1,412	1,261	-	<b>2,673</b>
Reserve Keith Community Library	32	3	-	<b>35</b>
Reserve Tatiara Creek	46	-	-	<b>46</b>
Reserve Rubble Rehabilitation	315	-	(9)	<b>306</b>
Future Road Renewal	1,600	-	(264)	<b>1,336</b>
Unplanned Maintenance	261	-	-	<b>261</b>
Reserve Open Space	63	-	(50)	<b>13</b>
<b>TOTAL OTHER RESERVES</b>	<b>12,514</b>	<b>1,922</b>	<b>(326)</b>	<b>14,110</b>
<b>Comparatives</b>	<b>11,281</b>	<b>1,504</b>	<b>(271)</b>	<b>12,514</b>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 9 - RESERVES CONT.**

**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).

**Tatiara 04 Long Service Leave**

The Long Service Leave Reserve is for the future cash requirements upon staff leaving Council

**Tatiara 20 Plant Replacement Reserve**

The Plant Replacement Reserve is for urgent unbudgeted major plant and equipment replacement.

**Tatiara 22 Clayton Farm Insurance**

The Clayton Farm Insurance reserve is to be spent towards capital to maintain Clayton Farm's heritage.

**Tatiara 05 CWMS Maintenance Reserve**

The CWMS Maintenance Reserve is used for future asset replacement and capital maintenance of

**Tatiara 26 Land Development Reserve**

The Land Development Reserve was established for Land Development in Keith Industrial Estate,

**Tatiara 27 Keith Community Library**

Council is acting as an agent and provided financial services for the library.

**Tatiara 28 Creek Reserve**

Money is held in this reserve to prepare for a flood event that may happen within 100 years.

**Tatiara 29 Rubble Rehabilitation**

Money put aside for future rehabilitations.

**Tatiara 30 Open Space Reserve**

Part of a development application legal requirement to put money into open space reserve.

**Tatiara 31 Future Road Renewal**

Money put aside for future road renewal works required.

**Tatiara 32 Unplanned Maintenance**

Money put aside for any unplanned/unbudgeted urgent maintenance works.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 10 - ASSETS SUBJECT TO RESTRICTIONS**

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

	Notes	2021 \$'000	2020 \$'000
<b>CASH &amp; FINANCIAL ASSETS</b>			
Unexpended amounts received from Federal Government			
Drought Funding		-	500
LAP (Soil Acidity) Grant		-	43
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<b>-</b>	<b>543</b>

**Note 11 - 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	2021 \$'000	2020 \$'000
Total cash & equivalent assets	5	19,815	16,785
Balances per Cash Flow Statement		19,815	16,785

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

Net Surplus (Deficit)	2,379	304
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	5,327	5,389
Net increase (decrease) in unpaid employee benefits	(20)	46
Change in allowances for under-recovery	(3)	4
Grants for capital acquisitions treated as Investing Activity	(1,430)	(425)
Net (Gain) Loss on Disposals	44	43
	<b>6,297</b>	<b>5,361</b>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(447)	119
Net (increase) decrease in inventories	317	329
Net increase (decrease) in trade & other payables	1,140	5
<b>Net Cash provided by (or used in) operations</b>	<b>7,307</b>	<b>5,814</b>

**(c) Financing Arrangements**

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

Bank Overdrafts	350	350
Corporate Credit Cards	37	37
LGFA Cash Advance Debenture facility	80	80

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



**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 12 - 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	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000				
Administration	12,587	12,083	1,088	988	11,499	11,095	3,256	2,725	64,176	62,099
Public Order & Safety	45	54	220	225	(175)	(171)	-	1	179	173
Health	98	121	128	164	(30)	(43)	-	-	134	130
Social Security & Welfare	1,195	30	1,576	259	(381)	(229)	900	17	286	277
Housing & Community	1,713	1,747	2,593	2,522	(880)	(775)	-	7	3,293	3,186
Protection of the Environment NEC	-	-	1	1	(1)	(1)	-	-	-	-
Sporting & Recreation	554	282	2,516	2,909	(1,962)	(2,627)	400	27	1,535	1,485
Agricultural Services	63	3	675	606	(612)	(603)	60	-	400	387
Mining Manufacturing & Construction	114	64	430	304	(316)	(240)	-	-	365	353
Transport & Communications	1,463	1,486	1,767	5,993	(304)	(4,507)	1,462	1,450	137,925	133,460
Economic Affairs NEC	279	75	621	570	(342)	(495)	-	-	1,226	1,186
Other Purposes NEC	289	194	5,792	1,676	(5,503)	(1,482)	20	6	6,660	6,445
<b>TOTALS</b>	<b>18,400</b>	<b>16,139</b>	<b>17,407</b>	<b>16,217</b>	<b>993</b>	<b>(78)</b>	<b>6,098</b>	<b>4,233</b>	<b>216,179</b>	<b>209,181</b>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 12 (con't) - COMPONENTS OF FUNCTIONS**

The activities relating to Council functions are as follows:

**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.

**Public Order and Safety**

Supervision of various by-laws, fire and prevention and animal control.

**Health**

Food control, operation of community health programs.

**Social Security and Welfare**

Volunteer Services.

**Housing and Community Amenities**

Rubbish collection services, operation of tip, effluent drainage, public toilets, street cleaning and lighting, town planning, stormwater drainage, land development, maintenance of cemeteries.

**Protection of the Environment NEC**

Foreshore protection, flood protection.

**Sport and Recreation**

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

**Agricultural Services**

Pest Plant Services.

**Mining, Manufacturing and Construction**

Building Act Requirements, quarry operations.

**Transport and Communications**

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.

**Economic Affairs NEC**

Land Development Activities, caravan park operations, off street parking, tourism.

**Other Purposes NEC**

Public Debt transactions, plant and machinery operations, depot expenses, vandalism costs and private works.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 13 - FINANCIAL INSTRUMENTS**

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

**Accounting Policies - Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 0.3% and 0.9% (2020: .45% and 1.6%). Short term deposits have an average maturity of 365 days and an average interest rates of 0.85% (2020: 365 days, 1.14%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated</b>	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 0.43% (2020: 0.55%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p><b>Terms &amp; conditions:</b> 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.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p><b>Terms &amp; conditions:</b> 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.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable; interest is charged at a fixed rate of 6.8% (2020: 6.8%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 13 - FINANCIAL INSTRUMENTS (con't)**

**Liquidity Analysis**

<b>2021</b>	<b>Due &lt; 1 year</b>	<b>Due &gt; 1 year ≤ 5 years</b>	<b>Due &gt; 5 years</b>	<b>Total Contractual Cash Flows</b>	<b>Carrying Values</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Financial Assets</u></b>					
Cash & Equivalents	19,815	-	-	19,815	19,815
Receivables	1,058	91	76	1,225	1,211
<b>Total</b>	<b>20,873</b>	<b>91</b>	<b>76</b>	<b>21,040</b>	<b>21,026</b>
<b><u>Financial Liabilities</u></b>					
Payables	2,038	-	-	2,038	2,038
Current Borrowings	189	-	-	189	142
Non-Current Borrowings	-	661	-	661	579
<b>Total</b>	<b>2,227</b>	<b>661</b>	<b>-</b>	<b>2,888</b>	<b>2,759</b>

<b>2020</b>	<b>Due &lt; 1 year</b>	<b>Due &gt; 1 year; ≤ 5 years</b>	<b>Due &gt; 5 years</b>	<b>Total Contractual Cash Flows</b>	<b>Carrying Values</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Financial Assets</u></b>					
Cash & Equivalents	16,785	-	-	16,785	16,785
Receivables	622	68	23	713	702
<b>Total</b>	<b>17,407</b>	<b>68</b>	<b>23</b>	<b>17,498</b>	<b>17,487</b>
<b><u>Financial Liabilities</u></b>					
Payables	896	-	-	896	896
Current Borrowings	189	-	-	189	133
Non-Current Borrowings	-	756	94	850	721
<b>Total</b>	<b>1,085</b>	<b>756</b>	<b>94</b>	<b>1,935</b>	<b>1,750</b>

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

	<b>30 June 2021</b>		<b>30 June 2020</b>	
	<b>Weighted Average Interest Rate</b>	<b>Carrying Value</b>	<b>Weighted Average Interest Rate</b>	<b>Carrying Value</b>
	<b>%</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>
Fixed Interest Rates	6.8%	721	6.8%	853
		<b>721</b>		<b>853</b>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 13 - FINANCIAL INSTRUMENTS (con't)**

**Net Fair Value**

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

**Risk Exposures:**

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 14 - COMMITMENTS FOR EXPENDITURE**

	2021	2020
Notes	\$'000	\$'000
<b>Capital Commitments</b>		
Other non-capital expenditure commitments for at the reporting date but not recognised in the financial statements as liabilities:		
Waste Management Services	1,132	1,800
Employment Remuneration Contracts	2,113	1,823
Gardening Contracts	-	34
Audit Contract	21	42
Cleaning Contract	92	228
Roadside Tree Trimming	242	363
Street Cleaning	-	63
Roadside Slashing Contract	-	50
Roadmarking Works Contract	-	91
Environmental Health Officer Contract	-	109
IT Contract	98	146
	<u>3,698</u>	<u>4,749</u>
These expenditures are payable:		
Not later than one year	1,654	2,052
Later than one year and not later than 5 years	2,044	2,697
	<u>3,698</u>	<u>4,749</u>



**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 15 - FINANCIAL INDICATORS**

	2021	2020	2019
<b>Operating Surplus Ratio</b>			
<u>Operating Surplus</u>	5.4%	-0.5%	7.0%
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>	-92%	-89%	-75%
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>Adjusted Operating Surplus Ratio</b>	3.9%	-0.7%	5.0%
<b>Adjusted Net Financial Liabilities Ratio</b>	-82%	-77%	-64%

**Asset Renewal Funding Ratio**

<u>Net Outlays on Existing Assets</u>	141%	127%	117%
Net 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.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 16 - 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

	2021 \$'000	2020 \$'000
Income	18,400	16,139
Expenses	(17,407)	(16,217)
<b>Operating Surplus / (Deficit)</b>	<b>993</b>	<b>(78)</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	(2,756)	(3,192)
Add back Depreciation, Amortisation and Impairment	5,327	5,389
Proceeds from Sale of Replaced Assets	878	173
	<b>3,449</b>	<b>2,370</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>	(3,637)	(1,103)
Amounts received specifically for New and Upgraded Assets	1,430	425
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	-
	<b>(2,207)</b>	<b>(678)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>2,235</b>	<b>1,614</b>

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 17 – 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 (9.50% in 2019-20; 9.50% in 2020-21). 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 2019-20) 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 2020. 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.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 18 - 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.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 19 - 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, 14 persons were paid the following total compensation:

	<b>2021</b>	2020
	\$	\$
Salaries, allowances & other short term benefits	841,552	953,068
<b>TOTAL</b>	<b>841,552</b>	953,068

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

	<b>2021</b>	2020
	\$	\$
Planning and building applications fees	-	3,905
<b>TOTAL</b>	-	3,905

**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. Total purchases from any of these individual businesses did not exceed \$35,000 during the year.

One Key management personnel has three close family members 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*.

One Key Management Personnel paid Council \$276 for the purchase of pavers and sign as part of an expression of interest process and took no part in the process.

One Key Management Personnel was paid \$310,000 for the purchase of land. In Accordance with the Local Government Act 1999, this person declared an interest in matters relating to the Land purchase and took no part in the process.

One Key Management Personnel is member of the Tatiara Water Allocation Committee. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to Tatiara Water Allocation Committee.

One Key Management Personnel is member of the Tatiara Karting Club. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Tatiara Karting Club. During the year the Tatiara Karting Club received Drought Funding of \$60,000

One Key Management Personnel is the secretary of Keith RSL Sub-Branch. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to Bordertown RSL Sub-Branch.

One Key Management Personnel is a board member of the Mundulla Bowling Club. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to Mundulla Bowling Club.

**TATIARA DISTRICT COUNCIL**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2021**

**Note 19 - RELATED PARTY DISCLOSURES Cont.**

One Key Management Personnel is a board member of the Mundulla on the move. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to Mundulla on the move.

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David Sullivan CA, CPA  
Jason Seidel CA  
Renae Nicholson CA  
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## INDEPENDENT AUDITOR'S REPORT

### To the members of District Council of Tatiara

#### Opinion

We have audited the accompanying financial report of District Council of Tatiara (the Council), which comprises the statement of financial position as at 30 June 2021, 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 District Council of Tatiara.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2021, 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 responsibility 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.

### **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Tim Muhlhausler** CA, Registered Company Auditor  
Partner

22 October 2021

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
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## To the members of District Council of Tatiara

### Opinion

We have audited the compliance of the District Council of Tatiara (the 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 2020 to 30 June 2021 have been conducted properly and in accordance with law.

In our opinion, District Council of Tatiara 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 2020 to 30 June 2021.

### Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, 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 2020 to 30 June 2021. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

### The Council's responsibility for 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* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

### Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

**Auditor's 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 receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, 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 2020 to 30 June 2021. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

**Limitations of controls**

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

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

**Limitation of 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.

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**

**Tim Muhlhausler** CA, Registered Company Auditor  
Partner

22 October 2021

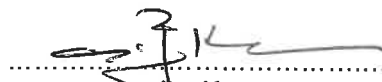
**TATIARA DISTRICT COUNCIL**  
**Annual Financial Statements**  
**for the year ended 30 June 2021**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Tatiara District Council for the year ended 30 June 2021, the Council's Auditor, Galpins, Accountants, Auditors and Business Consultants, 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*.

  
Anne Champness  
**CHIEF EXECUTIVE OFFICER**

  
Jim Ker  
**PRESIDING MEMBER**  
**AUDIT COMMITTEE**

Date: 1/10/21

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Simon Smith CA, FCPA  
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under Professional Standards Legislation

## DISTRICT COUNCIL OF TATIARA

### GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### Statement by Auditor

I confirm that, for the audit of the financial statements of District Council of Tatiara for the year ended 30 June 2021, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (Including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

#### GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Tim Muhlhausler'.

**Tim Muhlhausler** CA, Registered Company Auditor

Partner

22 October 2021