

Boulia Shire Council
Financial Statements
for the year ended 30 June 2024



Bouliia Shire Council

Financial Statements

For the year ended 30 June 2024

Table of contents

	Page
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Cash Flows	4
Statement of Changes in Equity	5
Notes to the Financial Statements	
1 Information about these financial statements	6
2 Analysis of Results by Function	8
3 Revenue Analysis	10
4 Grants, Subsidies, Contributions and Donations	11
5 Capital (Expenses) / Revenue	12
6 Employee Benefits	13
7 Materials and Services	13
8 Cash and Cash Equivalents	13
9 Receivables	14
10 Inventories	15
11 Property, Plant and Equipment	16
12 Payables	23
13 Borrowings	23
14 Provisions	24
15 Contract Balances	25
16 Asset Revaluation Surplus	25
17 Contractual Commitments	25
18 Contingent Liabilities	26
19 Superannuation - Regional Defined Benefit Fund	26
20 Reconciliation of Net Result for the Year to Net Cash Inflow (outflow) from Operating Activities	27
21 Reconciliation of Liabilities Arising From Finance Activities	27
22 Financial Instruments	27
23 Events after the reporting period	30
24 Transactions with Related Parties	31
Management Certificate	33
Independent Auditor's Report (General Purpose Financial Statements)	34
Current Year Financial Sustainability Statement (Audited)	37
Certificate of Accuracy - for the Current Year Financial Sustainability Statement	38
Independent Auditor's Report (Current Year Financial Sustainability Statement)	39
Unaudited Current Year Financial Sustainability Statement (Contextual)	40
Certificate of Accuracy - for the Current Year Financial Sustainability Statement (Contextual)	41
Unaudited Long Term Financial Sustainability Statement	42
Certificate of Accuracy - for the Long Term Financial Sustainability Statement	43

Boulia Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	1,837,052	1,828,330
Fees and charges	3(c)	536,151	425,201
Rental income	3(d)	276,626	244,724
Interest received	3(e)	835,304	503,523
Sales revenue	3(b)	1,473,420	7,127,209
Other income	3(e)	292,226	230,023
Grants, subsidies, contributions and donations	4(i)	2,668,496	9,366,900
Total recurrent revenue		7,919,275	19,725,910
Capital revenue			
Grants, subsidies, contributions and donations	4(ii)	10,330,934	7,856,952
Total income		18,250,209	27,582,862
Expenses			
Recurrent expenses			
Employee benefits	6	(4,390,105)	(4,183,715)
Materials and services	7	(6,904,144)	(8,996,109)
Finance costs		(34,497)	(36,785)
Depreciation	11	(4,972,267)	(5,113,326)
Total recurrent expenses		(16,301,033)	(18,329,938)
Capital expenses			
Loss on disposal of non-current assets	5	(624,080)	(370,600)
Total expenses		(16,925,113)	(18,700,538)
Net result		1,325,096	8,882,324
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	16	5,058,611	(21,133,956)
Total other comprehensive income for the year		5,058,611	(21,133,956)
Total comprehensive income for the year		6,383,707	(12,251,632)

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

Boulia Shire Council
Statement of Financial Position
As at 30 June 2024

	2024	2023
Note	\$	\$
Current assets		
Cash and cash equivalents	8 14,142,671	20,575,678
Receivables	9 205,225	536,472
Inventories	10 485,711	384,144
Total current assets	<u>14,833,607</u>	<u>21,496,295</u>
Non-current assets		
Property, plant and equipment	11 208,163,553	194,880,417
Total assets	<u>222,997,160</u>	<u>216,376,712</u>
Current liabilities		
Payables	12 1,431,677	1,460,714
Borrowings	13 93,938	92,785
Provisions	14 440,707	490,437
Contract liabilities	15 1,017,281	662,148
Total current liabilities	<u>2,991,603</u>	<u>2,706,084</u>
Non-current liabilities		
Borrowings	13 1,104,038	1,196,587
Provisions	14 99,461	55,690
Total non-current liabilities	<u>1,203,499</u>	<u>1,252,277</u>
Total liabilities	<u>4,195,102</u>	<u>3,958,361</u>
Net community assets	<u>218,802,058</u>	<u>212,418,351</u>
Community equity		
Asset revaluation surplus	16 104,340,954	99,282,343
Retained surplus	114,461,104	113,136,008
Total community equity	<u>218,802,058</u>	<u>212,418,351</u>

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

Boulia Shire Council
Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		4,470,096	10,540,846
Payments to suppliers and employees		(11,422,811)	(13,641,965)
		<u>(6,952,715)</u>	<u>(3,101,119)</u>
Borrowing costs		(34,497)	(36,785)
Interest received	3(e)	835,304	503,523
Rental income	3(d)	276,626	244,724
Non capital grants and contributions		2,756,281	9,400,728
Net cash inflow / (outflow) from operating activities	20	<u>(3,119,001)</u>	<u>7,011,071</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(13,999,260)	(12,341,624)
Proceeds from sale of property plant and equipment	5	178,368	236,217
Capital grants, subsidies, contributions and donations		10,598,281	6,678,676
Net cash inflow / (outflow) from investing activities		<u>(3,222,611)</u>	<u>(5,426,731)</u>
Cash flows from financing activities			
Repayment of borrowings		(91,396)	(89,040)
Net cash inflow / (outflow) from financing activities		<u>(91,396)</u>	<u>(89,040)</u>
Net increase / (decrease) in cash and cash equivalent held		<u>(6,433,008)</u>	<u>1,495,300</u>
Cash and cash equivalents at the beginning of the financial year		20,575,678	19,080,378
Cash and cash equivalents at end of the financial year	8	<u>14,142,671</u>	<u>20,575,678</u>

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

Boulia Shire Council
Statement of Changes in Equity
For the year ended 30 June 2024

Note	Asset revaluation surplus	Retained Surplus	Total
	\$	\$	\$
Balance as at 1 July 2023	99,282,343	113,136,008	212,418,351
Net result	-	1,325,096	1,325,096
Other comprehensive income for the year			
Increase/(decrease) in asset revaluation surplus	5,058,611	-	5,058,611
Total comprehensive income for the year	<u>5,058,611</u>	<u>1,325,096</u>	<u>6,383,707</u>
Balance as at 30 June 2024	<u>104,340,954</u>	<u>114,461,104</u>	<u>218,802,058</u>
Balance as at 1 July 2022	120,416,299	104,253,684	224,669,982
Net result	-	8,882,324	8,882,324
Other comprehensive income for the year			
Increase/(decrease) in asset revaluation surplus	(21,133,956)	-	(21,133,956)
Total comprehensive income for the year	<u>(21,133,956)</u>	<u>8,882,324</u>	<u>(12,251,632)</u>
Balance as at 30 June 2023	<u>99,282,343</u>	<u>113,136,008</u>	<u>212,418,351</u>

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

Boulia 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

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

These 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 the 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

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 material impact for Council then further information has been provided in this note.

These standards are not expected to have a material impact on the council when they are adopted.

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

1 Information about these financial statements (continued)

1.d Estimates and judgements

Council makes 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. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the following relevant notes:

Revenue Recognition (Note 3 and Note 4)
Valuation and depreciation of property, plant and equipment (Note 11)
Impairment of property, plant and equipment (Note 11)
Contingent liabilities (Note 18)
Financial instruments and financial liabilities (note 22)

1.e Rounding

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

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.

Boulia 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 :

Corporate Support

Secure revenue from governments and ratepayers to finance the general activities of Council.

Provide support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements including disaster management, civic receptions and regional services

Provide Council and corporate management of the organisation including:

- Financial and administrative services
- Encourage and monitor the planning and construction of the building environment
- Information technology
- Human resources and payroll
- Plan and design Council's infrastructure and provide general engineering and operational support
- Provision of tourism attractions and museums and assist with the promotion and development of the local tourism industry
- Provide leadership and key industry contacts for the diversification and growth of local industry
- Procure and service Council's mobile fleet

Environmental and Natural Resources

Ensure a high level of environmental health is maintained for all residents and visitors. Protect the natural environment and undertake projects to enhance economic and environmental return from use of reserves.

Protect and enhance the environmental and natural resources within the Shire. This includes:

- Property pest management
- Stock route management
- Animal control
- Environmental licenses and approvals

Community and Lifestyle Services

Enhance community development and equity through targeted assistance and development activities

Provide activities and services to improve the lifestyle of residents including:

- Accessible and quality library materials to residents
- Entertainment venues for all residents
- Community housing for both staff and non-staff members of the Shire
- Community services
- Parks and gardens
- Cemeteries

Health and Welfare

Provide facilities and activities to enhance the health and welfare of residents. Lobby government for improved facilities.

Water, Sewerage and Garbage

Water Infrastructure

- Supply urban residents and businesses with a clean and reliable water supply
- Improve the conservation of water use by the community

Sewerage Infrastructure

- Provide sewerage services to the urban community

Garbage Infrastructure

- Provide urban residents and businesses with an efficient refuse collection and disposal service.

Roads

Provide, maintain and upgrade roads, streets and drainage to the highest standard within limits of resources

Undertake road construction and maintenance works for third parties

Boulia 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:

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							
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Corporate Support	2,081,595	3,009,320	-	-	5,090,915	(4,713,770)	67,883	(4,645,887)	377,145	445,028	64,852,341
Environmental & Natural Resources	-	23,739	-	-	23,739	(67,160)	-	(97,109)	(73,430)	(73,430)	-
Community & Lifestyle Services	-	365,716	-	-	365,716	(2,224,818)	-	(2,224,818)	(1,859,102)	(1,859,102)	115,049
Health & Welfare	48,107	-	-	-	48,107	(30,053)	-	(30,053)	18,054	18,054	-
Water Sewerage & Garbage	-	296,286	-	-	296,286	(767,902)	(691,963)	(1,469,865)	(471,616)	(1,163,579)	11,095,454
Roads	536,794	1,555,718	10,330,934	-	12,423,446	(6,467,321)	-	(8,467,321)	(6,372,809)	3,958,125	146,964,316
Total	2,668,496	5,250,779	10,330,934	-	18,250,209	(16,391,633)	(624,080)	(16,925,113)	(8,381,758)	1,325,096	222,997,160

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							
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Corporate Support	8,740,026	2,575,147	-	-	11,315,173	(6,319,434)	(370,600)	(6,690,035)	5,995,739	5,025,138	34,073,070
Environmental & Natural Resources	-	10,389	-	-	10,389	(33,686)	-	(33,686)	(23,297)	(23,297)	866,577
Community & Lifestyle Services	-	334,362	-	-	334,362	(1,512,607)	-	(1,512,607)	(1,178,445)	(1,178,445)	26,717,858
Health & Welfare	15,508	-	-	-	15,508	(63,901)	-	(63,901)	(48,392)	(48,392)	201
Water Sewerage & Garbage	-	297,446	-	-	297,446	(840,552)	-	(840,552)	(543,106)	(543,106)	10,914,360
Roads	611,366	7,141,668	7,856,952	-	15,609,986	(10,559,557)	-	(10,559,557)	(2,806,524)	5,050,428	143,004,045
Total	9,366,900	10,359,010	7,856,952	-	27,582,862	(18,329,537)	(370,600)	(18,700,538)	1,395,973	8,882,324	216,376,711

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

3 Revenue

(a) Rates, Levies and Charges

Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

	<u>Note</u>	<u>2024</u> <u>\$</u>	<u>2023</u> <u>\$</u>
General rates		1,470,929	1,505,402
Water		176,695	177,036
Sewerage		119,590	120,410
Garbage charges		107,513	104,890
Waste Management levies		28,010	27,735
Total rates and utility charge revenue		<u>1,902,737</u>	<u>1,935,473</u>
Less: discounts		(65,325)	(106,783)
Less: pensioner remissions		(360)	(360)
		<u><u>1,837,052</u></u>	<u><u>1,828,330</u></u>

(b) Sales revenue

Sale of goods revenue is recognised at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. 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. The contract work carried out is not subject to retentions.

	<u>Note</u>	<u>2024</u> <u>\$</u>	<u>2023</u> <u>\$</u>
Rendering of services			
Contract and recoverable works		<u>1,398,593</u>	<u>7,046,073</u>
		<u><u>1,398,593</u></u>	<u><u>7,046,073</u></u>
Sale of goods			
Merchandise sales		<u>74,827</u>	<u>81,136</u>
		<u><u>74,827</u></u>	<u><u>81,136</u></u>
Total sales revenue		<u><u>1,473,420</u></u>	<u><u>7,127,209</u></u>

(c) Fees and charges

Revenue arising from fees and charges are recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the 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, for example caravan parks. There is no material obligation for council in relation to refunds or returns.

Licences granted by council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

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

(c) Fees and charges (continued)

	Note	2024 \$	2023 \$
Administration fees		46,387	36,863
Admission Fees		130,278	139,835
Avgas Sales Income		121,757	95,347
Other fees and charges		237,729	153,156
		<u>536,151</u>	<u>425,201</u>

(d) Rental income

	Note	2024 \$	2023 \$
Housing rental income		248,027	220,815
Other rental income		28,599	23,909
		<u>276,626</u>	<u>244,724</u>

(e) Interest and other income

	Note	2024 \$	2023 \$
(i) Interest received			
Interest from financial institutions		812,130	488,891
Interest from other sources		23,174	14,632
		<u>835,304</u>	<u>503,523</u>
(ii) Other income			
Commission		73,767	61,743
Diesel fuel rebate		75,580	58,208
Other revenue		16,767	8,936
Paddock income		126,112	101,136
		<u>292,226</u>	<u>230,023</u>

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.

Performance obligations vary in each agreement. 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, revenue is recognised using either costs or time incurred.

Grant Income under AASB 1058

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.

Capital Grants

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised 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.

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

4 Grants, subsidies, contributions and donations (continued)

		2024	2023
	Note	\$	\$
(i) Operating			
General purpose grants		218,352	8,598,597
State government and other subsidies and grants		2,450,144	768,303
		<u>2,668,496</u>	<u>9,366,900</u>

In June 2023, Council received \$6,550,461 equating to 100% of the 2023-24 Commonwealth Financial Assistance Grant allocation. As these grants are considered untied grants, they were recognised upon receipt in the 2022-23 financial year. In the 2023-24 financial year, Council received only \$168,769 under the Commonwealth Financial Assistance Grant, and as such, there is a decrease in Council revenue.

(ii) **Capital**

Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers

State government subsidies and grants	9,194,023	7,299,944
Commonwealth government subsidies and grants	1,136,911	557,008
	<u>10,330,934</u>	<u>7,856,952</u>

(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
Note	\$	\$	\$	\$
Grants, subsidies, donations and contributions	2,668,496	10,330,934	9,352,974	7,870,878
	<u>2,668,496</u>	<u>10,330,934</u>	<u>9,352,974</u>	<u>7,870,878</u>

5 Capital (expenses) / revenue

	Note	2024	2023
		\$	\$
Gain / (loss) on disposal of non-current assets			
Proceeds from sale of property, plant and equipment		178,368	236,217
Less: Carrying value of disposed property, plant and equipment		(802,448)	(606,817)
		<u>(624,080)</u>	<u>(370,600)</u>

6 Employee benefits

		2024	2023
	Note	\$	\$
Staff wages and salaries		3,495,072	2,932,031
Councillors' remuneration		285,938	269,157
Termination benefits		-	-
Annual, sick, long service leave and entitlements		442,475	656,111
Superannuation	19	426,208	391,367
		4,649,693	4,248,666
Other employee related expenses		45,101	34,036
		4,694,794	4,282,702
Less: Capitalised employee expenses		(304,689)	(98,988)
		<u>4,390,105</u>	<u>4,183,715</u>

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

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

6 Employee benefits (continued)

Superannuation

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. Details of those arrangements are set out in Note 19.

Total council employees at the reporting date:

	2024 Number	2023 Number
Elected members	5	5
Administration staff	23	21
Depot and outdoors staff	23	23
Total full time equivalent employees	<u>51</u>	<u>49</u>

7 Materials and services

	2024 \$	2023 \$
Administration supplies and consumables	2,371,512	2,212,741
Audit of annual financial statements by the Auditor-General of Queensland	60,913	93,883
Communications and IT	721,133	634,441
Consultants	613,702	338,118
Donations paid	107,506	84,546
Housing	424,284	224,456
Repairs and maintenance	1,540,394	2,219,971
Roads	452,869	2,492,492
Water & Sewerage	302,937	411,360
Other materials and services	308,894	284,101
	<u>6,904,144</u>	<u>8,996,109</u>

Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$67,500 (2023 - \$62,750). Figures exclusive of GST.

8 Cash and cash equivalents

	2024 \$	2023 \$
Cash at bank and on-hand	329,823	128,066
Deposits at-call	13,812,848	20,447,612
Balance per Statement of Financial Position	<u>14,142,671</u>	<u>20,575,678</u>

Council is exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", the likelihood of the counterparty not having capacity to meet its financial commitments is low.

Cash and cash equivalents		14,142,671	20,575,678
Less: externally imposed restrictions on cash	(i)	<u>(1,017,281)</u>	<u>(662,148)</u>
Unrestricted cash		<u>13,125,390</u>	<u>19,913,530</u>

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

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

8 Cash and cash equivalents (continued)

	Note	2024 \$	2023 \$
(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent government grants and subsidies		1,017,281	662,148
Total externally imposed restrictions on cash		<u>1,017,281</u>	<u>662,148</u>
(ii) Internal allocations of cash at the reporting date:			
Future capital works		3,001,521	1,881,354
Future asset replacement		1,612,950	3,023,249
Future recurrent expenditure		1,797,425	13,734,000
Total internally allocated cash		<u>6,411,896</u>	<u>18,638,603</u>

Cash and deposits at call are held in the Commonwealth Bank in term deposits and business cheque accounts.

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 on behalf of outside parties. Funds held in the trust account include those funds for security deposits lodged and auspicing projects. 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 considered revenue nor brought to account in the financial statements since Council has no control over the assets.

Trust Funds Held for Outside Parties

	Note	2024 \$	2023 \$
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities			
Auspicing		19,662	14,005
Security deposits		5,676	3,576
		<u>25,338</u>	<u>17,581</u>

9 Receivables

Settlement of receivables is required within 30 days after the invoice is issued.

Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts and the expected credit loss is immaterial.

Current	Note	2024 \$	2023 \$
Rateable revenue and utility charges		215,939	170,839
Other debtors & Accrued Revenue		17,947	66,092
Less: Loss Allowance		(181,126)	(59,759)
GST recoverable		179,542	405,592
Rates received in advance		(47,077)	(46,292)
		<u>205,225</u>	<u>536,472</u>

Interest rate charged on outstanding rates as at 1st July 2024 is 12.35%. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

Council applies normal business credit protection procedures prior to providing goods or services to minimise credit risk. The council does not require collateral in respect of trade and other receivables.

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

9 Receivables (continued)

	<u>Note</u>	<u>2024</u> <u>\$</u>	<u>2023</u> <u>\$</u>
Movement in accumulated impairment losses of rateable revenue and utility charges and other debtors is as follows:			
Opening balance at 1 July		59,759	41,854
Additional impairments recognised		101,367	17,905
Closing balance at 30 June		<u>161,126</u>	<u>59,759</u>

The increase in impairment losses relates to the flood event in the town of Urandangi which devastated properties and dislocated residents. The future of the area is uncertain.

10 Inventories

Costs are assigned on the basis of weighted average cost.

	<u>Note</u>	<u>2024</u> <u>\$</u>	<u>2023</u> <u>\$</u>
Inventories held for sale			
Miscellaneous sales items		<u>122,193</u>	<u>101,116</u>
		<u>122,193</u>	<u>101,116</u>
Inventories held for distribution			
Quarry and road materials		<u>363,518</u>	<u>283,028</u>
		<u>363,518</u>	<u>283,028</u>
Total Inventories		<u>485,711</u>	<u>384,144</u>

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

11 Property, plant and equipment

30 June 2024

Note

	Land	Buildings and structures	Plant and vehicles	Furniture & equipment	Road infrastructure	Water infrastructure	Sewerage infrastructure	Aerodrome infrastructure	Work in Progress	Total
	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset values										
Opening gross value as at 1 July 2023	866,577	31,939,246	8,504,065	1,966,056	164,046,926	9,966,489	4,020,567	7,867,780	5,282,896	254,480,733
Additions	864	186,148	348,985	21,224	-	-	78,473	-	13,601,508	14,117,602
Disposals	-	(3,500)	(122,158)	-	-	(947,500)	(237,554)	-	-	(1,310,712)
Revaluation adjustment to asset revaluation surplus	-	14,605,711	-	-	-	166,089	1,278,128	64,600	-	10,104,027
Reversal of roads restoration cost to asset revaluation surplus (Note 1)	-	-	-	-	(1,585,388)	-	-	-	-	(1,585,388)
Transfers between classes (Note 1)	-	-	-	(187,019)	1,763,017	-	-	-	(1,380,398)	-
Closing gross value as at 30 June 2024	867,441	46,727,605	8,730,892	1,789,661	164,244,544	9,205,078	5,139,634	7,922,489	17,199,508	281,826,852
Accumulated depreciation and impairment										
Opening gross value as at 1 July 2023	-	9,833,933	3,181,916	796,896	40,467,721	2,240,062	653,655	2,482,770	-	59,600,317
Depreciation expense	-	1,175,019	525,804	116,806	2,603,783	218,294	114,167	215,330	-	4,972,207
Depreciation on disposals	-	-	(15,173)	-	-	(391,151)	(101,940)	-	-	(508,264)
Adjustment on opening balance	-	-	(1,968)	-	-	-	-	-	-	(1,968)
Revaluation adjustment to asset revaluation surplus	-	9,222,791	-	-	724	132,309	204,357	40,940	-	9,900,927
Transfers between classes	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2024	-	20,031,713	3,689,669	910,790	43,012,228	2,208,710	1,070,549	2,738,640	-	73,663,299
Carrying amount as at 30 June 2024	867,441	26,695,892	5,040,223	878,871	141,232,316	6,996,368	4,069,085	5,183,849	17,199,508	208,163,553
Range of estimated useful life in years	N/A	20-100	2-20	3-10	10-100	30-80	25-75	20-100	-	-
Additions comprise:										
Renewals	-	186,148	-	21,224	-	-	78,473	-	-	285,845
Other additions	864	-	348,985	-	-	-	-	-	-	349,849
Total additions	864	186,148	348,985	21,224	-	-	78,473	-	-	635,694

Note 1: Correction to the opening roads infrastructure restoration cost and opening work in progress to reflect the revaluation of work in progress not recognised in the prior year. The correction is not material to property, plant and equipment, has no depreciation impact and is reflected in an adjustment to the asset revaluation surplus.

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

11 Property, plant and equipment
30 June 2023

Basis of measurement

Asset values

Opening gross value as at 1 July 2022

Additions

Disposals

Prior year adjustments

Revaluation adjustment to asset revaluation surplus

Reversal of roads restoration cost to asset revaluation surplus

Transfers between classes

Closing gross value as at 30 June 2023

Accumulated depreciation and impairment

Opening balance as at 1 July 2022

Depreciation expense

Depreciation on disposals

Adjustment on opening balance

Prior year Adjustments

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Accumulated depreciation as at 30 June 2023

Carrying amount as at 30 June 2023

Range of estimated useful life in years

Additions comprise:

Renewals

Other additions

Total additions

Note	Land	Buildings and Structures	Plant and Vehicles	Furniture & Equipment	Road Infrastructure	Water Infrastructure	Sewerage Infrastructure	Aerodrome Infrastructure	Work in Progress	Total
	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	886,577	31,253,936	8,006,369	1,913,915	182,838,938	10,387,889	3,963,165	7,745,976	13,614,388	260,591,178
	-	-	-	9,911	-	-	-	-	12,331,713	12,341,624
	-	-	(712,267)	(5,100)	(105,735)	(401,400)	-	-	-	(1,224,502)
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(13,380,423)	-	-	(18,624)	-	(13,399,047)
	-	-	-	-	(3,828,520)	-	-	-	-	(3,828,520)
	-	965,311	1,209,942	47,326	18,522,864	-	57,422	140,438	(20,663,104)	-
	886,577	31,939,246	8,504,065	1,966,056	164,046,625	9,985,489	4,020,587	7,887,766	6,292,008	254,460,733
	-	8,661,744	3,205,601	685,245	30,454,450	2,115,260	749,717	2,406,273	-	41,188,025
	-	1,050,246	422,804	110,845	3,000,761	241,863	104,238	182,571	-	5,113,528
	-	-	(446,479)	(5,100)	(58,042)	(108,064)	-	-	-	(617,685)
	-	1,913	-	-	1,770,805	-	-	62,551	-	1,895,369
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	2,231,847	-	-	(188,627)	-	2,043,020
	-	-	-	-	-	-	-	-	-	-
	-	9,633,803	3,181,916	790,990	40,407,721	2,249,062	893,666	2,482,770	-	53,000,317
	886,577	22,305,343	5,322,149	1,175,066	143,639,204	7,737,427	3,166,632	5,385,020	5,282,998	194,860,417
	Not depreciated	20-100	2-20	3-10	10-100	30-80	25-75	20-100	-	-
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	-	685,310	1,169,893	47,326	6,335,706	-	57,422	140,439	-	8,435,896
	-	-	40,250	9,911	12,180,938	-	-	-	-	12,237,119
	-	685,310	1,209,943	57,237	18,522,864	-	57,422	140,439	-	20,673,015

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

11 Property, plant and equipment (continued)

(a) Recognition

The asset capitalisation threshold for Council is:

- Land	\$10,000
- Plant and equipment	\$5,000
- Infrastructure assets	\$10,000

Land under roads and reserve land under the Land Act 1994 or Land Title Act 1994 is controlled by the Queensland State Government and is not recognised in the Council's financial statements.

(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.

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.

(c) Depreciation

Land and work in progress are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Key judgements and estimates:

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council. Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date.

(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.

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

11 Property, plant and equipment (continued)

(e) Valuation

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. Every 5 years, council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes a management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region. A "desktop" valuation for land and improvements, buildings and infrastructure asset classes 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.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used in valuing each different asset class are disclosed below.

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.

Council does not measure any liabilities at fair value on a recurring basis.

The following table categorises fair value measurements as either Level 2 or Level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as Level 1.

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 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.

The table presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2024.

	Note	Level 2 (Observable inputs)		Level 3 (Unobservable inputs)		Total	
		\$		\$		\$	
		2024	2023	2024	2023	2024	2023
Recurring fair value measurements							
Land	11	867,441	866,577	-	-	867,441	866,577
Buildings and structures	11	1,520,000	-	25,175,892	22,305,343	26,695,892	22,305,343
Road infrastructure	11	-	-	141,232,316	143,639,204	141,232,316	143,639,204
Water infrastructure	11	-	-	6,996,368	7,737,427	6,996,368	7,737,427
Sewerage infrastructure	11	-	-	4,069,085	3,166,632	4,069,085	3,166,632
Aerodrome infrastructure	11	-	-	5,183,849	5,385,020	5,183,849	5,385,020
		<u>2,387,441</u>	<u>866,577</u>	<u>182,657,510</u>	<u>182,233,626</u>	<u>185,044,951</u>	<u>183,100,203</u>

There were no transfers between categories during the year.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

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

11 Property, plant and equipment (continued)

Fair value measurement

(a) Recognised fair value

Fair values are classified into three levels as follows:

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

(b) 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)
Land	Market value (MV)	30 June 2020	APV Valuers and Asset Management	Current zoning Sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as property size)	N/A
Buildings (Level 2)	Market value (MV)	30 June 2024	AVR Consulting	The valuer has considered inputs such as location, building size, type of construction, land size, geography, asset condition, land use/zoning, topography and easements and restrictions.	N/A
Buildings (level 3)	Current replacement cost (CRC)	30 June 2024	AVR Consulting	Inputs into the cost approach are often a mix of observable and unobservable inputs. Listed below are some examples of Cost Approach inputs: <ul style="list-style-type: none"> • Valuer's opinion of physical condition • Unit rate (\$/m² or \$/linear metre) • Contemporary construction cost data • Cost guide unit rates, such as Cordell's or Rawlinson's • Regional loading indices • Building size, material, type, and structure • Condition assessment (unobservable / subjective) • Useful life and remaining useful If the valuer has had to rely upon a substantial amount of unobservable data and employ a significant level of professional judgement in determining value, the valuation has been based on Level 3 inputs.	N/A

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

11 Property, plant and equipment (continued)

(b) Valuation techniques used to derive fair values for level 2 and level 3 valuations (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)
Structures (level 3)	Current replacement cost (CRC)	30 June 2024	AVR Consulting	<p>CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the Council's planning horizon.</p> <p>The unit rates (Labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. The written down current replacement cost was determined using methods relevant to the asset class as described under individual asset categories below.</p>	N/A
Roads and Aerodrome (level 3)	Current replacement cost (CRC)	30 June 2023	Shepherd Services Pty Ltd	<p>The road Network has been segmented. Unit rates are applied to the individual road components seal, pavement, formation, footpaths, floodways, culverts and kerb and channel of each road in order to determine the replacement cost.</p> <p>The unit rates assume an incremental Greenfields approach and exclude Brownfield cost components. These unit rates are estimated using information collated from cost guides, historical costs, contractor rates, future works, regional information and the Queensland Road Alliance project data. Primary factors used in assumptions on unit rates are:</p> <ol style="list-style-type: none"> 1) Raw materials have been sourced locally from gravel pits for unsealed roads; 2) Water is available at low to moderate cost for rural road work (<20 km); 3) Contract crushing utilised for aggregate for sealing and aggregation of sealing projects and renewals to reduce low quantity works and increase economies of scale; 4) Quality of material used in pavement construction and extent of compaction of formation varied based on road type and hierarchy. <p>In determining the level of accumulated depreciation, remaining useful lives were determined based on condition assessments. Remaining lives used in the depreciation calculations are estimated using three (3) different methods: condition, known age and estimated age.</p>	Indexation not applied during the year.

Boulia Shire Council

Notes to the financial statements

For the year ended 30 June 2024

11 Property, plant and equipment (continued)

(b) Valuation techniques used to derive fair values for level 2 and level 3 valuations (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)
Water and sewerage assets (level 3)	Current replacement cost (CRC)	30 June 2024	AVR Consulting	The valuer adopted a cost-based approach for the valuation of all water and sewerage infrastructure assets Inputs into the cost approach are often a mix of observable and unobservable inputs. Listed below are some examples of Cost Approach inputs: <ul style="list-style-type: none"> • Valuer's opinion of physical condition • Unit rate (\$/m² or \$/linear metre) • Contemporary construction cost data • Cost guide unit rates, such as Cordell's or Rawinson's • Regional loading indices • Building size, material, type, and structure • Condition assessment (unobservable / subjective) • Useful life and remaining useful 	N/A

(d) Valuation processes

Council's valuation policies and procedures are set by the finance committee of the executive management team which comprises the Chief Executive Officer and Director of Corporate Services. 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.

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

12 Payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date.

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.

Annual Leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs.

As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

Sick Leave

Council has an obligation to pay sick leave on termination to employees and therefore a liability has been recognised for this obligation. This liability represents an accrued expense and is reported as a payable.

	Note	2024 \$	2023 \$
Current			
Creditors and accruals		648,004	660,370
Annual leave		432,564	471,727
Sick leave		312,189	309,878
Other entitlements		38,900	18,739
		<u>1,431,677</u>	<u>1,460,714</u>

13 Borrowings

Interest is expensed as accrued, no interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 31 December 2024 to 31 December 2027.

Council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's (QTC) borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

	Note	2024 \$	2023 \$
Current			
Loans - Queensland Treasury Corporation		61,938	60,785
Loan - Economic Development Queensland		32,000	32,000
		<u>93,938</u>	<u>92,785</u>
Non-current			
Loans - Queensland Treasury Corporation		777,740	838,289
Loan - Economic Development Queensland		326,296	358,298
		<u>1,104,038</u>	<u>1,196,587</u>
Total borrowings		<u>1,197,976</u>	<u>1,289,372</u>

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

13 Borrowings (continued)

The QTC loan market value at the reporting date was \$800,545. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2024 or 2023 financial years.

The Economic Development Queensland Loan is an interest-free loan. A single annual repayment of \$32,000 is required each year. The term of the loan expires in the year ended 30 June 2036.

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. Expected final repayment date is 28th February 2036. There has been no defaults or breaches of the loan agreement during the period.

Principal and Interest repayments are made quarterly in arrears.

14 Provisions

Long Service Leave

The provision for long service leave represents 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.

Landfill Rehabilitation

A provision is made for the cost of restoring landfill where it is probable the council will have an obligation to rehabilitate the site when the use of the facilities is complete.

The calculation of the provisions use assumptions including 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. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

Landfill provision represents the present value of anticipated future costs associated with the closure of the landfill sites, refilling the basin, reclamation and rehabilitation, decontamination and monitoring of historical residues and leaching on these sites. As landfills are on state reserves which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

	2024	2023
Current	Note	\$
Long service leave	448,707	490,437
	<u>448,707</u>	<u>490,437</u>
Non-current		
Long service leave - non-current	79,461	35,690
Landfill Rehabilitation	20,000	20,000
	<u>99,461</u>	<u>55,690</u>
Movements in non-employee benefit provisions:		
Landfill Rehabilitation		
Balance at beginning of financial year	20,000	20,000
Movement in the year	-	-
Balance at end of financial year	<u>20,000</u>	<u>20,000</u>

This is the present value of the estimated cost of restoring the landfill site to a useable state at the end of its useful life which is expected to be 2029.

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

15 Contract balances

	<u>Note</u>	<u>2024</u> <u>\$</u>	<u>2023</u> <u>\$</u>
(a) Contract liabilities			
Funds received upfront to construct Council controlled assets		881,741	614,393
Deposits received in advance of services provided (e.g. retirement home fees, performance obligations in grants)		135,540	47,755
		<u>1,017,281</u>	<u>662,148</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year			
Funds to construct Council controlled assets		129,651	1,792,280
Deposits received in advance of services provided		-	13,926
		<u>129,651</u>	<u>1,806,206</u>

Satisfaction of contract liabilities

The contract liabilities in relation to capital and non-capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income when projects are completed within two financial years.

(b) Significant changes in contract balances

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

16 Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment.

Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

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.

17 Commitments for expenditure

	<u>Note</u>	<u>2024</u> <u>\$</u>	<u>2023</u> <u>\$</u>
Contractual commitments			
Contractual commitments at the end of the financial year that have not been recognised in the financial statements.			
Plant and Vehicles		-	451,381
Industrial Estate		-	598,880
Town Infrastructure		-	334,239
Housing		-	2,359,254
Roads		-	155,234
Water infrastructure		-	248,369
Sewerage infrastructure		-	199,000
		<u>-</u>	<u>4,346,357</u>

There were no contractual commitments not recognised in the financial statements at the end of the financial year as all projects in progress had been completed and brought to account.

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

18 Contingent liabilities

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

Local Government Mutual

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 being 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 statements LGM Queensland reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme, the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the Self Insurance License be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's Workers Compensation Authority may call on any part of the guarantee should the above circumstances arise. The council's maximum exposure to the bank guarantee is \$59,576 (2023 : \$57,320).

19 Superannuation - Regional Defined Benefit Fund

Council contributes to the Brighter Super Regional Defined Benefits Fund (the scheme), at the rate of 12% (2023: 12%) for each standard permanent employee who is a defined benefit member. This rate is set in accordance with the Brighter Super trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009. The scheme is managed by the Brighter Super trustee.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the council level.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

Council can be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed triennial actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is due on 1 July 2024.

The most significant risks that may result in Brighter Super increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Note	2024 \$	2023 \$
Superannuation contributions made to the Regional Defined Benefits Fund		7,000	8,760
Other superannuation contributions for employees		419,208	382,607
Total superannuation contributions paid by Council for employees:	6	<u>426,208</u>	<u>391,367</u>

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

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

	Note	2024 \$	2023 \$
Net result		1,325,096	8,882,324
Non-cash items:			
Depreciation		4,972,287	5,113,328
Investing and development activities (non-cash):			
Net (profit)/loss on disposal of non-current assets	5	624,080	370,600
Capital grants and contributions	4(ii)	<u>(10,330,934)</u>	<u>(7,856,952)</u>
		<u>(9,706,854)</u>	<u>(7,486,352)</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		331,247	930,083
(Increase)/decrease in inventory		(101,567)	54,234
Increase/(decrease) in payables		(29,036)	(581,931)
Increase/(decrease) in contract liabilities		87,785	33,828
Increase/(decrease) in other liabilities		<u>2,041</u>	<u>-</u>
		<u>290,470</u>	<u>501,769</u>
Net cash inflow (outflow) from operating activities		<u><u>(3,119,001)</u></u>	<u><u>7,011,070</u></u>

21 Reconciliation of liabilities arising from financing activities

2024	Note	As at 1 July 2023 \$	Cash flows \$	Non-cash changes \$	As at 30 June 2024 \$
Loans	13	<u>1,289,372</u>	<u>(91,396)</u>	-	<u>1,197,976</u>
2023	Note	As at 1 July 2022 \$	Cash flows \$	Non-cash changes \$	As at 30 June 2023 \$
Loans	13	<u>1,378,413</u>	<u>(89,041)</u>	-	<u>1,289,372</u>

22 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

Boulia 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.

Boulia Shire Council does not enter into derivatives.

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

22 Financial instruments and financial risk management (continued)

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.

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 Boulia Shire Council. The carrying amount of financial assets represents the maximum credit exposure.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

Financial Assets	Note	2024 \$	2023 \$
Cash and equivalents	8	14,142,671	20,575,678
Receivables - rates		54,813	112,040
Receivables - other		17,947	65,132
Total Financial Assets		14,215,431	20,752,850

Cash and Cash Equivalents

The Council may be exposed to credit risk through its Investments in the QTC Cash Fund and QTC Working Capital Facility. 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. Working capital facility deposits have a duration of one day and 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.

Other Financial Assets

Other investments are held with financial institutions, which are rated A-1+ and AA- based on rating agency Standard and Poor ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

Receivables

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power partially protects the Council against credit risk in the case of defaults.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

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

22 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.

Exposure to liquidity risk

Boulia Shire Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC.

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 8.

The following table sets out the liquidity risk in relation to financial liabilities held by Council. It represents the remaining contractual cash flows (Principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements. Trade payables are expected to be paid within 1 year.

	0 to 1 year	1 to 5 years	Over 5 years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2024					
Loans - others	32,000	128,000	198,298	358,298	358,298
Loans - QTC	94,897	379,588	569,382	1,043,867	839,678
	<u>126,897</u>	<u>507,588</u>	<u>767,680</u>	<u>1,402,165</u>	<u>1,197,976</u>
2023					
Loans - others	32,000	128,000	230,298	390,298	390,298
Loans - QTC	94,897	379,588	664,279	1,138,764	899,074
	<u>126,897</u>	<u>507,588</u>	<u>894,577</u>	<u>1,529,062</u>	<u>1,289,372</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 prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest Rate Risk

Council is exposed to interest rate risk through Investments with QTC and other financial institutions.

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 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.

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

22 Financial instruments and financial risk management (continued)

	Net Carrying Amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2024					
QTC Cash Fund	13,612,840	138,128	(138,128)	138,128	(138,128)
Loans*	(1,197,976)	-	-	-	-
Net Total	12,614,872	138,128	(138,128)	138,128	(138,128)
2023					
QTC Cash Fund	20,447,612	204,476	(204,476)	204,476	(204,476)
Loans*	(1,289,373)	-	-	-	-
Net Total	19,158,239	204,476	(204,476)	204,476	(204,476)

*QTC Generic Debt Pool - the Generic Debt Pool products approximate a fixed rate loan. There is negligible impact on interest sensitivity from changes in interest rates for Generic Debt Pool borrowings. Similarly, the Economic Development Queensland Loan is an interest-free loan and will not be affected by changes in interest rates.

(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.

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in Note 13.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to client's cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

23 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.

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

24 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and some executive management. The compensation paid to KMP comprises:

	2024	2023
	\$	\$
Short-term employee benefits	770,470	724,302
Post-employment benefits	91,465	82,878
Long-term benefits	93,367	92,595
Total	955,302	899,775

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	2024	2023
	\$	\$
Employee expenses for close family members of key management personnel	351,961	313,791
Purchase of materials and services from entities controlled by key management personnel	444,740	421,531

(i) 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.

Number of employees of close family members comprises:

FTE	2024	2023
Total number of council employees	46	51
Close family members of key management personnel	6	6
% of total number of council employees	13%	12%

(ii) The purchases of materials and services from entities controlled by key management personnel were on an arm's length basis in accordance with Council's procurement policies. The total disclosed includes the following:

Payments charged by entities controlled by key management personnel	Details of related party	2024	2023
		\$	\$
Purchase of materials and services from entities controlled by key management personnel	Tim Edgar, a contractor employed by Council to undertake various electrical works throughout the course of the year, is a related party of Councillor Rebecka Britton. He was engaged on commercial terms and all transactions have occurred in accordance with Council's relevant procurement policy.	264,491	265,444
Purchase of materials and services from entities controlled by key management personnel	Dannileah Stewart, a contractor employed by Council to undertake various cleaning works throughout the course of the year, is a related party of Ron Callope. She was engaged on commercial terms and all transactions have occurred in accordance with Council's relevant procurement policy.	145,048	139,288
Purchase of materials and services from entities controlled by key management personnel	Various other minor and immaterial related party transactions.	35,200	16,800
Total		444,739	421,532

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

24 Transactions with related parties (continued)

(c) Outstanding balances

There were no outstanding balances at 30 June 2024 (2023: nil)

(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 other related parties other than disclosed above.

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

Most of the entities and people that are related parties of Council live and operate within the Boulia Shire Council. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Gym membership
- Dog registration
- Venue hiring
- Borrowing books from a council library

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

Boulia Shire Council
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.

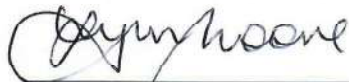
In accordance with section 212(5) of the Regulation we certify that:

- (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, as set out on pages 1 to 32, 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
Eric Britton

Date: 31, 10, 24



Chief Executive Officer
Lynn Moore

Date: 31, 10, 24

INDEPENDENT AUDITOR'S REPORT

To the councillors of Boulia Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Boulia 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 or 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 for the year then ended; and
- 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 Boulia Shire Council's annual report for the year ended 30 June 2024 was the current-year financial sustainability statement audited, 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 audited.

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, and
- (b) I consider that the entity complied with the prescribed requirements in relation to the establishment and keeping of accounts 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.



Michael Claydon
as delegate of the Auditor-General

31 October 2024

Queensland Audit Office
Brisbane

Boulia Shire Council
Current-year Financial Sustainability Statement Audited
For the year ended 30 June 2024

Type	Measure	Target (Tier 7)	Actual Current Year	5-Year Average	Narrative
Audited ratios					
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	13.90 months	N/A	Council has achieved a strong liquidity position end, after years of good financial management, and is well positioned to meet both the short and long term needs of the community.
Operating Performance	Operating Surplus Ratio	N/A	-105.8%	-34.8%	It is challenging for Council to achieve a positive operating surplus ratio with continued reliance on grant funding and limited opportunity to generate own source revenue. This ratio is impacted by the Financial Assistance Grant not being received until July 2024. Refer to note 4(i) for details.
	Operating Cash Ratio	Greater than 0%	-42.6%	4.2%	This ratio is impacted by the Financial Assistance Grant not being received until July 2024. Refer to note 4(i) for details.
Asset Management	Asset Sustainability Ratio	Greater than 90%	6.1%	80.7%	Council's 5 year average asset sustainability ratio is near the recommended level which suggests that Council has been spending enough on asset renewal to compensate for the deterioration in its asset base.
	Asset Consumption Ratio	Greater than 00%	72.7%	76.2%	The target has been achieved for both the current year and five year average. Council manages the consumption rate of assets appropriately.
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	-0.35	-0.51	The target has not been achieved for the current year but is an improvement on the five-year average. Reliance on grant funding impacts this ratio.


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 six 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.

Boulia Shire Council
Audited Current-year Financial Sustainability Statement
For the year ended 30 June 2024

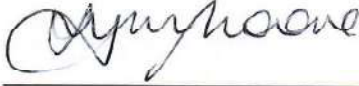
Certificate of Accuracy
For the year ended 30 June 2024

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
Eric Britton
Date: 31, 10, 24



Chief Executive Officer
Lynn Moore
Date: 31, 10, 24

INDEPENDENT AUDITOR'S REPORT

To the councillors of Boulia Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Boulia 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 Boulia 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 the note to the statement which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2024 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 Boulia Shire Council annual report for the year ended 30 June 2024 was the general-purpose financial report, unaudited current-year financial sustainability statement - contextual ratios, and the 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 material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.

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.

M. Claydon

31 October 2024

Michael Claydon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

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

Type	Measure	Target (Tier 7)	Actual Current Year	5-Year Average	Narrative
Contextual ratios (unaudited)					
Financial Capacity	Council-Controlled Revenue	N/A	30%	16%	The Council's average ratio has remained stable over the past five years. The significant increase in FY2024 is due to the decrease in recurrent grants affected by FA Grants.
	Population Growth	N/A	1%	2%	

**The Council-Controlled Revenue, and Population Growth measures are reported for contextual purposes only and are not audited by the QAC.*

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 two 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.

Boulia Shire Council
Unaudited Current-year Financial Sustainability Statement - 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*

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



Mayor
Eric Britton

Date: 31, 10, 24



Chief Executive Officer
Lynn Moore

Date: 31, 10, 24

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

Type	Measure	Target (1 per 1)	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	29.97%	12.75%	14.66%	14.66%	14.67%	14.59%	14.56%	13.22%	13.16%	14.43%
	Population Growth	N/A	0.85%	0.84%	0.00%	-1.86%	-1.62%	-1.01%	-1.01%	-1.01%	-1.01%	-1.01%
Asset Management	Asset Renewal Funding Ratio	N/A	N/A for long-term sustainability statement									
Operating Performance	Operating Surplus Ratio	N/A	-106.84%	-9.81%	-156.27%	-25.82%	-29.35%	-29.75%	-28.94%	-17.46%	-15.63%	-27.24%
	Operating Cash Ratio	Greater than 0%	-42.62%	17.17%	-110.05%	26.62%	23.60%	24.11%	24.33%	31.20%	31.59%	24.96%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	N/A for long-term sustainability statement									
Asset Management	Asset Sustainability Ratio	Greater than 3%	6.12%	1497.89%	593.45%	174.51%	33.52%	45.10%	124.28%	63.59%	67.60%	0.83%
	Asset Consumption Ratio	Greater than 80%	72.73%	76.62%	76.31%	83.33%	93.66%	90.00%	96.62%	97.17%	90.91%	89.60%
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	-0.30	0.42	-0.00	0.44	0.44	0.39	0.35	0.23	0.20	0.24

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.

Boulia Shire Council
Long-term Financial Sustainability Statement
For the year ended 30 June 2024

Certificate of Accuracy
For the year ended 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
Eric Britton

Date: 31/10/24



Chief Executive Officer
Lynn Moore

Date: 31/10/24