



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

# **AUDITED FINANCIAL STATEMENTS 2021/2022**

# General Purpose Financial Statements

for the year ended 30 June 2022

---

Contents	Page
<b>Council Certificate</b>	<b>2</b>
<b>Principal Financial Statements</b>	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
<b>Notes to and forming part of the Financial Statements</b>	<b>7</b>
<b>Independent Auditor's Report – Financial Statements</b>	<b>n/a</b>
<b>Independent Auditor's Report – Internal Controls</b>	<b>n/a</b>
<b>Certificates of Audit Independence</b>	
Council Certificate of Audit Independence	39
Audit Certificate of Audit Independence	40

## General Purpose Financial Statements

for the year ended 30 June 2022

### Certification of Financial Statements

**We have been authorised by the Council to certify the financial statements in their final form.**

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Anne Champness  
Chief Executive Officer

Dated 11/10/2022



Graham Excell  
Mayor

Dated 11/10/2022

## Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
<b>Income</b>			
Rates	2a	10,679	10,556
Statutory Charges	2b	148	181
User Charges	2c	1,088	626
Grants, Subsidies and Contributions	2g	6,269	6,098
Investment Income	2d	137	160
Reimbursements	2e	278	474
Other income	2f	399	305
<b>Total Income</b>		<b>18,998</b>	<b>18,400</b>
<b>Expenses</b>			
Employee costs	3a	5,201	4,944
Materials, Contracts and Other Expenses	3b	6,658	7,065
Depreciation, Amortisation and Impairment	3c	5,994	5,327
Finance Costs	3d	64	71
<b>Total Expenses</b>		<b>17,917</b>	<b>17,407</b>
<b>Operating Surplus / (Deficit)</b>		<b>1,081</b>	<b>993</b>
Asset Disposal & Fair Value Adjustments	4	(306)	(44)
Amounts Received Specifically for New or Upgraded Assets	2g	1,037	1,430
<b>Net Surplus / (Deficit)</b>		<b>1,812</b>	<b>2,379</b>
<b>Other Comprehensive Income</b>			
Changes in Revaluation Surplus - I, PP&E	9a	2,922	3,632
<b>Total Amounts which will not be reclassified subsequently to operating result</b>		<b>2,922</b>	<b>3,632</b>
<b>Total Other Comprehensive Income</b>		<b>2,922</b>	<b>3,632</b>
<b>Total Comprehensive Income</b>		<b>4,734</b>	<b>6,011</b>

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

# Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & Cash Equivalent Assets	5a	21,327	19,815
Trade & Other Receivables	5b	828	1,051
Inventories	5c	769	562
<b>Total current assets</b>		<b>22,924</b>	<b>21,428</b>
<b>Non-current assets</b>			
Financial Assets	6	378	160
Infrastructure, Property, Plant & Equipment	7a(i)	196,087	194,591
<b>Total non-current assets</b>		<b>196,465</b>	<b>194,751</b>
<b>TOTAL ASSETS</b>		<b>219,389</b>	<b>216,179</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	811	2,170
Borrowings	8b	152	142
Provisions	8c	1,239	1,217
<b>Total Current Liabilities</b>		<b>2,202</b>	<b>3,529</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	427	579
Provisions	8c	26	71
<b>Total Non-Current Liabilities</b>		<b>453</b>	<b>650</b>
<b>TOTAL LIABILITIES</b>		<b>2,655</b>	<b>4,179</b>
<b>Net Assets</b>		<b>216,734</b>	<b>212,000</b>
<b>EQUITY</b>			
Accumulated surplus		3,546	689
Asset revaluation reserves	9a	200,123	197,201
Other reserves	9b	13,065	14,110
<b>Total Equity</b>		<b>216,734</b>	<b>212,000</b>

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

# Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
<b>2022</b>					
Balance as at 1 July		689	197,201	14,110	212,000
Net Surplus / (Deficit) for Year		1,812	—	—	1,812
<b>Other Comprehensive Income</b>					
Gain (loss) on revaluation of IPP&E	7a	—	2,922	—	2,922
<b>Other comprehensive income</b>		<b>—</b>	<b>2,922</b>	<b>—</b>	<b>2,922</b>
<b>Total comprehensive income</b>		<b>1,812</b>	<b>2,922</b>	<b>—</b>	<b>4,734</b>
Transfers between Reserves	9b	1,045	—	(1,045)	—
<b>Balance at the end of period</b>		<b>3,546</b>	<b>200,123</b>	<b>13,065</b>	<b>216,734</b>
<b>2021</b>					
Balance as at 1 July		(94)	193,569	12,514	205,989
Net Surplus / (Deficit) for Year		2,379	—	—	2,379
<b>Other Comprehensive Income</b>					
Gain (loss) on revaluation of IPP&E	7a	—	3,632	—	3,632
<b>Other comprehensive income</b>		<b>—</b>	<b>3,632</b>	<b>—</b>	<b>3,632</b>
<b>Total comprehensive income</b>		<b>2,379</b>	<b>3,632</b>	<b>—</b>	<b>6,011</b>
Transfers between Reserves	9b	(1,596)	—	1,596	—
<b>Balance at the end of period</b>		<b>689</b>	<b>197,201</b>	<b>14,110</b>	<b>212,000</b>

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

## Statement of Cash Flows

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Rates Receipts		10,675	10,569
Statutory Charges		148	181
User Charges		1,088	313
Grants, Subsidies and Contributions		6,199	5,555
Investment Receipts		137	165
Reimbursements		278	474
Other Receipts		803	150
<u>Payments</u>			
Payments to Employees		(5,195)	(4,964)
Payments for Materials, Contracts & Other Expenses		(8,315)	(5,063)
Finance Payments		(69)	(73)
<b>Net cash provided by (or used in) Operating Activities</b>	10b	<b>5,749</b>	<b>7,307</b>
<b>Cash flows from investing activities</b>			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,037	1,430
Sale of Replaced Assets		145	878
Sale of Surplus Assets		75	—
Repayments of Loans by Community Groups		33	41
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(3,287)	(2,756)
Expenditure on New/Upgraded Assets		(1,807)	(3,637)
Loans Made to Community Groups		(285)	(100)
<b>Net cash provided (or used in) investing activities</b>		<b>(4,089)</b>	<b>(4,144)</b>
<b>Cash flows from financing activities</b>			
<u>Payments</u>			
Repayments of Loans		(142)	(133)
Repayment of Bonds & Deposits		(6)	—
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(148)</b>	<b>(133)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>1,512</b>	<b>3,030</b>
plus: Cash & Cash Equivalents at beginning of period		19,815	16,785
<b>Cash and cash equivalents held at end of period</b>	10a	<b>21,327</b>	<b>19,815</b>

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8
2	Income	13
3	Expenses	15
4	Asset Disposal & Fair Value Adjustments	16
5	Current Assets	16
6	Non-Current Assets	17
7	Infrastructure, Property, Plant & Equipment & Investment Property	18
8	Liabilities	22
9	Reserves	23
10	Reconciliation to Statement of Cash Flows	24
11(a)	Functions	26
11(b)	Components of Functions	27
12	Financial Instruments	28
13	Financial Indicators	31
14	Uniform Presentation of Finances	34
15	Superannuation	35
16	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	35
17	Related Party Transactions	36



## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (1) Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

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

##### 1.2 Historical Cost Convention

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

##### 1.2 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

##### 1.3 Rounding

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

##### 1.3 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 2022/23 financial year, but these have been largely taken into account during the development of the budget process for 2022/23. The budget assumptions for 2022/23 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.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

#### (3) Income Recognition

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:

	Cash Payment Received	Annual Allocation	Difference
2019/20	\$3,490,043	\$3,706,983	(\$216,940)
2020/21	\$4,165,967	\$3,877,811	\$288,156
2021/22	\$4,569,642	\$3,916,292	\$653,350

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

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

#### (4) Cash, Cash Equivalents and other Financial Instruments

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

##### 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 12.

#### (5) Inventories

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

#### **(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.

#### **(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.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

#### (9) Employee Benefits

##### 9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based 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 avg. discount rate 3.009% (2021, 0.36%)

Weighted avg. settlement period 1 year (2021, 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 15.

#### (10) 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.

#### (11) New accounting standards and UIG interpretations

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

##### Amendments to AASB 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 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 2021, the AASB issued AASB 2021-4, 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 2021. This amendment had no impact on the consolidated financial statements of the Group.

##### Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 1. Summary of Significant Accounting Policies (continued)

---

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

**Effective for NFP annual reporting periods beginning on or after 1 January 2022**

- AASB 2021-3 Amendments to Australian Accounting Standards - Annual Improvements 2019-2021 and Other Amendments
- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

**Effective for NFP annual reporting periods beginning on or after 1 January 2023**

- AASB 2021-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 2. Income

\$ '000	2022	2021
---------	------	------

#### (a) Rates

##### General Rates

General Rates	8,714	8,575
Less: Mandatory Rebates	(124)	(138)
Less: Discretionary Rebates, Remissions & Write Offs	(58)	(37)
<b>Total General Rates</b>	<b>8,532</b>	<b>8,400</b>

##### Other Rates (Including Service Charges)

Landscape Levy	532	548
Waste Collection	724	703
Community Wastewater Management Systems	868	867
<b>Total Other Rates (Including Service Charges)</b>	<b>2,124</b>	<b>2,118</b>

##### Other Charges

Penalties for Late Payment	23	38
<b>Total Other Charges</b>	<b>23</b>	<b>38</b>

<b>Total Rates</b>	<b>10,679</b>	<b>10,556</b>
--------------------	---------------	---------------

#### (b) Statutory Charges

Development Act Fees	76	112
Health & Septic Tank Inspection Fees	7	11
Animal Registration Fees & Fines	48	40
Other Licences, Fees & Fines	17	18
<b>Total Statutory Charges</b>	<b>148</b>	<b>181</b>

#### (c) User Charges

Cemetery/Crematoria Fees	91	68
Hall & Equipment Hire	47	28
Sundry	22	22
Visitor Information Centre	6	6
Truck Wash Fees	86	82
Sangarb Collection Fees	154	57
Swimming Pool Revenue	106	95
Ticket Sales	13	3
Caravan Park Fees	563	265
<b>Total User Charges</b>	<b>1,088</b>	<b>626</b>



## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 2. Income (continued)

\$ '000	2022	2021
<b>(d) Investment Income</b>		
Interest on Investments		
Local Government Finance Authority	51	122
Banks & Other	81	34
Loans to Community Groups	5	4
<b>Total Investment Income</b>	<b>137</b>	<b>160</b>

### (e) Reimbursements

Private Works	173	79
Community Clubs Reimbursements	–	287
Other	105	108
<b>Total Reimbursements</b>	<b>278</b>	<b>474</b>

### (f) Other income

Rebates Received	–	12
Sundry	164	89
Keith Service Income (Services SA, Centrelink)	141	126
Health Inspection Food Premises Audits	89	78
Other	5	–
<b>Total Other income</b>	<b>399</b>	<b>305</b>

### (g) Grants, Subsidies, Contributions

Amounts Received Specifically for New or Upgraded Assets	1,037	1,430
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>	<b>1,037</b>	<b>1,430</b>
Untied - Financial Assistance Grant	4,319	3,833
Roads to Recovery	567	850
Library and Communications	28	31
Drought & LRCIP Funding	749	900
Sundry	606	484
<b>Total Other Grants, Subsidies and Contributions</b>	<b>6,269</b>	<b>6,098</b>
<b>Total Grants, Subsidies, Contributions</b>	<b>7,306</b>	<b>7,528</b>

The functions to which these grants relate are shown in Note 12.

### (i) Sources of grants

Commonwealth Government	2,329	2,839
State Government	4,396	4,689
Other	581	–
<b>Total</b>	<b>7,306</b>	<b>7,528</b>

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 3. Expenses

\$ '000	Notes	2022	2021
<b>(a) Employee costs</b>			
Salaries and Wages		4,683	4,513
Employee Leave Expense		194	195
Superannuation - Defined Contribution Plan Contributions	15	387	334
Superannuation - Defined Benefit Plan Contributions	15	93	90
Workers' Compensation Insurance		184	169
Less: Capitalised and Distributed Costs		(340)	(357)
<b>Total Operating Employee Costs</b>		<b>5,201</b>	<b>4,944</b>
Total Number of Employees (full time equivalent at end of reporting period)		61	60
<b>(b) Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		14	27
Elected Members' Expenses		234	223
Election Expenses		2	2
<b>Subtotal - Prescribed Expenses</b>		<b>250</b>	<b>252</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		2,256	3,000
Maintenance		2,476	2,619
Legal Expenses		41	21
Levies Paid to Government - RL levy		532	552
Sundry		402	86
Minor Capital Expenses		39	41
Caravan Park		303	226
Fuel and Oil		359	268
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>6,408</b>	<b>6,813</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>6,658</b>	<b>7,065</b>
<b>(c) Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings & Other Structures		787	743
Infrastructure			
Stormwater Drainage		119	78
Roads		3,667	3,330
Bridges		48	41
Footways		158	152
Sewerage, Effluent Drainage		531	420
Plant & Equipment		600	490
Other Structures		83	72
Other Community Assets		1	1
<b>Subtotal</b>		<b>5,994</b>	<b>5,327</b>
<b>Total Depreciation, Amortisation and Impairment</b>		<b>5,994</b>	<b>5,327</b>



## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 3. Expenses (continued)

\$ '000	2022	2021
<b>(d) Finance Costs</b>		
Interest on Loans	64	71
<b>Total Finance Costs</b>	<b>64</b>	<b>71</b>

### Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2022	2021
<b>Infrastructure, Property, Plant &amp; Equipment</b>		
<b>(i) Assets Renewed or Directly Replaced</b>		
Proceeds from Disposal	145	878
Less: Carrying Amount of Assets Sold	(461)	(922)
<b>Gain (Loss) on Disposal</b>	<b>(316)</b>	<b>(44)</b>
<b>(ii) Assets Surplus to Requirements</b>		
Proceeds from Disposal	75	—
Less: Carrying Amount of Assets Sold	(65)	—
<b>Gain (Loss) on Disposal</b>	<b>10</b>	<b>—</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>	<b>(306)</b>	<b>(44)</b>

### Note 5. Current Assets

\$ '000	2022	2021
<b>(a) Cash &amp; Cash Equivalent Assets</b>		
Cash on Hand at Bank	533	395
Deposits at Call	17,683	10,635
Short Term Deposits & Bills, etc.	3,111	8,785
<b>Total Cash &amp; Cash Equivalent Assets</b>	<b>21,327</b>	<b>19,815</b>

### (b) Trade & Other Receivables

Rates - General & Other	423	419
Accrued Revenues	25	25
Debtors - General	312	374
GST Recoupment	8	214
Loans to Community Organisations	56	22
Sundry	7	—
<b>Subtotal</b>	<b>831</b>	<b>1,054</b>
Less: Allowance for Doubtful Debts	(3)	(3)
<b>Total Trade &amp; Other Receivables</b>	<b>828</b>	<b>1,051</b>

## Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

### Note 5. Current Assets (continued)

\$ '000	2022	2021
---------	------	------

#### (c) Inventories

Stores & Materials	769	562
<b>Total Inventories</b>	<b>769</b>	<b>562</b>

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

\$ '000	2022	2021
---------	------	------

#### Financial Assets

##### Receivables

Loans to Community Organisations	378	160
<b>Total Financial Assets</b>	<b>378</b>	<b>160</b>

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

#### (a(i)) Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/06/21					Asset movements during the reporting period					as at 30/06/22		
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation
Capital Work in Progress		–	181	–	181	205	–	–	–	(131)	–	–	249	–
Land - Community	3	4,273	–	–	4,273	–	–	–	–	–	–	4,273	–	–
Land - Other	2	6,376	–	–	6,376	–	–	(65)	–	–	–	6,311	–	–
Buildings & Other Structures	2	4,972	1,399	(3,920)	2,451	281	–	–	(100)	95	(39)	6,342	376	(4,030)
Buildings & Other Structures	3	26,498	–	(12,166)	14,332	108	–	–	(687)	12	(75)	26,658	120	(13,088)
Stormwater Drainage	3	7,193	269	(2,513)	4,949	29	14	(13)	(119)	–	2,238	10,849	43	(3,794)
Roads	3	200,733	3,400	(64,237)	139,896	806	2,440	(190)	(3,667)	12	(2,341)	199,974	3,246	(66,264)
Bridges	3	2,502	186	(938)	1,750	190	442	(103)	(48)	12	(11)	2,481	632	(881)
Footways	3	6,393	285	(1,864)	4,814	128	–	(5)	(158)	–	11	6,697	128	(2,035)
Sewerage, Effluent Drainage	3	25,607	–	(15,389)	10,218	–	–	–	(531)	–	3,180	31,510	–	(18,643)
Other Structures	3	2,640	259	(1,392)	1,507	40	–	(13)	(83)	–	–	2,648	299	(1,496)
Other Community Assets		–	23	(4)	19	–	–	–	(1)	–	–	–	23	(5)
Plant & Equipment		6,689	443	(3,207)	3,825	20	395	(135)	(600)	–	(41)	6,607	415	(3,558)
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>293,776</b>	<b>6,445</b>	<b>(105,630)</b>	<b>194,591</b>	<b>1,807</b>	<b>3,291</b>	<b>(530)</b>	<b>(5,994)</b>	<b>–</b>	<b>2,922</b>	<b>304,350</b>	<b>5,531</b>	<b>(113,794)</b>
Comparatives		275,059	20,230	(104,474)	190,815	3,637	2,756	(922)	5,327	–	3,632	293,776	6,445	(105,630)
														194,591

continued on next page ...

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

#### (b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

##### Valuation of Assets

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

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

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

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

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

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

##### Information on Valuations

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 buildings, infrastructure and other assets. These assets 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.

##### Other Information

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

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

#### Highest and best use

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.

#### Transition to AASB 13 - Fair Value Measurement

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

#### Capitalisation Thresholds

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

#### 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 Equipment	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 2021, and data corrections have been made following updated information being available. All acquisitions made after the respective dates of valuation are recorded at cost.

#### Infrastructure

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 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 2021, 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. A subsequent desktop valuation incorporating update of unit rates occurred as at 1 July 2021. All acquisitions made after the respective date of valuation are recorded at cost.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Stormwater drainage infrastructure assets were independently valued by Tonkin Consulting as at 1 July 2021. Assets were valued at depreciated replacement cost. All acquisitions made after the date of valuation have been recorded at cost.

Community wastewater management system infrastructure assets were independently valued by Tonkin Consulting as at 1 July 2021. Assets were valued at depreciated replacement cost. All acquisitions made after the date of valuation have been recorded at cost.

#### Plant & 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.

#### Future Valuations

22/23 financial year will see the following carried out

- ROADS: comprehensive revaluation and full condition assessment, verification of asset data (e.g. road widths) review of unit valuation rates and useful lives
- PARKS & GARDENS: comprehensive revaluation

### Note 8. Liabilities

\$ '000	2022 Current	2022 Non Current	2021 Current	2021 Non Current
<b>(a) Trade and Other Payables</b>				
Goods & Services	496	—	2,016	—
Payments Received in Advance	143	—	—	—
Accrued Expenses - Employee Entitlements	136	—	107	—
Accrued Expenses - Finance Costs	18	—	23	—
Accrued Expenses - Other	2	—	2	—
Deposits, Retentions & Bonds	16	—	22	—
<b>Total Trade and Other Payables</b>	<b>811</b>	<b>—</b>	<b>2,170</b>	<b>—</b>

#### (b) Borrowings

Loans	152	427	142	579
<b>Total Borrowings</b>	<b>152</b>	<b>427</b>	<b>142</b>	<b>579</b>

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

\$ '000	2022 Current	2022 Non Current	2021 Current	2021 Non Current
<b>(c) Provisions</b>				
Employee Entitlements (including oncosts)	1,239	26	1,217	71
<b>Total Provisions</b>	<b>1,239</b>	<b>26</b>	<b>1,217</b>	<b>71</b>

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 9. Reserves

	as at 30/06/21			as at 30/06/22
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Closing Balance
(a) Asset Revaluation Reserve				
Land - Community	63,761	—	—	63,761
Land - Other	5,121	—	—	5,121
Buildings & Other Structures	80,107	(114)	—	79,993
Stormwater Drainage	3,044	2,238	—	5,282
Roads	31,147	(2,341)	—	28,806
Bridges	7,363	(11)	—	7,352
Footways	1,408	11	—	1,419
Sewerage, Effluent Drainage	3,996	3,180	—	7,176
Plant & Equipment	1,254	(41)	—	1,213
<b>Total Asset Revaluation Reserve</b>	<b>197,201</b>	<b>2,922</b>	<b>—</b>	<b>200,123</b>
Comparatives	193,569	3,632	—	197,201

	as at 30/06/21			as at 30/06/22
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Closing Balance
(b) Other Reserves				
Long Service Leave Reserve	360	28	—	388
Plant Replacement Reserve	357	1	—	358
Clayton Farm Reserve	67	—	(2)	65
CWMS Maintenance Reserve	8,656	612	—	9,268
Reserve Land Development	2,673	—	(16)	2,657
Reserve Keith Community Library	35	1	—	36
Reserve Tatiara Creek	46	—	(46)	—
Reserve Rubble Rehabilitation	306	—	(139)	167
Future Road Renewal	1,336	—	(1,223)	113
Unplanned Maintenance	261	—	(261)	—
Reserve Open Space	13	—	—	13
Total Other Reserves	14,110	642	(1,687)	13,065
Comparatives	12,514	1,922	(326)	14,110

### Purposes of Reserves

#### Asset Revaluation Reserves

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

#### Other Reserves

##### 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 District Council

### Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 9. Reserves (continued)

##### **Tatiara 05 CWMS Maintenance Reserve**

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

##### **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.

##### **Tatuara 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.

#### Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2022	2021
---------	-------	------	------

##### (a) Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	21,327	19,815
<b>Balances per Statement of Cash Flows</b>		<b>21,327</b>	<b>19,815</b>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2022

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

\$ '000	2022	2021
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>		
<b>Net Surplus/(Deficit)</b>	1,812	2,379
<b>Non-Cash Items in Income Statements</b>		
Depreciation, Amortisation & Impairment	5,994	5,327
Grants for capital acquisitions treated as Investing Activity	(1,037)	(1,430)
Net (Gain) Loss on Disposals	306	44
	<b>7,075</b>	<b>6,320</b>
<b>Add (Less): Changes in Net Current Assets</b>		
Net (Increase)/Decrease in Receivables	257	(447)
Change in Allowances for Under-Recovery of Receivables	–	(3)
Net (Increase)/Decrease in Inventories	(207)	317
Net Increase/(Decrease) in Trade & Other Payables	(1,353)	1,140
Net Increase/(Decrease) in Unpaid Employee Benefits	(23)	(20)
<b>Net Cash provided by (or used in) operations</b>	<b>5,749</b>	<b>7,307</b>

**(c) Financing Arrangements**

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

Bank Overdrafts	350	350
Corporate Credit Cards	35	37
LGFA Cash Advance Debenture Facility	80	80

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 11(a). Functions

	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 11(b).									
	INCOME		EXPENSES		SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
\$ '000	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Functions/Activities</b>										
Other	—	—	—	—	—	—	—	—	(4,570)	—
Administration	12,929	12,587	1,123	1,088	11,806	11,499	3,517	3,256	66,486	64,176
Public Order & Safety	66	45	241	220	(175)	(175)	—	—	185	179
Health	103	98	124	128	(21)	(30)	—	—	139	134
Social Security & Welfare	761	1,195	423	1,576	338	(381)	759	900	297	286
Housing & Community	1,864	1,713	2,845	2,593	(981)	(880)	—	—	3,411	3,293
Protection of the Environment NEC	—	—	1	1	(1)	(1)	—	—	—	—
Sporting & Recreation	273	554	2,641	2,516	(2,368)	(1,962)	60	400	1,590	1,535
Agricultural Services	6	63	596	675	(590)	(612)	3	60	414	400
Mining Manufacturing & Construction	76	114	282	430	(206)	(316)	—	—	378	365
Transport & Communications	1,921	1,463	6,393	1,767	(4,472)	(304)	1,918	1,462	142,889	137,925
Economic Affairs NEC	649	279	928	621	(279)	(342)	—	—	1,270	1,226
Other Purposes NEC	350	289	2,320	5,792	(1,970)	(5,503)	12	20	6,900	6,660
<b>Total Functions/Activities</b>	<b>18,998</b>	<b>18,400</b>	<b>17,917</b>	<b>17,407</b>	<b>1,081</b>	<b>993</b>	<b>6,269</b>	<b>6,098</b>	<b>219,389</b>	<b>216,179</b>

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 11(b). 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.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 12. Financial Instruments

---

#### 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 0.3% and 2.07% (2021: 0.3% and 0.9%). Short term deposits have an average maturity of 365 days and an average interest rate of 1.24% (2021: 365 days and 0.85%).

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

##### Receivables - Rates & Associated 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:**

Secured over the subject land, arrears attract interest of 0.4208% (2021: 0.43%). 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. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - Other Levels of Government

**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value.

##### Liabilities - Creditors and Accruals

**Accounting Policy:**

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 12. Financial Instruments (continued)

#### 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 using the effective interest rate.

#### Terms & Conditions:

Secured over future revenues, borrowings are repayable; interest is charged at a fixed rate of 6.8% (2021: 6.8%).

#### Carrying Amount:

Approximates fair value.

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets and Liabilities</b>					
<b>2022</b>					
<b>Financial Assets</b>					
Cash & Cash Equivalents	21,327	—	—	21,327	21,327
Receivables	1,217	281	113	1,611	1,206
<b>Total Financial Assets</b>	<b>22,544</b>	<b>281</b>	<b>113</b>	<b>22,938</b>	<b>22,533</b>
<b>Financial Liabilities</b>					
Payables	530	—	—	530	530
Current Borrowings	189	—	—	189	152
Non-Current Borrowings	—	471	—	471	427
<b>Total Financial Liabilities</b>	<b>719</b>	<b>471</b>	<b>—</b>	<b>1,190</b>	<b>1,109</b>
<b>2021</b>					
<b>Financial Assets</b>					
Cash & Cash Equivalents	19,815	—	—	19,815	19,815
Receivables	1,058	91	76	1,225	1,211
<b>Total Financial Assets</b>	<b>20,873</b>	<b>91</b>	<b>76</b>	<b>21,040</b>	<b>21,026</b>
<b>Financial Liabilities</b>					
Payables	2,038	—	—	2,038	2,038
Current Borrowings	189	—	—	189	142
Non-Current Borrowings	—	661	—	661	579
<b>Total Financial Liabilities</b>	<b>2,227</b>	<b>661</b>	<b>—</b>	<b>2,888</b>	<b>2,759</b>

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 12. Financial Instruments (continued)

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

\$ '000	2022		2021	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	6.80%	579	6.80%	721
		579		721

#### 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.

#### Expected Credit Losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. After the assessment made by Council, there is no expected credited losses.

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 13. Financial Indicators

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021	Indicators 2020
---------	-----------------	-------------------	--------------------	--------------------

These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

#### 1. Operating Surplus Ratio

Operating Surplus	1,081	5.7%	5.4%	(0.5)%
Total Operating Income	18,998			

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

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	(19,878)	(105)%	(92)%	(89)%
Total Operating Income	18,998			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

#### Adjusted Operating Surplus Ratio

Operating Surplus	428	2.3%	3.9%	(0.7)%
Total Operating Income	18,345			

#### 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.

#### Adjusted Net Financial Liabilities Ratio

Net Financial Liabilities	(17,194)	(94)%	(82)%	(77)%
Total Operating Income	18,345			

#### 3. Asset Renewal Funding Ratio

Asset Renewals	3,287	125%	141%	127%
Infrastructure & Asset Management Plan required expenditure	2,630			

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



## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 13. Financial Indicators (continued)

#### Financial Indicators - Graphs

##### 1. Operating Surplus Ratio



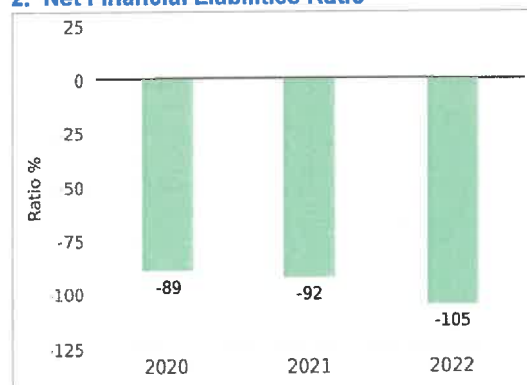
##### Purpose of operating surplus ratio

This indicator is to determine the percentage the operating revenue varies from operating expenditure

##### Commentary on 2021/22 result

2021/22 ratio 5.7%

##### 2. Net Financial Liabilities Ratio



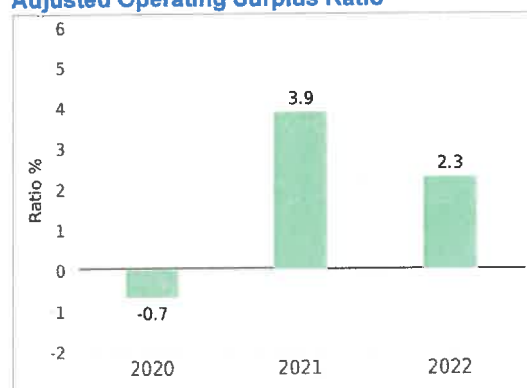
##### Purpose of net financial liabilities ratio

This indicator shows the significance of the net amount owed to others, compared to operating revenue

##### Commentary on 2021/22 result

2021/22 ratio (105)%

##### Adjusted Operating Surplus Ratio



##### Purpose of adjusted operating surplus ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

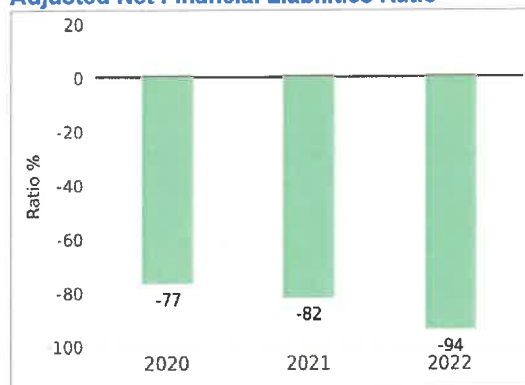
##### Commentary on 2021/22 result

2021/22 ratio 2.3%

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 13. Financial Indicators (continued)

#### Adjusted Net Financial Liabilities Ratio



#### Purpose of adjusted net financial liabilities ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

#### Commentary on 2021/22 result

2021/22 ratio (94)%

#### 3. Asset Renewal Funding Ratio



#### Purpose of asset renewal funding ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

#### Commentary on 2021/22 result

2021/22 ratio 125%

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 14. Uniform Presentation of Finances

\$ '000	2022	2021
<p>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.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	18,998	18,400
less Expenses	(17,917)	(17,407)
<b>Operating Surplus / (Deficit)</b>	<b>1,081</b>	<b>993</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(3,287)	(2,756)
add back Depreciation, Amortisation and Impairment	5,994	5,327
add back Proceeds from Sale of Replaced Assets	145	878
	<b>2,852</b>	<b>3,449</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(1,807)	(3,637)
add back Amounts Received Specifically for New and Upgraded Assets	1,037	1,430
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	75	—
	<b>(695)</b>	<b>(2,207)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>3,238</b>	<b>2,235</b>

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 15. Superannuation

The Council makes employer superannuation contributions in respect of its employees to HostPlus Super (formerly 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 (10.00% in 2021/22; 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 2020/21) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021. 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.

### Note 16. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

#### Land under roads

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

## Notes to and forming part of the Financial Statements for the year ended 30 June 2022

### Note 17. Related Party Transactions

#### Key Management Personnel

##### Transactions with 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.

\$ '000	2022	2021
<b>The compensation paid to Key Management Personnel comprises:</b>		
Salaries, allowances & other short term benefits	871	842
<b>Total</b>	<b>871</b>	<b>842</b>

##### Receipts from Key Management Personnel comprise:

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

Planning and Building Application Fees	1	–
Reimbursement of Fees for Post Graduate Study	10	–
<b>Total</b>	<b>11</b>	<b>–</b>

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 \$122,000 during the year, with total accumulated spend of \$226,566

Four Key management personnel have a total of six 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 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 a loan from Council for \$100,000.

**HEAD OFFICE**

214 Melbourne Street  
North Adelaide SA 5006

PO Box 755  
North Adelaide SA 5006

T: (08) 8267 4777  
[www.deannewbery.com.au](http://www.deannewbery.com.au)

Dean Newbery  
ABN: 30 164 612 890

## Independent Auditor's Report

### To the members of the Tatiara District Council

## Opinion

We have audited the accompanying financial report of the Tatiara District Council (the Council), which comprises the statement of financial position as at 30 June 2022, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

## Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as 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 auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We 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

The 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 to be 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 relating 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 the audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial report.

As part of an audit in accordance with the 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 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 Council.
- Conclude on the appropriateness of the 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.

**DEAN NEWBERY**



**Samantha Creten**  
**Partner**

Signed on the 21<sup>st</sup> day of October 2022,  
at 214 Melbourne Street, North Adelaide

**HEAD OFFICE**

214 Melbourne Street  
North Adelaide SA 5006

PO Box 755  
North Adelaide SA 5006

T: (08) 8267 4777  
[www.deannewbery.com.au](http://www.deannewbery.com.au)

Dean Newbery  
ABN: 30 164 612 890

## INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE TATIARA DISTRICT COUNCIL

### Opinion

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

### Basis for opinion

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

We conducted our engagement in accordance with Standard on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and *ASAE 3150 Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

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

### The Council's 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* 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 Independence and Quality Control

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



## **Assurance Practitioner's Responsibilities**

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 have been conducted properly and in accordance with law.

ASAE 3150 requires that we plan and performed our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operating effectively through the period. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

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

## **Limitation on Use**

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) 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.

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

**DEAN NEWBERY**



**SAMANTHA CRETEN**  
**PARTNER**

Signed on the 21<sup>st</sup> day of October 2022  
at 214 Melbourne Street, North Adelaide, South Australia, 5006

## General Purpose Financial Statements

for the year ended 30 June 2022

### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Tatiara District Council for the year ended 30 June 2022, the Council's Auditor, Dean Newbery 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: 10/10/2022

**HEAD OFFICE**

214 Melbourne Street  
North Adelaide SA 5006

PO Box 755  
North Adelaide SA 5006

T: (08) 8267 4777  
[www.deannewbery.com.au](http://www.deannewbery.com.au)

Dean Newbery  
ABN: 30 164 612 890

## Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Tatiara District Council for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



**SAMANTHA CRETEN**

**Partner**

**DEAN NEWBERY**

**Dated this 21<sup>st</sup> day of October 2022**