



Annual Financial Statements

For the year ended 30 June 2024

Pormpuraaw Aboriginal Shire Council
Financial Statements
For the year ended 30 June 2024

Table of contents		Page No.
	Statement of Comprehensive Income	3
	Statement of Financial Position	4
	Statement of Changes in Equity	5
	Statement of Cash Flows	6
1	Information about these financial statements	7
2	Analysis of results by function	9
3	Revenue	11
4	Grants, subsidies, contributions and donations	12
5	Capital income	12
6	Employee benefits	12
7	Materials and services	14
8	Finance cost	14
9	Capital expenses	14
10	Cash and cash equivalents	14
11	Receivables	15
12	Inventories	15
13	Property, plant and equipment	16
14	Fair value measurements	20
15	Contract balances	23
16	Leases	23
17	Payables	25
18	Provisions	25
19	Asset revaluation surplus	26
20	Commitments for expenditure	26
21	Contingent liabilities	26
22	Superannuation	27
23	Trust Funds	27
24	Reconciliation of net result for the year to net cash inflow (outflow) from operating activities	27
25	Events after the reporting period	27
26	Transactions with related parties	28
27	Financial instruments and financial risk management	30
28	Tied Grants by Project	32
	Management Certificate	35
	Independent Auditor's Report (General purpose financial statements)	36
	Current-year Financial Sustainability Statement (audited)	
	Certificate of Accuracy (Current Year Financial Sustainability Statement)	
	Independent Auditor's Report (Current-year Financial Sustainability Statement)	
	Current-year Financial Sustainability Statement - contextual (unaudited)	
	Certificate of Accuracy - contextual (Current Year Financial Sustainability Statement)	
	Long-term Financial Sustainability Statement (unaudited)	
	Certificate of Accuracy (Long-term Financial Sustainability Statement)	

**Pormpuraaw Aboriginal Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2024**

	Note	2024 \$	2023 \$
Income			
Revenue			
Recurrent revenue			
Levies and charges	3(a)	519,245	415,127
Fees and charges	3(b)	332,599	239,335
Rental income	16	1,185,971	1,037,979
Interest received		2,694,577	1,509,252
Sales revenue	3(c)	7,840,163	6,101,419
Other income	3(d)	194,922	435,836
Grants, subsidies, contributions and donations	4(i)	6,079,591	10,648,259
Total recurrent revenue		18,847,068	20,387,207
Capital revenue			
Grants, subsidies, contributions and donations	4(ii)	6,197,348	9,811,579
Capital income	5	188,380	20,829
Total capital revenue		6,385,728	9,832,408
Total income		25,232,796	30,219,615
Expenses			
Recurrent expenses			
Employee benefits	6	(4,963,699)	(4,580,636)
Materials and services	7	(8,677,942)	(6,919,180)
Finance costs	8	(127,568)	(347,334)
Depreciation and amortisation			
Property, plant and equipment	13	(6,049,163)	(6,258,590)
Other expenses	16	(191,591)	(367,370)
		(20,009,963)	(18,473,110)
Capital expenses			
Loss on asset disposal	9	(345,181)	(856,134)
Total capital expenses		(345,181)	(856,134)
Total expenses		(20,355,144)	(19,329,244)
Net result		4,877,652	10,890,371
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	19	28,889,633	9,192,926
Total other comprehensive income for the year		28,889,633	9,192,926
Total comprehensive income for the year		33,767,285	20,083,297

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Pormpuraaw Aboriginal Shire Council
Statement of Financial Position
As at 30 June 2024

	2024	2023
Note	\$	\$
Current assets		
Cash and cash equivalents	10 66,177,359	51,054,283
Receivables	11 1,818,266	2,173,672
Inventories	12 583,646	556,077
Contract assets	15 761,141	1,483,908
Other assets	141,367	333,051
Other financial assets	16 527,653	476,525
Total current assets	70,009,432	56,077,516
Non-current assets		
Property, plant and equipment	13 161,933,102	132,362,044
Lease receivable	16 12,124,158	12,908,458
Total non-current assets	174,057,260	145,270,502
Total assets	244,066,692	201,348,018
Current liabilities		
Payables	17 2,658,320	2,050,165
Contract liabilities	15 11,456,066	3,243,468
Provisions	18 758,151	618,882
Total current liabilities	14,872,537	5,912,515
Non-current liabilities		
Provisions	18 189,488	198,121
Total non-current liabilities	189,488	198,121
Total liabilities	15,062,025	6,110,636
Net community assets	229,004,667	195,237,382
Community equity		
Asset revaluation surplus	19 140,249,131	111,359,498
Retained surplus	88,755,536	83,877,884
Total community equity	229,004,667	195,237,382

The above statement should be read in conjunction with the accompanying notes and accounting policies.

**Pormpuraaw Aboriginal Shire Council
Statement of Changes in Equity
For the year ended 30 June 2024**

	Asset revaluation surplus	Retained surplus	Total
	\$	\$	\$
Balance as at 1 July 2023	111,359,498	83,877,884	195,237,382
Net result	-	4,877,652	4,877,652
Increase in asset revaluation surplus	28,889,633	-	28,889,633
Total comprehensive income for the year	28,889,633	4,877,652	33,767,285
Balance as at 30 June 2024	140,249,131	88,755,536	229,004,667
Balance as at 1 July 2022	102,166,572	72,987,513	175,154,085
Net result	-	10,890,371	10,890,371
Increase in asset revaluation surplus	9,192,926	-	9,192,926
Total comprehensive income for the year	9,192,926	10,890,371	20,083,297
Balance as at 30 June 2023	111,359,498	83,877,884	195,237,382

The above statement should be read in conjunction with the accompanying notes and accounting policies.

**Pormpuraaw Aboriginal Shire Council
Statement of Cash Flows
For the year ended 30 June 2024**

	2024	2023
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	9,733,498	5,766,153
Payments to suppliers and employees	(13,618,641)	(12,340,322)
	<u>(3,885,143)</u>	<u>(6,574,169)</u>
Interest received	2,536,331	1,509,252
Rental income	1,185,971	1,037,979
Non-capital grants, subsidies, and contributions	6,084,570	10,648,259
Net cash inflow from operating activities	24 <u>5,921,729</u>	<u>6,621,321</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(7,160,454)	(6,726,342)
Proceeds from sale of property plant and equipment	263,342	23,636
Finance lease receipts	16 541,581	443,600
Grants, subsidies, contributions and donations	15,556,878	4,843,789
Net cash inflow (outflow) from investing activities	<u>9,201,347</u>	<u>(1,415,318)</u>
Net increase in cash and cash equivalents held	<u>15,123,076</u>	<u>5,206,003</u>
Cash and cash equivalents at the beginning of the financial year	51,054,283	45,848,280
Cash and cash equivalents at end of the financial year	10 <u><u>66,177,359</u></u>	<u><u>51,054,283</u></u>

The above statement should be read in conjunction with the accompanying notes and accounting policies.

**Porpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

1 Information about these financial statements

1.A Basis of preparation

The Porpuraaw Aboriginal Shire Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

The general purpose financial statements are for the period 1 July 2023 to 30 June 2024. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under historical cost convention except for the revaluation of certain classes of property, plant and equipment.

1.B New and revised Accounting Standards adopted during the year.

Porpuraaw Aboriginal Shire Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2023, none of the standards had a material impact on reported position, performance and cash flows. The adoption of the revisions to AASB 101 Presentation of Financial Statements resulted in disclosure of material accounting policy information only rather than significant accounting policies. This means that accounting policy information is disclosed only if it relates to material transactions, other events or conditions and:

- a) Council has changed accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements.
- b) Council chose (or was mandated to use) the accounting policy from one or more options permitted by Australian Accounting Standards.
- c) the accounting policy was developed in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors in the absence of an Australian Accounting Standard that specifically applies.
- d) the accounting policy relate to an area for which a Council is required to make significant judgements or assumptions in applying an accounting policy, and the Council discloses those judgements or assumptions in the financial statements.
- e) the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions.

1.C Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2024, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies the new Australian Accounting Standards that were issued but not yet effective at the time of preparing these financial statements that could be applicable to Council.

	Effective for reporting periods beginning on or after:
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2021-6 and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants)	1 January 2024
ASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non Financial Assets of Not-for-Profit Public Sector Entities	1 January 2024

**Pompuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

1 Information about these financial statements

1.D Estimates and judgements

Council make a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however, due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Valuation and depreciation of property, plant and equipment - Note 13 and Note 14

Impairment of property, plant and equipment - Note 14

Contract assets and liabilities - Note 15

Provisions - Note 18

Contingent liabilities - Note 21

Revenue recognition - Note 3 and 4

1.E Rounding and comparatives

The Council uses the Australian dollar as its functional currency and its presentation currency and rounds to the nearest dollar.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard / Comparative information is prepared on the same basis as the prior year.

1.F Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST') and payroll tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

2 Analysis of results by function

2 (a) Components of Council functions

The activities relating to the Council's components reported on in Note 2(b) are as follows :

Community Services – The Way We Want To Live Together

The key objective is to promote outcomes which encourage a healthy, supportive, contributing and proactive community where appropriate services and facilities are available and accessible by all. This function advocates and supports: participation of men in community programs; sport, art & culture; aged community members are provided with quality of life; and community access to justice through an active Justice Group.

The community function includes:

- Work and support programs of education, training and rehabilitation;
- Increase community awareness and engagement in public activities and special events;
- Encouraging leadership and stewardship through regular community discussions; and
- Providing quality aged care facilities by highly trained staff.

Built Environment – Shaping Our Surroundings

The key objective is to plan for the future development of the community in ways which actively value the heritage and the character of our community with access for all.

This function manages and provides, to a standard that ensures a minimum legislative compliance and equitable standard:

- Development and maintenance of urban and rural roads;
- Maintain and extend the program for roads, drainage and pathways;
- Advocate and supports the development of housing & the refurbishment of existing housing.

Natural Environment – It Begins With Each Of Us

The key objective is to ensure the natural environment is protected in a way that is not compromised for future generations and is managed so as to minimise our impact on non renewable resources.

This function manages and provides:

- The Land & Sea Ranger programs;
- Supports and develops feral animal and plant pest control;
- Public Health programs:
- The development and monitoring of the West Coast Turtle Threat Abatement Program; and
- Water, waste and sewerage services.

Economy – Creating Our Future

The key objective is to facilitate a vibrant local economy which enjoys sustainable business investments and the benefits of a skilled and diverse workforce.

The goal of this function is to advocate and develop:

- Tourism infrastructure, a local tourism economy and employment opportunities;
- Diverse sustainable business opportunities;
- New businesses are established and/or developed in Pormpuraaw which generate a substantial flow of funds into the community; and
- the increase of training and employment opportunities for residents.

Organisation – Developing Our Capacity

The key objective is to strengthen the capacity of the council organisation and its people to serve our community and to pursue positive outcomes in partnership with community business and government bodies.

This function manages and provides:

- The longevity and sustainability of local government and its benefits to the community;
- Councillors that are actively engaged in the affairs of the community;
- Value the benefits of good financial management and accountability; and
- Community benefits which result from good governance.

The organisation function achieves its objectives by: transparency and accountability in business dealings, probity in purchasing; adhering to reporting timeframes and active communication to our stakeholders.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024

2 Analysis of results by function

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2024

Functions	Gross Program Income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$	\$	\$	\$		\$	\$				
Community Services	2,335,279	425,200	36,000	-	2,796,479	(3,323,695)	-	(3,323,695)	(563,216)	(527,216)	8,471,013
Built Environment	135,060	6,066,480	5,776,625	-	11,978,165	(12,665,271)	(345,181)	(13,010,452)	(6,463,731)	(1,032,287)	122,746,975
Natural Environment	907,211	998,017	322,718	-	2,227,946	(1,296,892)	-	(1,296,892)	608,336	931,054	23,578,623
Economy	-	2,501,006	49,252	-	2,550,258	(2,360,682)	-	(2,360,682)	140,324	189,576	19,548,682
Organisation	2,702,041	2,776,774	12,753	188,380	5,679,948	(363,423)	-	(363,423)	5,115,392	5,316,525	69,721,399
Total	6,079,591	12,767,477	6,197,348	188,380	25,232,796	(20,009,963)	(345,181)	(20,355,144)	(1,162,895)	4,877,652	244,066,692

Year ended 30 June 2023

Functions	Gross Program Income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$	\$	\$	\$		\$	\$				
Community Services	2,238,226	670,241	3,757,770	-	6,666,237	(1,915,810)	-	(1,915,810)	992,657	4,750,427	9,303,503
Built Environment	38,381	5,103,159	5,778,231	-	10,919,771	(12,031,320)	(856,134)	(12,887,454)	(6,889,780)	(1,967,683)	94,258,342
Natural Environment	940,182	261,771	20,278	-	1,222,231	(1,323,445)	-	(1,323,445)	(121,492)	(101,214)	23,207,830
Economy	-	2,111,154	245,578	-	2,356,732	(2,200,486)	-	(2,200,486)	(89,332)	156,246	19,813,710
Organisation	7,431,470	1,592,623	9,722	20,829	9,054,644	(1,002,049)	-	(1,002,049)	8,022,044	8,052,595	54,764,633
Total	10,648,259	9,738,948	9,811,579	20,829	30,219,615	(18,473,110)	(856,134)	(19,329,244)	1,914,097	10,890,371	201,348,018

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

3 Revenue

	2024	2023
	\$	\$
(a) Service charges		
Service levies	519,245	415,127
	<u>519,245</u>	<u>415,127</u>

Service levies are recognised as revenue when the Council obtains control over the assets comprising these receipts which is the beginning of the levy period to which they relate. Prepaid service levies are recognised as a financial liability until the beginning of the levy period.

(b) Fees and charges

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

	2024	2023
	\$	\$
Fees and charges	90,654	42,699
Airline fees and charges	241,945	196,636
	<u>332,599</u>	<u>239,335</u>

(c) Sales revenue

Revenue from sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of goods and the cessation of all involvement in the goods.

The Council generates revenues from a number of services including private works in the form of housing maintenance, fuel sales and powercard sales. Revenue from housing maintenance generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

	2024	2023
	\$	\$
Rendering of services		
Private work revenue	5,056,721	3,865,209
Concrete batching revenue	331,305	295,347
Aged care	310,630	312,365
Plant and equipment services	188,112	236,969
Commissions	86,976	83,044
	<u>5,973,744</u>	<u>4,792,934</u>
Sale of goods		
Fuel	693,397	923,743
Carbon credit sales	900,785	213,525
Admin store sales	191,216	99,567
Other	81,021	71,650
	<u>1,866,419</u>	<u>1,308,485</u>
Total sales revenue	<u>7,840,163</u>	<u>6,101,419</u>

(d) Other income

RISE community contribution	93,506	348,922
Other revenue	101,416	86,914
	<u>194,922</u>	<u>435,836</u>

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

4 Grants, subsidies, contributions and donations

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations vary in each agreement but include events, disability support services, etc. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements, there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Capital grants

Capital grants are received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Contributions and donations

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the Council.

Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

	2024	2023
	\$	\$
(i) Operating		
Commonwealth government subsidies and grants	1,417,814	6,203,289
State government subsidies and grants	4,641,542	4,420,720
Other operating grants	13,630	18,000
Contributions	6,605	6,250
	<u>6,079,591</u>	<u>10,648,259</u>

In June 2023, Council received \$3,940,170, equating to 97% of the 2023-24 Commonwealth Financial Assistance Grant allocation. As these grants are considered untied grants, they were recognised upon receipts in the 2022-23 financial year. In the 2023-24 financial year, Council received only \$127,001 under the Commonwealth Financial Assistance Grant, and as such, there is a decrease in Council revenue.

(ii) Capital		
Commonwealth government subsidies and grants	492,055	628,186
State government subsidies and grants	5,692,540	5,443,658
Other capital grants	12,753	-
Donated assets & non cash grants	-	3,739,735
	<u>6,197,348</u>	<u>9,811,579</u>

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

4 Grants, subsidies, contributions and donations (continued)

(iii) Timing of revenue recognition for grants, subsidies, contributions and donations

	2024		2023	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
	\$	\$	\$	\$
Government grants and subsidies	6,141,198	6,102,753	10,477,234	6,218,619
Other operating grants	9,000	17,383	18,000	-
Contributions	6,605	-	6,250	-
Donated assets and non-cash grants	-	-	3,739,735	-
	<u>6,156,803</u>	<u>6,120,136</u>	<u>14,241,219</u>	<u>6,218,619</u>

	2024	2023
	\$	\$
5 Capital income		
Gain on disposal of non-current assets		
Proceeds from sale property, plant & equipment	263,342	23,636
Less: Carrying value of property, plant & equipment disposed of	(74,962)	(2,807)
Total capital income	<u>188,380</u>	<u>20,829</u>

	Note	2024	2023
		\$	\$
6 Employee benefits			
Total staff wages, salaries and entitlements		4,106,323	3,818,593
Councillors' remuneration		365,625	374,822
Superannuation	22	451,038	411,689
		<u>4,922,986</u>	<u>4,605,104</u>
Other employee related expenses		199,404	219,456
		<u>5,122,390</u>	<u>4,824,560</u>
Less: Capitalised employee expenses		(158,691)	(243,924)
		<u>4,963,699</u>	<u>4,580,636</u>

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

	2024	2023
	Number	Number
Total Council employees at the reporting date:		
Elected members	5	5
Administration staff	26	25
Depot and outdoors staff	42	41
Total Council full time equivalent employees	<u>73</u>	<u>71</u>

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

7 Materials and services	2024	2023
	\$	\$
Cost of fuel	571,828	790,645
Cost of enterprise sales	52,271	49,826
Freight	124,412	116,808
Administration supplies and consumables	484,485	328,116
Audit of annual financial statements by the Auditor-General of Queensland*	65,130	60,600
Communications and IT	184,631	230,097
Consultants	291,040	241,345
Contractors	103,022	86,514
Private works expenditure	3,080,199	2,578,836
Insurance	989,657	806,191
Vehicle operating costs	94,403	79,016
Power and utility	260,985	162,363
Repairs and maintenance - Other	127,340	133,036
Repairs and maintenance - Building	134,268	176,408
Repairs and maintenance - Infrastructure	116,259	184,698
Safety equipment and expenses	103,100	41,849
Sport, community and recreational expenses	187,141	63,921
Carbon Abatement Fee	112,000	140,000
Travel cost	53,468	18,751
Other materials and services	841,266	561,808
Grants repaid	701,037	68,352
	<u>8,677,942</u>	<u>6,919,180</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$63,630 (2023: \$60,600).

8 Finance cost	Note	2024	2023
		\$	\$
Bank charges		70,447	69,249
Movement on provision for restoration of landfill	18	(26,703)	(647)
Impairment of receivables	11	83,824	278,732
		<u>127,568</u>	<u>347,334</u>

9 Capital expenses	2024	2023
	\$	\$
Capital asset write-offs		
Capital write-off	149,862	-
	<u>149,862</u>	<u>-</u>
Loss on disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	-	-
Less: Carrying value of disposed property, plant and equipment	195,319	856,134
Total capital expenses	<u>345,181</u>	<u>856,134</u>

Porpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

10	Cash and cash equivalents	2024	2023
		\$	\$
	Cash at bank and on hand	1,610,280	4,873,535
	Deposits at call	64,567,079	46,180,748
	Balance per Statement of Cash Flows	<u>66,177,359</u>	<u>51,054,283</u>

The Council may be exposed to credit risk through its investments in the QTC Cash Fund or other financial institutions in Australia. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Other bank accounts are held with financial institutions, which are rated AA- based on rating agency Fitch Ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote. All investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Cash and cash equivalents	66,177,359	51,054,283
Less: Externally imposed restrictions on cash	(12,325,669)	(4,527,948)
Unrestricted cash	<u>53,851,690</u>	<u>46,526,335</u>

Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use.

(i) Externally imposed expenditure restrictions at the reporting date to the following cash assets:

Unspent government grants and subsidies	(12,325,669)	(4,527,948)
Total externally imposed restrictions on cash assets	<u>(12,325,669)</u>	<u>(4,527,948)</u>

11	Receivables	Note	2024	2023
			\$	\$
	Receivables		1,617,643	2,102,076
	Less: Loss allowance	8	(173,466)	(278,732)
	Accrued income		374,089	350,328
			<u>1,818,266</u>	<u>2,173,672</u>

Settlement of these amounts is required within 30 days from invoice date.

No collateral is held as security relating to the financial assets held by Porpuraaw Aboriginal Shire Council.

No interest is charged on receivables.

Expected credit loss assessment

Council reviews the expected credit losses of trade and other receivables from individual customers. Receivables comprise relatively small number of balances which can be reviewed and assessed on a case by case basis.

12 Inventories

Costs are assigned on the basis of weighted average.

	2024	2023
	\$	\$
Inventories held for sale		
Fuel	305,055	293,441
Other trading stocks	34,258	19,908
	<u>339,313</u>	<u>313,349</u>
Inventories held for distribution		
Plant and equipment stores	244,333	242,728
	<u>244,333</u>	<u>242,728</u>
Total inventories	<u>583,646</u>	<u>556,077</u>

Pompuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

13 Property, plant and equipment

30 June 2024

Note	Furniture & Fittings	Buildings	Plant & Equipment	Infrastructure assets - Water	Infrastructure assets - Sewerage	Infrastructure assets - Other	Land	Work in Progress	Total
	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	416,116	74,967,312	8,196,419	10,462,620	16,403,430	105,333,624	421,926	739,160	216,940,607
	-	233,209	-	-	-	1,612,123	-	-	1,845,332
	-	12,753	951,449	153,910	-	3,312,253	-	884,756	5,315,122
5	-	(737,700)	(1,521,691)	-	-	-	-	-	(2,259,391)
19	-	3,684,544	-	469,772	726,672	22,971,230	69,074	-	27,921,291
	-	-	-	250,595	108,389	169,623	-	(528,607)	-
	-	-	-	-	-	-	-	(9,722)	(9,722)
9	-	-	-	-	-	-	-	(149,862)	(149,862)
	416,116	78,160,117	7,626,177	11,336,897	17,238,491	133,398,853	491,000	935,725	249,603,376

Accumulated depreciation and impairment

Opening balance as at 1 July 2023	416,116	41,997,700	5,732,963	2,462,291	3,972,331	29,997,162	-	-	84,578,563
Depreciation expense	-	1,923,858	435,620	203,263	322,990	3,163,432	-	-	6,049,163
Depreciation on disposals	5	(542,380)	(1,446,730)	-	-	-	-	-	(1,989,110)
Revaluation adjustment to asset revaluation surplus	19	-	2,173,029	-	119,683	(3,451,338)	-	-	(968,343)
Accumulated depreciation as at 30 June 2024		416,116	45,552,207	4,721,853	2,785,238	4,485,604	29,709,256	-	87,670,274
Carrying amount as at 30 June 2024		-	32,607,910	2,904,324	8,551,659	12,752,887	103,689,597	491,000	935,725
Range of estimated useful life in years		3 - 5	15 - 80	5 - 15	10 - 80	15 - 120	10 - 1,000	-	-

**Porpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

13 Property, plant and equipment (continued)

30 June 2023

Basis of measurement

Asset values

Opening gross value as at 1 July 2022

Additions

- Renewals

- Other additions

Disposals

Revaluation adjustment to asset revaluation surplus

Impairment adjustment to asset revaluation surplus

Transfers from work in progress

Write off operating expenses capitalised

Closing gross value as at 30 June 2023

Accumulated depreciation and impairment

Opening balance as at 1 July 2022

Depreciation expense

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Impairment adjustment to asset revaluation surplus

Accumulated depreciation as at 30 June 2023

Carrying amount as at 30 June 2023

Range of estimated useful life in years

Note	Furniture & Fittings	Buildings	Plant & Equipment	Infrastructure assets - Water	Infrastructure assets - Sewerage	Infrastructure assets - Other	Land	Work in Progress	Total
	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	416,116	69,382,920	7,665,569	9,956,544	13,961,188	93,283,761	419,409	2,580,842	197,666,349
	-	53,340	-	-	-	3,124,335	-	-	3,177,675
	-	3,580,190	567,741	-	-	2,851,529	-	288,942	7,288,402
5/9	-	(1,680,800)	(36,891)	-	-	(511,782)	-	-	(2,229,473)
19	-	3,564,697	-	506,076	1,667,491	8,067,921	2,517	-	13,808,702
(i) /19	-	-	-	-	-	(2,768,266)	-	-	(2,768,266)
	-	66,965	-	-	777,533	1,286,126	-	(2,130,624)	-
	-	-	-	-	(2,782)	-	-	-	(2,782)
	416,116	74,967,312	8,196,419	10,462,620	16,403,430	105,333,624	421,926	739,160	216,940,607
	411,707	41,012,463	5,289,123	2,602,723	2,872,903	25,654,075	-	-	77,842,994
	4,409	2,445,686	477,924	192,678	264,271	2,873,622	-	-	6,258,590
5/9	-	(1,054,935)	(34,084)	-	-	(281,511)	-	-	(1,370,530)
19	-	(405,514)	-	(333,110)	835,157	1,886,075	-	-	1,982,608
(i) /19	-	-	-	-	-	(135,099)	-	-	(135,099)
	416,116	41,997,700	5,732,963	2,462,291	3,972,331	29,997,162	-	-	84,578,563
	-	32,969,612	2,463,456	8,000,329	12,431,099	75,336,462	421,926	739,160	132,362,044
	3 - 5	15 - 80	5 - 15	10 - 80	15 - 120	10 - 100	-	-	

(i) The adjustment of \$135,099 accumulated depreciation and \$2,768,266 cost relate to road damage as a result of weather events in early 2021 and 2023. As at 30 June 2022, an impairment adjustment was recognised for \$6,722,039 based on the assessment provided at that time by the Queensland Reconstruction Authority. Capital work was undertaken to repair the damage of \$2,768,266 during the year. The remaining work to restore the roads had not been completed prior to a further significant weather event occurring in early 2023. A revised estimate was provided by QRA to quantify the damage as at 30 June 2023 at \$6,586,941. The movement between the prior year and current assessments and the capital work done was adjusted against the revaluation reserve to reflect the fair value of road assets as at 30 June 2023.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024

13 Property, plant and equipment (Continued)

(a) Recognition

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Capital and operating expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Expenditure incurred in accordance with Disaster Recovery Funding Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Deed of Grant in Trust Land

The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 34I of the Land Act 1994. It comprises an area of approximately 466,000 hectares.

The land is administered by the Department of Resources and the Council has restricted use of this land for the benefit of shire inhabitants. The DOGIT land has not been taken up in the Council's assets as it cannot be reliably measured.

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Capital work in progress

The cost of property, plant and equipment being constructed by the Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

(c) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in the first table to this note on page 16.

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

13 Property, plant and equipment (Continued)

(c) Depreciation (Continued)

Key judgments and estimates:

Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the Council.

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of infrastructure assets.

(d) Impairment

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

(e) Valuation

Key judgments and estimates:

Some of the Council's assets are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Council uses market-observable data to the extent it is available and other inputs as necessary.

Council's valuation policies and procedures are set by the executive management team. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in this note. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

14 Fair value measurements

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. At least once every five years, Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, management engage independent, professionally qualified valuers to perform a desktop valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

(i) Recognised fair value measurements

In accordance with AASB 13 fair value measurements are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (level 2)
- Fair value based on unobservable inputs for the asset and liability (level 3)

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council buildings and infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

Accordingly all Council assets included in property, plant and equipment classes shown at fair value are categorised as level 3, with the exception of the Cairns land and office space. There were no transfers between categories during the year (2023: Nil). Council's policy is to recognise transfers in and out of the fair value hierarchy as at the end of the reporting period.

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

14 Fair value measurements (Continued)

(ii) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Specific valuation techniques used to value Council assets comprise:

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Buildings (level 2 and 3)	Current replacement cost (CRC)	30-Jun-23	Australis Asset Advisory Group	<p>The cost to replace the asset is calculated and then adjusted to take account of any obsolescence.</p> <p>Assets been componentised for which they consider the asset to meet the definition of "Complex asset". 'Complex assets' were disaggregated into the different parts with a different useful life and depreciated separately.</p> <p>The components were further split into the short-life and long-life parts. The value of each part was determined based on the inter-relationship between a range of factors which include set condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and useful life.</p>	<p>4.53% for commercial</p> <p>5.45% for residential</p>
Infrastructure assets - other (level 3)	Current replacement cost (CRC)	30-Jun-24	Australis Asset Advisory Group	<p>There is no market for Council's water and sewerage assets and other infrastructure assets (including roads) as these are held to provide essential services to the community. For the purpose of assessing the fair value for financial reporting purposes value has been determined primarily by using the current replacement cost methodology. Considerations in the calculations have been the type and the size of the individual infrastructure assets, construction materials used, level of finish, fixtures installed within, and the location of the assets. As the subject assets are located in a regional area, somewhat removed from the nearest provincial city of Cairns, and far removed from Queensland's capital city of Brisbane, a cost increase over and above that applicable to the nearest provincial city or in relation to a Brisbane Cost Index is necessary to account for the increase in replacement cost due to transportation of labour and materials from the nearest supply centre, and also the cost of specialised labour and contractors necessary for the construction work.</p> <p>In determining the most appropriate replacement cost of an asset, the nature of the asset, the nature of available comparative cost data and the purpose of the valuation has been taken into consideration along with the application of Greenfield unit rates and project cost assumptions.</p> <p>Replacement cost has been calculated with reference to unit rates by the valuers in consultation with Council. The rates have been developed from a combination of sources, cost guides, contractor rates, future works and regional information.</p>	<p>N/A Comprehensive valuation</p>

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

14 Fair value measurements (Continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Infrastructure assets - water (level 3)	Current replacement cost (CRC)	30-Jun-23	Australis Asset Advisory Group	<p>The water assets were segregated into active and passive assets; passive assets were not further componentised and consisted primarily of mains and pipes. Unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's Construction rates and quotations.</p> <p>The remaining useful life was used in the depreciation calculations are estimated using three different methods such as condition, known age and estimated age. The physical condition score combined with obsolesce factor to arrive an adopted remaining life.</p>	4.49%
Infrastructure assets - sewerage (level 3)	Current replacement cost (CRC)	30-Jun-23	Australis Asset Advisory Group	<p>The sewer assets were segregated into active and passive assets; passive assets were not further componentised and consisted primarily of mains and pipes. Unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's Construction rates and quotations.</p> <p>The remaining lives used in the depreciation calculations are estimated using three different methods such as condition, known age and estimated age.</p>	4.43%
Land (level 2)	Fair Value Index model	30-Jun-24	Australis Asset Advisory Group	<p>Land was acquired in the year ended 30 June 2019 and fair values were determined by reference to the market value. A comprehensive valuation has been performed independently by Australis Asset Advisory Group, registered valuers for the year ended 30 June 2024.</p> <p>Level 2 valuation inputs were used to value land. Sales prices of comparable land are adjusted for differences in key attributes such as property size, location, topography, and other inherent attributes.</p>	N/A Comprehensive valuation

Finance lease assets (Level 3)

Finance leases are recognised at the present value of the expected future lease payments receivable (fair value). Council's current policy for the valuation of finance leases is set out in Note 16.

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

15 Contract balances

	2024	2023
	\$	\$
(a) Contract assets	<u>761,141</u>	<u>1,483,908</u>
(b) Contract liabilities		
Funds received upfront to construct or acquire Council controlled assets	11,388,918	3,153,517
Non-capital performance obligations not yet satisfied	<u>67,148</u>	<u>89,951</u>
	<u>11,456,066</u>	<u>3,243,468</u>
Current contract liabilities	<u>11,456,066</u>	<u>3,243,468</u>
	<u>11,456,066</u>	<u>3,243,468</u>
Revenue recognised that was included in the contract liability balance at the beginning of the prior year		
Funds to construct Council controlled assets	453,111	2,514,049
Non-capital performance obligations	<u>65,951</u>	<u>117,028</u>
	<u>519,062</u>	<u>2,631,077</u>
Satisfaction of contract liabilities		

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets.

(c) Significant changes in contract balances

Significant movements in contract assets and contract liabilities that have occurred during the year were due to the change in the timing of the work performed and significant monies received in advance.

16 Leases

Council as a lessee

There are currently no existing leases in place.

Exception to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value - Concessionary / peppercorn leases

Council is the lessee of a number of Deed of Grant in Trust leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council does not intend to apply the fair value measurement requirements to these leases until such time as this requirement is mandated.

Council as a lessor

The lease income is recognised on a straight-line basis over the lease term.

Finance Lease:

Leases of property under which the Council as lessor transfers substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases.

Council has leased 128 dwellings and 1 lot as lessor to the Queensland Government for 40 years. The total lease payment per dwelling in the current year was \$4,064 (\$3,243 and \$3,695 for 2022-23) and \$7,431 (\$7,185 for 2022-23) for the Pormpuraaw Women's Centre. These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (current replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are recognised at the present value of the expected future lease payments receivable (fair value).

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

16 Leases (continued)

	2024	2023
	\$	\$
Current		
Finance leases	527,653	476,525
	<u>527,653</u>	<u>476,525</u>
Non-current		
Finance leases	12,124,158	12,908,458
	<u>12,124,158</u>	<u>12,908,458</u>

A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:

Gross minimum lease payments receivable:	15,482,358	14,444,279
Add: Estimated contingent rent	7,610,452	10,622,644
Less: Present value adjustment	(10,440,999)	(11,681,940)
Fair value of lease payments	<u>12,651,812</u>	<u>13,384,983</u>

The fair value of lease payments are receivable as follows:

Not later than one year	527,653	476,525
Between one and two years	519,920	474,026
Between two and three years	512,301	471,541
Between three and four years	504,793	469,069
Between four and five years	497,395	466,610
Later than five years	10,089,749	11,027,212
	<u>12,651,811</u>	<u>13,384,983</u>

Movements in finance leases were as follows:

Opening balance	13,384,983	14,195,953
Less: Lease receipts	(476,526)	(443,600)
Less: Lease receipts for backpay amount	(65,055)	-
Less: (Loss) on revaluation	(191,591)	(367,370)
Closing balance	<u>12,651,811</u>	<u>13,384,983</u>

The calculation of fair value has included an estimate of average annual CPI increases of 2.67% (2023: 3.5%) and a discount rate of 4.20% (2023: 4.05%).

Finance leases are to the State of Queensland, represented by the Department of Housing and Public Works. The likelihood of this counterparty not having capacity to meet its financial commitments is considered low.

Movements on revaluation of finance lease assets are recognised as other income/expenses.

Operating leases:

Where Council retains the risks and rewards relating to a lease, they are classified as operating leases. Rent from Council's commercial buildings and offices is recognised as income on a periodic straight line basis over the lease term.

	2024	2023
	\$	\$
Property income (excluding variable lease payments not dependent on an index or rate)	190,628	169,804
Rent - Commercial Property	206,210	164,447
Rent - Community Housing	134,781	133,029
Rent - Residential Property	654,352	570,699
Accommodation Revenue	<u>1,185,971</u>	<u>1,037,979</u>

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council or accumulated allowance for uncollectible minimum lease payments receivable recognised as income applicable to the leases.

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

17 Payables

Creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported as a payable.

	2024	2023
	\$	\$
Current		
Creditors and accruals	2,449,825	1,877,245
Others	208,495	172,920
	<u>2,658,320</u>	<u>2,050,165</u>

18 Provisions

Annual leave

A liability for annual leave is recognised. As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability. This liability represents an accrued expense and is reported as a provision.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported as a provision.

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current provision. Otherwise it is classified as non-current.

Landfill restoration provision

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable Council will be liable, or required, to incur costs on the cessation of use of these facilities.

The provision represents the present value of the anticipated future costs associated with the closure of landfill sites in accordance with environmental licence conditions. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The total projected cost of \$151,000 is expected to be incurred between 2037 and 2067. The figure excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used.

	Note	2024	2023
		\$	\$
Current			
Annual leave		392,224	280,856
Long service leave		365,927	338,026
		<u>758,151</u>	<u>618,882</u>
Non-current			
Landfill restoration		151,000	177,702
Long service leave		38,488	20,419
		<u>189,488</u>	<u>198,121</u>
Landfill restoration			
Balance at beginning of financial year		177,702	178,349
Increase/(decrease) due to change in discount rate	8	(26,702)	(647)
Balance at end of financial year		<u>151,000</u>	<u>177,702</u>

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

19 Asset revaluation surplus

	2024	2023
	\$	\$
The closing balance of the revaluation surplus comprises the following asset categories:		
Land	116,821	47,747
Furniture & Fittings	434,944	434,944
Buildings	44,642,485	43,130,971
Infrastructure assets - Other	85,809,248	59,386,680
Infrastructure assets - Water	2,049,080	1,698,992
Infrastructure assets - Sewerage	4,973,648	4,437,259
Plant & equipment	2,222,905	2,222,905
	<u>140,249,131</u>	<u>111,359,498</u>

20 Commitments for expenditure

	2024	2023
	\$	\$
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
IT management services	57,811	16,885
Subcontractor services	363,673	-
	<u>421,484</u>	<u>16,885</u>

Council has a contractual commitment to the Clean Energy Regulator (CER) until June 2025 that can be settled by either the delivery of 10,000 ACCU's or a payment of \$140,000 per annum. The remaining commitment to CER, not recognised in the financial statements as at 30 June 2024, is 10,000 ACCUs or \$140,000.

	2024	2023
	\$	\$
Capital commitments		
Commitments for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:		
Batching plant	-	192,893
Bakery upgrades	204,380	-
Housing	8,295,793	-
Buildings	54,397	-
Motor vehicles	61,710	-
	<u>8,616,280</u>	<u>192,893</u>

This expenditure is payable within one year.

21 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

Local government mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2024 the financial results reported an accumulated surplus and it is not anticipated any liability will arise.

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2024

22 Superannuation

Council contributes to Brighter Super. Brighter Super is a Multiemployer Plan as defined in Australian Accounting Standard *AASB 119 Employee Benefits*. The scheme has a number of elements including defined benefits funds and an accumulated benefits fund. Council does not have any employees who are members of the defined benefits funds and so is not exposed to the obligations, assets or costs associated with these funds. Council has employees who are members of the accumulated benefits fund. The scheme is managed by the Brighter Super Trustee.

	<u>Note</u>	<u>2024</u> <u>\$</u>	<u>2023</u> <u>\$</u>
Superannuation contributions made to the Brighter Super Accumulated Benefits Fund		349,623	330,178
Other superannuation contributions to other Accumulated Benefits Funds		101,415	81,511
Total superannuation contributions paid by Council for employees	6	<u>451,038</u>	<u>411,689</u>

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees.

23 Trust Funds

Trust funds held for outside parties	<u>29,467</u>	<u>60,490</u>
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In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held of outside parties. The funds held in trust relate to building retention amounts and commercial lease bonds. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not brought to account in the financial statements since Council has no control over the assets.

24 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

		<u>2024</u> <u>\$</u>	<u>2023</u> <u>\$</u>
Net result		4,877,652	10,890,371
Non-cash items:			
Depreciation and amortisation		6,049,163	6,258,590
Impairment of receivables		-	278,732
Landfill restoration revaluation		(26,702)	(647)
Loss on revaluation of finance leases		191,591	367,370
Impairment of non-current assets		-	(135,099)
Reclassification of WIP to operating expenses		9,723	-
		<u>6,223,775</u>	<u>6,768,946</u>
Investing and development activities (non-cash):			
Net (profit)/loss on disposal of non-current assets	5, 9	156,801	835,307
Loss on write-off of non-current assets		-	2,782
Capital grants and contributions		(6,197,348)	(9,832,409)
		<u>(6,040,547)</u>	<u>(8,994,320)</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		355,406	(1,391,055)
(Increase)/decrease in inventories		(27,569)	(75,827)
(Increase)/decrease in contract assets relating to operating activities		(412,058)	7,552
Increase/(decrease) in other assets		191,684	(311,539)
Increase/(decrease) in payables		608,155	(251,576)
Increase/(decrease) in contract liabilities relating to operating activities		(12,107)	(61,773)
Increase/(decrease) in provisions		157,338	40,542
		<u>860,849</u>	<u>(2,043,676)</u>
Net cash inflow from operating activities		<u>5,921,729</u>	<u>6,621,321</u>

25 Events after the reporting period

There has not been any event that occurred after the end of the reporting period that has significantly affected, or may significantly affect, the current or future financial results of the Council.

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

26 Transactions with related parties

(a) Transactions with key management personnel (KMP)

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

KMP include the Mayor, Councillors, Council's Chief Executive Officer and executive management.

The compensation paid to KMP for 2023-24 comprises:

	2024 \$	2023 \$
Short-term employee benefits	991,855	1,061,782
Post-employment benefits	111,141	109,658
Long-term benefits	26,021	18,410
Termination benefits	8,906	71,403
Total	1,137,923	1,261,253

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

Details of transactions between Council and other related parties are disclosed below:

Details of Transaction	Additional information	2024 \$	2023 \$
Sale of goods & services to related parties	26(b)(i)	29,057	30,301
Service levies to related parties	26(b)(i)	47,354	45,968
Contribution from entities controlled by KMP	26(b)(ii)	4,000	2,500
Employee expenses for close family members of key management	26(b)(iii)	725,446	396,692
Travel allowance to KMP	26(b)(iv)	12,835	5,094

(i) Rental income, sales income and service levies charged to entities controlled by key management personnel and related parties were on an arm's length basis in accordance with the lease agreement, the terms of the sale or the Schedule of Fees & Charges.

(ii) Contributions received include amounts from 'Ngokal Weendi Aboriginal Corporation' where a KMP acts as the secretary and 'Black Star Radio' where a KMP is a director.

(iii) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

Council employs 68 staff (71 for 2022-23) of which only 12 (8 for 2022-23) are close family members of key management personnel.

(iv) Travel allowances paid to KMP are at an arms length basis and are as per the ATO rulings for travel expenses.

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

26 Transactions with related parties (continued)

(c) Outstanding balances

Year ended 30 June 2024

There are no material outstanding balances at 30 June 2024 in relation to transactions with related parties.

Year ended 30 June 2023

There are no material outstanding balances at 30 June 2023 in relation to transactions with related parties.

(d) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(e) Commitments to/from other related parties

Council does not have any commitments to/from related parties.

(f) Transactions with related parties that have not been disclosed

The majority of the entities and people that are related parties of Council live and operate within the Pormpuraaw community. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. The payment by community residents of utility charges, fees and charges and rental charges are considered to be an ordinary citizen transaction.

Council has not included these types of transaction in its disclosure as they are made on the same terms and conditions available to the general public.

Porpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024

27 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

Porpuraaw Aboriginal Shire Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

- Cash and cash equivalents (Note 10)
- Receivables - measured at amortised cost (Note 11)
- Other financial assets - measured at fair value (Note 16)
- Payables - measured at amortised cost (Note 17)

Porpuraaw Aboriginal Shire Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

Porpuraaw Aboriginal Shire Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

The Council's audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. The Council's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Porpuraaw Aboriginal Shire Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state / commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Porpuraaw Aboriginal Shire Council.

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for the Council.

Porpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024

27 Financial instruments and financial risk management (Continued)

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 10.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2024					
Payables	2,449,825			2,449,825	2,449,825
	<u>2,449,825</u>	<u>-</u>	<u>-</u>	<u>2,449,825</u>	<u>2,449,825</u>
2023					
Payables	1,877,245	-	-	1,877,245	1,877,245
	<u>1,877,245</u>	<u>-</u>	<u>-</u>	<u>1,877,245</u>	<u>1,877,245</u>

The outflows in the above table are not expected to occur significantly earlier or for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

Porpuraaw Aboriginal Shire Council is exposed to interest rate risk through investments with QTC.

Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2024					
Deposits at call	64,567,079	645,671	(645,671)	645,671	(645,671)
Total	<u>64,567,079</u>	<u>645,671</u>	<u>(645,671)</u>	<u>645,671</u>	<u>(645,671)</u>
2023					
Deposits at call	46,180,748	461,807	(461,807)	461,807	(461,807)
Total	<u>46,180,748</u>	<u>461,807</u>	<u>(461,807)</u>	<u>461,807</u>	<u>(461,807)</u>

(b) Fair value

The fair value of receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024

28 Tied Grants by Project

	Balance 1/07/2023	Revenue	Council Contribution	Expense	Balance 30/06/2024
	\$	\$	\$	\$	\$
Commonwealth Government Grants					
Department of Infrastructure, Transport, Regional Development, Communications & The Arts					
<i>Financial Assistance Grant</i>	-	127,001	-	(127,001)	-
<i>Roads to Recovery</i>	-	126,694	13,609	(140,303)	-
<i>Local Roads & Community Infrastructure Program - Phase 3</i>	238,130		-	(341,466)	(103,336)
Total	238,130	253,695	13,609	(608,770)	(103,336)
Department of Health & Aged Care					
<i>CHSP Home Support Programme (HACC)</i>	-	369,722	310,880	(662,944)	17,658
<i>Indigenous Employment Initiative (IEI) - Aged Care</i>	484,511	749,069	-	(519,786)	713,794
Total	484,511	1,118,792	310,880	(1,182,730)	731,452
Department of Industry, Science, Energy & Resources					
<i>Airport Fencing Upgrade</i>	(29,753)	100,182	-	(70,429)	-
Total	(29,753)	100,182	-	(70,429)	-
Services Australia					
<i>Centrelink Agent</i>	-	46,483	12,906	(59,389)	-
Total	-	46,483	12,906	(59,389)	-
Total - Commonwealth Govt Grants	692,888	1,519,151	337,395	(1,921,318)	628,116
State Government Grants					
Department of Environment, Science & Innovation					
<i>QIL&S Ranger Program</i>	104,654	871,307	-	(926,629)	49,333
Total	104,654	871,307	-	(926,629)	49,333
Queensland Fire and Emergency Services					
<i>State Emergency Services</i>	-	42,034	-	(42,034)	-
Total	-	42,034	-	(42,034)	-
Department of Justice & Attorney-General					
<i>Community Justice Group</i>	701,037	364,846	-	(957,609)	108,274
Total	701,037	364,846	-	(957,609)	108,274
State Library of Queensland					
<i>Indigenous Libraries</i>	-	19,925	45,471	(65,396)	-
<i>First Five Forever Program</i>	-	3,000	-	(3,000)	-
Total	-	22,925	45,471	(68,396)	-

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024

28 Tied Grants by Project (continued)

	Balance 1/07/2023	Revenue	Council Contribution	Expense	Balance 30/06/2024
	\$	\$	\$	\$	\$
Department of Transport and Main Roads					
<i>ATSI TIDS Projects</i>	-	1,190,319	-	(1,190,319)	-
<i>CYRP Community Works Program - Phase 2</i>	(146,198)	1,819,051	-	(1,672,853)	-
Total	(146,198)	3,009,370	-	(2,863,172)	-
Queensland Health					
<i>ATSI Public Health Program</i>	-	198,284	-	(198,284)	-
Total	-	198,284	-	(198,284)	-
Queensland Reconstruction Authority					
<i>DRFA 2023 Restoration - Kowanyama Rd</i>	-	1,272,516	-	(1,495,056)	(222,539)
<i>DRFA 2023 Restoration - BAAS Yard Rd</i>	-	63,583	-	(12,600)	50,983
<i>DRFA 2023 Restoration - Northern Rd</i>	-	614,842	-	(81,068)	533,775
<i>DRFA 2023 Restoration - Pormpuraaw Rd</i>	-	94,510	-	-	94,510
<i>DRFA - CAT B & D Betterment Program</i>	-	124,954	-	-	124,954
<i>DRFA - CAT E Betterment Program</i>	(498,097)	498,097	-	-	-
<i>DRFA 2023 Emergent Works</i>	(42,137)	42,210	-	(73)	-
<i>DRFA 2021 Restoration</i>	(769,255)	769,255	-	-	-
<i>DRF Aerodrome Upgrade</i>	-	4,475,212	-	-	4,475,212
<i>Get Ready Qld</i>	(1,356)	6,780	-	(6,780)	(1,356)
Total	(1,310,845)	7,961,960	-	(1,595,576)	5,055,539
Department of Agriculture, Fisheries & Forestry					
<i>Coastal Clean Up</i>	-	60,246	-	(17,948)	42,298
Total	-	60,246	-	(17,948)	42,298
Department of Education, Skills & Employment					
<i>First Start Program</i>	-	15,000	-	(15,000)	-
Total	-	15,000	-	(15,000)	-
Department of Treaty, Aboriginal & Torres Strait Islander Partnerships, Communities and the Arts					
<i>Splash park</i>	-	350,000	-	(437,500)	(87,500)
<i>Service Enhancement Plan</i>	(17,535)	130,000	-	(157,465)	(45,000)
<i>Don't Buy Sly Grog Initiative</i>	150,000	90,000	-	(247,750)	(7,750)
Total	132,465	570,000	-	(842,715)	(140,250)
Department of Communities, Housing & Digital Economy					
<i>Qld Community Support Scheme</i>	-	58,279	-	(58,279)	-
<i>Community Transport</i>	-	38,847	-	(38,847)	-
<i>Forward Remote Capital Program - 7 Social Houses</i>	1,059,920	2,555,045	-	(561,099)	3,053,866
<i>Remote Capital Program - 3 Social Houses</i>	-	1,669,478	-	(264,069)	1,405,409
Total	1,059,920	4,321,649	-	(922,294)	4,459,275
Department of Tourism & Sport					
<i>Deadly Active Sport & Recreation Program</i>	-	63,000	-	(63,000)	-
Total	-	63,000	-	(63,000)	-
Department of State Development, Infrastructure, Local Government and Planning					
<i>Indigenous Council Funding</i>	-	2,555,410	-	(2,555,410)	-
<i>Pormpuraaw Future Water Plant Business Case</i>	-	15,070	-	(15,070)	-
<i>LGGSP - New Staff Duplex Complex</i>	423,000	-	-	(30,890)	392,110
<i>Works for Queensland 2021-2024</i>	790,278	-	9,722	-	800,000
<i>ICCIP</i>	576,418	35,590	-	(153,910)	458,099
Total	1,789,696	2,606,070	9,722	(2,755,279)	1,650,209
Total - State Govt Grants	2,330,730	20,106,691	55,193	(11,267,937)	11,224,677

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024

28 Tied Grants by Project (continued)

	Balance 1/07/2023	Revenue	Council Contribution	Expense	Balance 30/06/2024
	\$	\$	\$	\$	\$
Other Grant Providers					
Local Government Association of Queensland - LGAQ					
Rapid Low Earth Orbit (LEO) Program	-	-	-	(17,383)	(17,383)
	-	-	-	(17,383)	(17,383)
Cape York Natural Resource Management					
<i>Nest to Ocean (Turtle Program) CY397 R8</i>	-	9,000	-	(3,605)	5,395
Total	-	9,000	-	(3,605)	5,395
Total Other Grant Providers	-	9,000	-	(20,988)	(11,988)
Total Grants	3,023,618	21,634,842	392,588	(13,210,242)	11,840,805
Add back negative (unclaimed) grant balances	1,504,330				484,864
Unspent grant revenue	4,527,948				12,325,669
Revenue included above					
Contributions		6,605			
Movement due to contract balances		(9,364,509)			
Donated assets		-			
Revenue as per Note 4		12,276,938			

**Formpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2024**

**Management Certificate
For the year ended 30 June 2024**

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Ralph Kendall Jnr

Date: 4, 9, 24



Chief Executive Officer
Edward Natera

Date: 4, 9, 24

INDEPENDENT AUDITOR'S REPORT

To Chief Executive Officer of Pormpuraaw Aboriginal Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Pormpuraaw Aboriginal Shire Council.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the certificate given by the Mayor and Chief Executive Officer.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2024, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of my report.

I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

At the date of this auditor's report, the available other information in Pormpuraaw Aboriginal Shire Council's annual report for the year ended 30 June 2024 was the current year financial sustainability statement, unaudited current year financial sustainability statement - contextual ratios, and unaudited long-term financial sustainability statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also 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 it is intended to abolish the council or to otherwise cease operations of the council.

Auditor's responsibilities for the audit of the financial report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- a) I received all the information and explanations I required
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, and the *Local Government Regulation 2012*. The applicable requirements include those for keeping financial records that correctly record and explain the council's transactions and account balances to enable the preparation of a true and fair financial report.



Sri Narasimhan
as delegate of the Auditor-General

10 September 2024

Queensland Audit Office
Brisbane

**Pormpuraaw Aboriginal Shire Council
Financial Statements
For the year ended 30 June 2024**

Measures of Financial Sustainability

- 1 Current Year Financial Sustainability Statement
- 2 Current Year Certificate of Accuracy
- 3 Independent Auditors Report (Current Year Financial Sustainability Statement)
- 4 Current Year contextual Financial Sustainability Statement
- 5 Current Year Certificate of Accuracy
- 6 Unaudited Long Term Financial Sustainability Statement
- 7 Long Term Certificate of Accuracy

Pormpuraaw Aboriginal Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2024

Type	Measure	Target (Tier 8)	Actual Current Year	5-Year Average	Narrative
Audited ratios					
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	46.29 months	N/A	Council has achieved a very strong liquidity position and, after recent years of good financial management, is well positioned to meet both the short and long term needs of the community.
Operating Performance	Operating Surplus Ratio	N/A	-6.17%	2.69%	In the 2023-24 financial year, this ratio is impacted by the Financial Assistance Grant being received and recognised in June 2023. Refer to Note 4(i) for details.
	Operating Cash Ratio	Greater than 0%	25.93%	35.73%	Despite the current year ratio being impacted by the Financial Assistance Grant for 2023-24 being received and recognised in June 2023, Council has achieved a strong operating cash ratio for both the current year and five year average.
Asset Management	Asset Sustainability Ratio	Greater than 90%	32.87%	41.37%	The asset sustainability ratio is driven by the level of funding available to Council. The ratio is linked to weather events in the community with funding provided as assistance in the recovery from weather related damage and also an extended wet season, as experienced during 2023-24, impacting on Council's ability to perform capital works programs as planned.
	Asset Consumption Ratio	Greater than 60%	65.63%	63.76%	The target has been achieved for both the current year end five year average. Council manages the consumption rate of assets appropriately.

The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the five reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2024.

**Pormpuraaw Aboriginal Shire Council
Current Year Certificate of Accuracy
For the year ended 30 June 2024**

**Certificate of Accuracy
For the year ended 30 June 2024**

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



Mayor
Ralph Kendall Jnr

Date: 4, 9, 24



Chief Executive Officer
Edward Natera

Date: 4, 9, 24

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Pormpuraaw Aboriginal Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Pormpuraaw Aboriginal Shire Council for the year ended 30 June 2024, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current year financial sustainability statement of Pormpuraaw Aboriginal Shire Council for the year ended 30 June 2024 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial sustainability statement and our auditor's report thereon.

At the date of this auditor's report, the available other information in Pormpuraaw Aboriginal Shire Council's annual report for the year ended 30 June 2024 was the general-purpose financial statements, unaudited current-year financial sustainability statement - contextual ratios, and unaudited long-term financial sustainability statement.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the general-purpose financial report.

In connection with my audit of the financial sustainability statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial sustainability statement and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the *Local Government Regulation 2012*. The councillors responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

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

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

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

- Identify and assess the risks of material misstatement of the statement, 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 my 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 the council.

- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



10 September 2024

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Pormpuraaw Aboriginal Shire Council
Unaudited Current-year Financial Sustainability Statement - Contextual Ratios
For the year ended 30 June 2024

Type	Measure	Target (Tier 8)	Actual Current Year	5-Year Average	Narrative
Contextual ratios (unaudited)					
Financial Capacity	Council-Controlled Revenue	N/A	4.52%	3.34%	Council is unable to generate revenue through rates as valuations are not issued for rateable land in Indigenous local government areas.
	Population Growth	N/A	0.79%	-3.79%	N/A

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2024.

**Pormpuraaw Aboriginal Shire Council
Unaudited Current Year Certificate of Accuracy - Contextual Ratios
For the year ended 30 June 2024**

**Certificate of Accuracy
For the year ended 30 June 2024**

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



Mayor
Ralph Kendall Jnr

Date: 4, 9, 24



Chief Executive Officer
Edward Natera

Date: 4, 9, 24

Pormpuraaw Aboriginal Shire Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2024

Type	Measure	Target (Tier 8)	Actuals as at 30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033
Financial Capacity	Council-Controlled Revenue	N/A	4.52%	3.66%	3.70%	3.66%	3.65%	3.63%	3.62%	3.60%	3.61%	3.57%
	Population Growth	N/A	0.79%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Asset Management	Asset Renewal Funding Ratio	N/A	N/A for long-term sustainability statement									
Operating Performance	Operating Surplus Ratio	N/A	-6.2%	2.3%	2.1%	4.0%	4.6%	5.1%	6.1%	6.6%	7.1%	8.1%
	Operating Cash Ratio	Greater than 0%	25.9%	28.2%	27.6%	30.4%	30.8%	31.2%	31.9%	32.3%	32.7%	33.4%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	N/A for long-term sustainability statement									
Asset Management	Asset Sustainability Ratio	Greater than 90%	32.9%	97.7%	84.9%	69.8%	65.2%	65.2%	65.2%	65.2%	65.2%	65.2%
	Asset Consumption Ratio	Greater than 60%	65.6%	57.2%	54.4%	51.5%	48.8%	46.1%	43.5%	40.8%	38.4%	35.7%

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

**Pormpuraaw Aboriginal Shire Council
Long Term Certificate of Accuracy
For the year ended 30 June 2024**

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2024

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.



Mayor
Ralph Kendall Jnr

Date: 4.9.24



Chief Executive Officer
Edward Natera

Date: 4.9.24