

**Cherbourg Aboriginal Shire Council
Annual Financial Statements
For the year ended 30 June 2018**

Cherbourg Aboriginal Shire Council

Financial statements

For the year ended 30 June 2018

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Cherbourg Aboriginal Shire Council

Statement of Comprehensive Income

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Income			
Revenue			
Recurrent revenue			
Fees and charges	3(a)	671,315	651,628
Rental income		1,044,971	1,084,370
Interest received		60,275	63,374
Sales revenue	3(b)	1,689,422	1,645,207
Other income		93,057	160,975
Grants, subsidies, contributions and donations	4(a)	3,684,601	2,775,763
		<u>7,243,641</u>	<u>6,381,317</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	4,177,215	1,569,591
Sales revenue	4(c)	4,507,506	3,761,968
Total revenue		<u>15,928,362</u>	<u>11,712,886</u>
Expenses			
Recurrent expenses			
Employee benefits	5	(4,119,672)	(3,592,070)
Materials and services	6	(2,910,868)	(2,693,354)
Finance costs		(8,538)	(12,836)
Depreciation and amortisation	9	(2,383,065)	(2,066,211)
Total expenses		<u>(9,422,143)</u>	<u>(8,364,471)</u>
Net result		<u>6,506,219</u>	<u>3,348,425</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	12	1,484,108	(9,579,332)
Total other comprehensive income for the year		<u>1,484,108</u>	<u>(9,579,332)</u>
Total comprehensive income for the year		<u>7,990,327</u>	<u>(6,230,907)</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

Cherbourg Aboriginal Shire Council

Statement of Financial Position

as at 30 June 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	7	6,087,018	3,931,373
Trade and other receivables	8	1,198,321	1,023,023
Inventories		157,952	159,917
Biological assets		250,776	391,500
Total current assets		7,694,067	5,505,813
Non-current assets			
Property, plant and equipment	9	118,466,288	111,716,942
Biological assets		111,776	153,550
Total non-current assets		118,578,064	111,870,492
Total assets		126,272,131	117,376,305
Current liabilities			
Trade and other payables	10	1,122,592	860,292
Provisions	11	175,265	123,651
Total current liabilities		1,297,857	983,943
Non-current liabilities			
Trade and other payables	10	621,818	-
Provisions	11	138,326	168,559
Total non-current liabilities		760,144	168,559
Total liabilities		2,058,001	1,152,502
Net community assets		124,214,130	116,223,803
Community equity			
Asset revaluation surplus	12	42,072,932	40,588,824
Retained surplus		82,141,198	75,634,979
Total community equity		124,214,130	116,223,803

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

Cherbourg Aboriginal Shire Council

Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Asset revaluation surplus 12 \$	Retained Surplus \$	Total \$
Balance as at 1 July 2017		40,588,824	75,634,979	116,223,803
Net operating surplus		-	6,506,219	6,506,219
Other comprehensive income for the year				
Increase in asset revaluation surplus		1,484,108	-	1,484,108
Total comprehensive income for the year		1,484,108	6,506,219	7,990,327
Balance as at 30 June 2018		42,072,932	82,141,198	124,214,130
Balance as at 1 July 2016		50,168,156	72,266,554	122,454,710
Net operating surplus		-	3,348,425	3,348,425
Other comprehensive income for the year				
Decrease in asset revaluation surplus		(9,579,332)	-	(9,579,332)
Total comprehensive income for the year		(9,579,332)	3,348,425	(6,230,907)
Balance as at 30 June 2017		40,588,824	75,634,979	116,223,803

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

Cherbourg Aboriginal Shire Council

Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		3,034,038	3,337,965
Payments to suppliers and employees		(6,696,121)	(6,524,379)
		(3,662,083)	(3,186,414)
Interest received		60,275	63,374
Rental income		1,044,871	1,084,370
Non capital grants and contributions		3,684,601	2,775,763
Borrowing costs		(8,538)	(12,836)
Net cash inflow (outflow) from operating activities	16	1,119,226	724,257
Cash flows from investing activities			
Payments for property, plant and equipment		(7,648,302)	(4,933,152)
Grants, subsidies, contributions and donations		4,177,215	1,569,591
Sales Revenue		4,507,506	3,697,120
Net cash inflow (outflow) from investing activities		1,036,419	333,559
Net increase (decrease) in cash held		2,155,645	1,057,816
Cash at beginning of the financial year		3,931,373	2,873,557
Cash at end of the financial year	7	6,087,018	3,931,373

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

1 Significant accounting policies

1.A Basis of preparation

These general purpose financial statements for the period 1 July 2017 to 30 June 2018 have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board. They also comply with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain non-current assets.

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

1.B Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.C Currency

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

1.D Adoption of new and revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Cherbourg Aboriginal Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective at 30 June 2018.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

AASB 9 Financial Instruments

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2019 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost, and financial assets will only be able to be measured at amortised cost where very specific conditions are met. Council is still assessing the potential impact of the initial application of this standard, which may include an adjustment (increase) to Council's provision for impairment of receivables.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

1.D Adoption of new and revised Accounting Standards (Cont)

AASB 15 Revenue from Contracts with Customer; AASB 1058 Income of Not-for-Profit Entities; AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 15. AASB 1058 will replace AASB 1004 Contributions. Together, these standards come into effect from 1 July 2019 and contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers. Council is still reviewing the way that revenue is measured and recognised to identify whether there will be any material impact arising from these standards.

AASB 16 Leases

AASB 16 is effective from reporting periods beginning on or after 1 January 2019, will replace AASB 117 Leases and introduce a single lease accounting model that will require a lessee to recognise right of use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

Right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis.

Lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense are recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payment made.

Council anticipates that the adoption will have an impact on Council's accounting for its operating leases. Council is still reviewing the impacts of this new standard and whether a material impact will arise from its adoption.

All other new and amended Australian Accounting Standards and Interpretations which were issued at the date of authorization of the financial report, but have future commencement dates, are not likely to have a material impact on the financial statements

1.E Critical accounting judgements and key sources of estimation uncertainty

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

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

Valuation and depreciation of property, plant and equipment - Note 1.J and Note 9

Provisions - Note 1.N and Note 11

Contingencies - Note 14

Impairment of trade and other receivables - Note 1.I, Note 8 and Note 17

Valuation of biological assets - Note 1.K

1.F Revenue

Rents, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

Fees and charges

Fees and charges are recognised on delivery of the associated service.

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is recognised as a restriction over cash balances until the funds are expended.

Rental income

Rental revenue from property is recognised as income on a periodic straight line basis over the lease term or when Council has entitlement to invoice for services provided.

Sales Revenue

Contract revenue is recognised at the agreed contract price due at the time of sale or service delivery. Sales revenue is further classified into capital revenue for major upgrades and recurrent revenue for minor repairs and maintenance work.

1.G Financial assets and financial liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

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

Financial assets

Cash and cash equivalents (Note 1.H)

Receivables - measured at amortised cost (Note 1.I)

Financial liabilities

Payables - measured at amortised cost (Note 1.M)

Council does not recognise any financial assets or financial liabilities at fair value in the statement of financial position. The carrying amount of cash and cash equivalents, trade receivables and trade payables approximate their fair value due to their short-term, liquid nature.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

1.H Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

1.I Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price / contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

1.J Property, plant and equipment

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

The classes of property, plant and equipment recognised by the Council are:

- Land
- Buildings
- Houses
- Motor Vehicles
- Plant and equipment
- Furniture and fittings
- Infrastructure - Roads & Bridges
- Infrastructure - Water
- Infrastructure - Sewerage
- Infrastructure - Other Structures
- Work in progress

Acquisition of assets

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

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity 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.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

1.J Property, plant and equipment (cont)

Valuation

Land, buildings, houses, major plant and equipment including motor vehicles and all infrastructure assets are measured at fair value under the revaluation model, in accordance with AASB116 *Property, Plant and Equipment*. Other plant and equipment is measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by comprehensively revaluing these assets at least once every five years, with interim valuations using a suitable index being otherwise performed on an annual basis where there has been a material variation in the index.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

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.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Details of valuers and methods of valuations are disclosed in Note 9.

Capital work in progress

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

Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. 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 estimated useful lives of property, plant and equipment are reviewed annually. Details of the range of useful lives for each class of asset are shown in Note 9.

Deed of Grant in Trust Land

The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 334 of the Land Act 1962. It comprises an area of approximately 3,130 hectares.

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

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

1.K Biological assets

The Council has a beef livestock operation. These assets are valued at market value at reporting date. In view of the immaterial nature of this operation the accounting principles under AASB 141 related to biological assets have not been applied. The costs incurred in this operation are included in Council's general operations as they are incurred.

1.L Impairment of non-current assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognised as an expense in profit and loss, 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.

1.M Payables

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

1.N Liabilities - employee benefits

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.

Annual leave

A liability for annual leave is recognised. The portion expected to be paid within twelve months is calculated on current wage and salary levels and includes related employee on-costs. The portion not expected to be paid out within the next twelve month is calculated on projected future wage and salary levels and related employee on-costs, discounted to present values. This liability represents an accrued expense and is reported in Note 10 as a payable. As council does not have an unconditional right to defer settlement of the obligation beyond twelve months, all annual leave liabilities are classified as current.

Sick leave

Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

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 15.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 11 as a provision.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

1.O Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

Increases and decreases on revaluation are offset within a class of assets.

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.

1.P National competition policy

The Council has reviewed its activities to identify its business activities. Council has resolved that none of its activities fall within the National Competition Policy guidelines and has therefore chosen not to apply the Code of Competitive Conduct.

1.Q Rounding and comparatives

The financial statements have been rounded to the nearest \$1.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

1.R Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

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 services and governance

This comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements. It also includes management and reporting of Council's finances, information technology and administration.

Community services

Community services and facilities include cultural, health, welfare, disaster management, sports and recreational services, and management of the indigenous knowledge centre.

Economic and community development

This comprises Council enterprises incorporating cattle stud farm, material recycling facility, crop and vegetable production, and includes training and employment initiatives.

Housing

The provision, maintenance and upgrading of public housing within the DOGIT area, including the planning and construction of new houses and tenancy agreements.

Infrastructure

Provision and maintenance of water supply and services, drainage, sewerage services and treatment, refuse collection and waste disposal services.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

2 Analysis of results by function

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

Year ended 30 June 2018

Year ended 30 June 2018													
Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring			Capital				Recurring	Capital				
	Grants	Other	Grants	Other	Other								
	2018	2018	2018	2018	2018								
Corporate & governance	1,801,005	111,759	-	-	-	1,912,764	3,418,619	-	3,418,619	(1,505,855)	\$	31,313,535	
Community services	1,219,239	775,486	67,370	-	-	2,062,095	383,580	-	383,580	1,611,145	\$	2,165,431	
Economic & community development	25,000	555,034	1,043,500	-	-	1,623,534	1,056,349	-	1,056,349	(476,315)	\$	5,739,703	
Housing	-	2,098,699	-	-	4,507,506	6,606,205	3,332,573	-	3,332,573	(1,233,874)	\$	66,137,595	
Infrastructure	639,357	18,062	3,066,345	-	-	3,723,764	1,231,022	-	1,231,022	(573,603)	\$	20,915,867	
Total Council	3,684,601	3,559,040	4,177,215	4,507,506	4,507,506	15,928,362	9,422,143	-	9,422,143	(2,178,502)	6,506,219	126,272,131	

Year ended 30 June 2017

Functions	Gross program income						Total Income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring			Capital				2017	2017				
	Grants	Other	Grants	Other	Other	Capital							
	2017	2017	2017	2017	2017	2017							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Corporate & governance	2,496,374	108,365	-	-	-	2,604,739	3,224,727	-	3,224,727	(619,988)	30,293,842		
Community services	268,786	144,447	276,325	-	-	689,558	357,112	-	357,112	332,446	2,068,455		
Economic & community development	10,603	430,620	291,724	-	-	732,947	632,868	-	632,868	100,079	4,827,673		
Housing	-	2,884,397	-	3,761,988	-	6,646,385	3,090,470	-	3,090,470	(206,073)	60,322,453		
Infrastructure	-	37,725	1,001,542	-	-	1,039,267	1,059,294	-	1,059,294	(1,021,569)	19,863,882		
Total Council	2,775,763	3,605,554	1,569,591	3,761,988	11,712,896	11,712,896	8,364,471	-	8,364,471	(1,983,154)	117,376,305		

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

Note	2018 \$	2017 \$
3 Revenue analysis		
(a) Fees and charges		
Community fees and charges	58,100	72,264
Post office commissions	13,000	12,000
Other fees and charges	600,215	567,364
	671,315	651,628
(b) Sales revenue		
Sale of services		
Recoverable works - BAS	1,282,284	1,422,121
Joinery sales	224,528	151,697
	1,506,812	1,573,818
Sale of goods		
Livestock sales	153,311	71,389
Other Sales	29,299	-
	182,610	71,389
Total sales revenue	1,689,422	1,645,207
4 Grants, subsidies, contributions and donations		
(a) Recurrent		
General purpose grants	2,360,362	1,535,124
State government subsidies and grants	1,324,239	1,240,639
	3,684,601	2,775,763
(b) Capital		
State government subsidies and grants	4,177,215	1,569,591
	4,177,215	1,569,591
(c) Capital sales revenue		
Recoverable capital works - BAS	4,348,102	3,761,988
Joinery capital works - BAS	159,404	-
	4,507,506	3,761,988
Conditions over contributions		
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:		
Non-reciprocal grants for expenditure on services	1,607,995	440,760
Non-reciprocal funds for expenditure on infrastructure	2,143,502	12,895
	3,751,497	453,655
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:		
Non-reciprocal grants for expenditure on services	764,302	75,840
Non-reciprocal funds for expenditure on infrastructure	285,891	52,670
	1,050,193	128,510

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
5 Employee benefits			
Total staff wages and salaries		3,295,029	2,789,263
Councillors' remuneration		314,425	308,893
Annual and long service leave entitlements		342,761	398,559
Superannuation	15	304,076	322,191
		4,256,291	3,818,906
Other employee related expenses		135,663	86,641
Less : Capitalised employee expenses		(272,282)	(313,477)
		4,119,672	3,592,070

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

Total Council employees at the reporting date:	2018	2017
Elected members	5	5
Administration staff	12	14
Depot and outdoors staff	52	57
Total full time equivalent employees	69	76

6 Materials and services

Administration supplies and consumables	94,440	69,285
Audit services	45,771	63,200
Consultants	124,524	199,848
Electricity	168,167	174,633
Enterprise centre running costs	46,773	57,874
Licence fees	1,063	6,473
Insurance	314,252	305,338
Joinery expenses	163,204	129,626
Movement in inventory	184,463	(119,158)
Motor vehicle expenses	164,337	8,886
Printing & stationery	36,869	34,294
Repairs and maintenance	994,397	1,180,617
Subscriptions and advertising	40	278
Telephone & fax	93,149	78,496
Travel	16,309	82,192
Water & sewerage operational costs	176,309	174,358
Bad and doubtful debts	1,020	121,738
Other materials and services	285,761	125,376
	2,910,868	2,693,354

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
7 Cash and cash equivalents			
Cash at bank and on hand		6,087,018	3,931,373
Externally imposed expenditure restrictions at the reporting date are disclosed in note 19.			
Cash and deposits at call are held in the Westpac Bank in normal term deposits and business cheque accounts. The bank currently has short term rating of P-1 and long term rating of Aa2.			
8 Trade and other receivables			
Current			
Housing rental & maintenance		1,963,305	1,774,309
Less provision for impairment		(828,234)	(817,977)
Prepayments		63,250	66,691
		1,198,321	1,023,023
Movement in accumulated impairment losses is as follows:			
Opening balance		817,977	759,621
Bad debts written off		-	(63,382)
Additional provisions raised		10,257	121,738
Closing balance		828,234	817,977

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

Note 9: Property, Plant and Equipment

30th June 2018	Note	Land	Buildings	Houses	Motor vehicles	Plant and equipment	Furniture and fittings	Infrastructure	Work in Progress	TOTAL
Basis of measurement		Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Cost	
Opening Balances										
Opening Gross Value		1,616,000	40,111,658	81,747,818	1,081,200	2,761,495	286,256	26,330,928	2,091,548	156,026,703
Accumulated Depreciation		-	13,464,927	22,077,701	748,200	1,843,386	271,339	5,904,208	-	44,309,761
Opening Written Down Value		1,616,000	26,646,731	59,669,917	333,000	918,109	14,917	20,426,720	2,091,548	111,716,942
Movements during Year										
Additions		-	-	-	49,818	-	-	-	7,696,568	7,746,386
Transfers between classes		-	1,628,788	4,259,094	-	783,859	-	1,396,852	(8,068,573)	-
Disposals		-	-	-	-	-	-	(98,083)	-	(98,083)
Depreciation		-	(591,691)	(1,202,071)	(27,458)	(151,246)	(2,213)	(408,386)	-	(2,383,065)
Revaluations	12	-	(1,031,812)	2,397,808	(3,931)	141,668	1	(19,426)	-	1,484,108
Closing Balances										
Closing Gross Value		1,616,000	39,714,968	86,824,873	1,106,218	3,696,823	286,256	27,566,951	1,719,543	162,531,630
Accumulated Depreciation		-	13,062,970	21,700,325	754,789	2,004,433	273,551	6,269,274	-	44,085,342
Closing Written Down Value		1,616,000	26,651,998	65,124,548	351,429	1,692,390	15,705	21,297,677	1,719,543	118,446,288
Estimated Useful Life (Years)		Not Depreciated	15 - 150	15 - 150	2 - 20	3 - 80	1 - 100	10 - 105	-	-
2018 Additions comprise:		\$								
Infrastructure Renewals		-	-	-	-	-	-	-	725,554	725,554
Other additions		-	-	-	49,818	-	-	-	6,971,014	7,020,832
Total additions		-	-	-	49,818	-	-	-	7,696,568	7,746,386

Note 9: Property, Plant and Equipment

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Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

9 Property, Plant and Equipment (Continued)

(i) Fair Value Hierarchy

The fair values of 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. To provide an indication about the reliability of the inputs used in determining fair values, council classifies assets which are measured at fair value into the three levels prescribed under AASB 13, 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 for the asset or liability.

Level 3: Fair value based on unobservable inputs for the asset and liability.

There were no transfers between levels during the year.

The following tables summarise the classification of councils assets into the levels defined above.

2018:

Asset Category	Level 1	Level 2	Level 3	Total
Land	-	1,616,000	-	1,616,000
Buildings and Houses	-	-	91,776,544	91,776,544
Motor Vehicles	-	351,429	-	351,429
Major Plant and Equipment	-	1,692,390	-	1,692,390
Infrastructure	-	-	21,297,677	21,297,677
	-	3,659,819	113,074,221	116,734,040

2017:

Asset Category	Level 1	Level 2	Level 3	Total
Land	-	1,616,000	-	1,616,000
Buildings and Houses	-	-	86,316,648	86,316,648
Motor Vehicles	-	333,000	-	333,000
Major Plant and Equipment	-	918,109	-	918,109
Infrastructure	-	-	20,426,720	20,426,720
	-	2,867,109	106,743,368	109,610,477

Council does not carry any assets or liabilities at fair value other than property, plant and equipment as described above.

(ii) Basis of valuation and valuation processes

All assets with the exception of furniture and equipment and capital work in progress are measured at fair value utilising the valuation basis' described below. Independent comprehensive valuations of each category of asset are undertaken on a rolling basis with each category being subject to comprehensive revaluation at least once every five years. In intervening years desktop valuation updates are performed either internally or by an independent valuer. Desktop valuations apply an indexation factor to the previous comprehensive valuation and consider any known factors giving rise to a change in asset condition which have occurred since the last comprehensive valuation. Where an independent valuer is engaged to undertake a desktop valuation update, a sample of assets will be physically inspected by the independent valuer in order to gauge changes in asset conditions.

The table below summarises the level of detail applied in determining the value of Council's assets as at 30 June 2018.

Asset Category	Valuation Effective 30 June 2018	Performed By	Effective Date of Last Comprehensive Valuation	Performed By
Land	Desk Top	APV Valuers and Asset Management	30/06/2017	APV Valuers and Asset Management
Buildings and Houses	Desk Top	APV Valuers and Asset Management	30/06/2017	APV Valuers and Asset Management
Motor Vehicles	Desk Top	APV Valuers and Asset Management	30/06/2017	APV Valuers and Asset Management
Major Plant and Equipment	Desk Top	APV Valuers and Asset Management	30/06/2017	APV Valuers and Asset Management
Infrastructure	Desk Top	APV Valuers and Asset Management	30/06/2017	APV Valuers and Asset Management

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

9 Property, Plant and Equipment (Continued)

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

Land (level 2)

Land fair values have been determined by direct comparison to the sales prices of comparable properties in close proximity adjusted for difference in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre and the indexation rate applied in the current period desktop valuation update. All land values are based on the assumption that contaminants such as asbestos, chemicals, toxic wastes or other hazardous materials do not exist on these land parcels.

Buildings and Houses (level 3)

Community and residential buildings within the Cherbourg Aboriginal Shire Council are not able to be transferred on a market basis, and as such sales evidence is not available to support a market-based valuation approach. Buildings and houses are therefore valued using a depreciated replacement cost methodology, which estimates the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. The gross current values are derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors and Rawlinson's (Australian Construction Handbook).

A calculated accumulated depreciation charge is subtracted from the gross replacement cost to reflect the consumed or expired service potential of the asset. In determining the level of accumulated depreciation the assets have been disaggregated into significant parts which exhibit different patterns of consumption or useful lives. Allowance has been made for the typical asset lifecycle and renewal treatments of each component, the pattern of consumption of the asset's future economic benefits and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capacity, utilisation and obsolescence.

In order to assess the remaining service potential the following consumption scoring system is applied:

Phase Points	Description
0 - 0.99	New or very good condition - very high level of remaining service potential.
1 - 1.99	Not new but in very good condition with no indicators of any future obsolescence and providing a high level of remaining service potential.
2 - 2.99	Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short-term obsolescence.
3 - 3.99	Providing an adequate level of remaining service potential but there are some concerns over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to mid-term.
4 - 4.99	Indicators showing the need to renew, upgrade or scrap in near future. Should be reflected by inclusion in the capital works plan to renew or replace in short-term. Very low level of remaining service potential.
5	At intervention point. No longer providing an acceptable level of service. If remedial action is not taken immediately the asset will need to be closed or decommissioned.
6 - End of Life	Theoretical end of life.

New buildings are valued at the actual cost of construction in the year they are constructed, and subsequently under the approach described above.

The most significant inputs into the valuation approach are construction cost unit rates (per square metre), the split between short and long-lived subcomponents, estimated useful lives, pattern of consumption, asset condition, and the indexation rate applied in periods where a desktop valuation is undertaken.

The replacement costs applied in the valuations were derived by APV Valuers and Asset Management from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook), construction data from the Australian Bureau of Statistics, and the valuer's own internal market research and costings.

Motor Vehicles (level 2)

Motor vehicle asset values are derived from comparable sales and relevant industry market price reference guides. The most significant inputs into the valuation approach are the make, size, year of manufacture and condition.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

9 Property, Plant and Equipment (Continued)

Major Plant and Equipment (level 2)

Major plant and equipment asset values are generally derived from comparable sales and relevant industry market price reference guides. Where items of plant however are unique in design or there is insufficient market evidence to support the valuation, the valuation is performed using a depreciated replacement cost approach (as described for buildings and houses above).

The most significant inputs into the market based valuation approach are the make, size, year of manufacture and condition. Where assets are valued under a depreciated replacement cost approach significant inputs include the asset replacement cost, useful lives, pattern of consumption and asset condition.

No items of major plant and equipment were valued using depreciated replacement cost in the current year.

Road and Water Infrastructure Network (level 3)

Council categorises its road infrastructure into sealed and unsealed roads, which are managed in segments of no longer than 3km. All road segments are componentised into formation, pavement and seal (where applicable), and further into short and long-lived subcomponents. Drainage assets are segmented and componentised into pits, pipes, channels and floodways. Water and sewerage mains are segmented and componentised into standard and rising mains, and further into short and long-lived subcomponents.

Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

All road and water infrastructure network assets are valued using a depreciated replacement cost approach. Gross replacement costs are estimated through multiplying materials and labour unit prices (per measurement of area/length) determined by reference to market data for recent projects, costing guides such as Rawlinson's (Australian Construction Handbook) and benchmark data from similar councils, by volumes ascertained with reference to council minimum asset linear and area specifications.

In determining the level of accumulated depreciation assets are disaggregated into significant parts which exhibit different patterns of consumption or useful lives. Allowances are made for the typical asset lifecycle and renewal treatments of each component, the pattern of consumption of the asset's future economic benefit and the condition of the asset. Condition is assessed by taking into account both physical characteristics as well as holistic factors such as functionality, capacity, utilisation and obsolescence.

An identical condition rating scale as provided above in relation to buildings and houses is used for infrastructure assets in order to assess the remaining service potential.

The most significant inputs into the valuation approach are construction cost unit rates (per square metre), pattern of consumption, asset condition, and the indexation rate applied in the current period desktop valuation update.

Accumulated depreciation

In determining total useful life, remaining life, and accumulated depreciation, assets were generally subject to an inspection or an assessment to determine remaining useful life. Where site inspection were conducted (i.e. active assets), the assets were allocated a condition assessment, which was used to estimate remaining useful life.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
10 Trade and other payables			
Current			
Creditors and accruals		730,046	546,711
Annual leave		296,600	260,300
Revenue in advance		95,946	53,281
		<u>1,122,592</u>	<u>860,292</u>
Non-current			
Revenue in advance		621,818	-
		<u>621,818</u>	<u>168,559</u>
11 Provisions			
Provision			
Current			
Long service leave		175,265	123,651
		<u>175,265</u>	<u>123,651</u>
Non-current			
Long service leave		138,326	168,559
		<u>138,326</u>	<u>168,559</u>
Details of movements in provisions:			
Long service leave			
Balance at beginning of financial year		292,210	273,677
Long service leave entitlement arising		60,778	62,833
Long Service entitlement paid		(39,397)	(44,300)
Balance at end of financial year		<u>313,591</u>	<u>292,210</u>
12 Asset revaluation surplus			
Movements in the asset revaluation surplus were as follows:			
Balance at beginning of financial year		40,588,824	50,168,156
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Buildings		(1,031,812)	(4,677,157)
Houses		2,397,608	(5,598,106)
Motor vehicles		(3,931)	(165,923)
Plant and equipment		141,668	(133,192)
Infrastructure		(19,426)	995,046
Balance at end of financial year		<u>42,072,932</u>	<u>40,588,824</u>
Asset revaluation surplus analysis			
The closing balance of the asset revaluation surplus comprises the following asset categories:			
Buildings		16,897,213	17,929,025
Houses		14,630,473	12,232,865
Motor vehicles		398,849	402,780
Plant and equipment		514,577	372,909
Infrastructure		9,631,819	9,651,244
		<u>42,072,931</u>	<u>40,588,823</u>

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

Note	2018 \$	2017 \$
13 Commitments for expenditure		
Operating leases		
Minimum lease payments in relation to non-cancellable operating leases are as follows:		
Within one year	8,756	6,960
One to five years	8,910	6,380
	17,666	13,340

14 Contingent liabilities

Local Government Mutual

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

As at 30 June 2017 the financial statements 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 licence 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 \$45,167.

National Regulatory System for Community Housing Providers

Under amendments passed to the Housing Act 2003 during the 2014 financial year, council, as a service provider of community housing, is required to register for the National Regulatory System for Community Housing Provider (NRSCH). In order to become eligible for registration under the NRSCH council must complete certain pre-requisite actions, a number of which remain outstanding as at the date of this report.

Should council not obtain registration prior to 30 June 2019, there would be three alternatives available for Council's consideration :

1. Transfer or return of community housing assets to the Department of Housing and Public Works;
2. Repayment of contingent liability of any funded assets (i.e purchasing the Department's interest in community housing assets); or
3. Transfer of assets to another provider that is registered under the NRSCH.

The most likely outcome should council fail to obtain registration under the NRSCH would be the removal of community housing assets from council's balance sheet. At 30 June 2018 these assets had a total value of \$65.12m (refer note 9).

Council consider that it is probable registration will be obtained within the required timeframe, however as the likelihood of not obtaining registration cannot be considered remote, disclosure of the alternatives has been made above.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

Remediation of landfills

Council operates one landfill. Council is in the process of identifying a suitable party to carry out a comprehensive assessment of the risks associated with landfill site (if any), and when such activities are likely to be required in order to ensure that council conforms to its legal and social obligations. Council expects that it would be in position to quantify any contingent liabilities associated with its landfill sites, by the end of the financial year 2018/2019 including the need to establish a landfill restoration provision.

15 Superannuation

The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 *Employee Benefits*.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has three elements referred to as:

1. The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund;
2. The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and
3. The Accumulated Benefits Fund (ABF), which is a defined contribution scheme as defined in AASB 119.

Council has no liability or interest in the ABF other than the payment of the statutory contributions as required by the Local Government Act 2009. Council does not have any employees who are members of the CDBF and, therefore, is not exposed to the obligations, assets or costs associated with this fund.

The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had 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.

Any amount by which the fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date."

In the 2015 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

Under the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the Regional DBF are insufficient to meet members' benefits.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

There are currently 65 entities contributing to the Regional DBF plan and any changes in the contribution rates would apply equally to all 65 entities. Cherbourg Aboriginal Shire Council made less than 4% of the total contributions to the plan in the 2017-18 financial year.

The next actuarial investigation will be conducted as at 1 July 2019.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
16 Reconciliation of net operating surplus for the year to net cash inflow (outflow) from operating activities			
Net operating result		6,506,219	3,348,425
Non-cash operating items:			
Depreciation and amortisation		2,383,065	2,066,211
		2,383,065	2,066,211
Investing and development activities:			
Capital grants and contributions and sales		(8,684,722)	(5,266,711)
		(8,684,722)	(5,266,711)
Changes in operating assets and liabilities:			
(Increase)/ decrease in receivables		(175,298)	321,039
(Increase)/decrease in inventory		1,065	(11,343)
(Increase)/decrease in biological asset		182,498	(119,158)
Increase/(decrease) in payables		884,118	367,261
Increase/(decrease) in other provisions		21,381	18,533
		914,664	576,332
Net cash inflow from operating activities		1,119,226	724,257

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

17 Financial instruments

Cherbourg Aboriginal Shire Council's activities expose it to a variety of financial risks including interest rate risk, credit risk, and liquidity risk.

Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Council.

Cherbourg Aboriginal Shire Council measures material risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Credit risk	Ageing analysis
Liquidity risk	Maturity analysis

Credit risk exposure

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

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

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment, as disclosed in notes 7 and 8.

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

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

The following represents an analysis of the age of the Council's financial assets that are either fully performing, past due or impaired:

30-Jun-18	Fully performing		Past due		Total
		Less than 30 days	30-60 days	61-90 days	
		\$	\$	\$	\$
Receivables		860,113	177,339	62,003	863,850
Less provision for impairment		-	-	-	(828,234)
Net Receivables		860,113	177,339	62,003	35,616

30-Jun-17	Fully performing		Past due		Total
	Less than 30 days	30-60 days	61-90 days	over 90 days	
		\$	\$	\$	\$
Receivables		419,412	142,850	77,539	1,134,508
Less provision for impairment		-	-	-	(817,977)
Net Receivables		419,412	142,850	77,539	316,531

Liquidity risk exposure

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Council is exposed to liquidity risk through its trading in the normal course of business.

Council's only recognised financial liabilities are trade payables as disclosed in note 10 which have contractual maturity dates of 6 months or less.

Cherbourg Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2018

18 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 for 2017/18 comprises:

	2018	2017
	\$	\$
Short-term employee benefits	891,816	748,334
Post-employment benefits	27,476	74,095
Long-term benefits	51,658	23,038
Termination benefits	-	-
Total	970,952	845,468

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

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

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

Details of Transaction	Additional information	2018	2017
		\$	\$
Fees and charges charged to entities controlled by key management personnel	(i)	8,282	8,066
Employee expenses for close family members of key management personnel	(ii)	105,830	56,477
Purchase of materials and services from entities controlled by key management personnel	(iii)	1,345	7,924
Other services provided by a related entity	(iv)	0	17,815

(i) Fees charged by Council to organisations where KMP are members of the organisation's controlling body.

(ii) Council employs 76 full time equivalent staff. Only 2 employees are close family members of KMP. All close family members of KMP were employed through an arm's length process. They are paid in accordance with the relevant industrial award for the job they perform and Council's employment agreements.

(iii) Purchases by Council from organisations where KMP are members of the organisation's controlling body.

(iv) Contract cleaning services provided by a related person or member of Council's KMP, on normal commercial terms.

(c) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Year ended 30 June 2018

Receivables	Housing rent owed by key management personnel	Amounts owed by entities controlled by key management personnel
Current	\$1,880	\$0
Past due 31-60 days	\$2,071	\$0
Past due 61-90 days	\$1,320	\$0
More than 90 days overdue	\$15,649	\$0
Total Owing	\$20,920	\$0

Cherbourg Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2018

Year ended 30 June 2017

Receivables	Housing rent owed by key management personnel	Amounts owed by entities controlled by key management personnel
Current	\$2,960	\$2,948
Past due 31-60 days	\$3,503	\$7,918
Past due 61-90 days	\$2,090	\$0
More than 90 days overdue	\$9,602	\$0
Total Owning	\$18,155	\$10,866

(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 commitments to/from related parties.

(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 Cherbourg Aboriginal Shire Council area. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include housing rental, joinery sales, building maintenance work and dog registration.

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.

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

19 Tied grants by project

	Balance 01/07/17	Revenue	Expense	Balance 30/06/2018
	\$	\$	\$	\$
Commonwealth government grants				
Dept Education, Employment and Workplace Relation				
<i>Barambah PACE Project</i>	(24,692)	-	-	(24,692)
<i>Carbon Farming Project</i>	1	-	-	1
<i>Community Training & Employment Program</i>	124,167	-	-	124,167
Total DEEWR Grants	99,476	-	-	99,476
Department of Infrastructure and Regional Development				
<i>Roads to Recovery</i>	63	-	63	-
Total	63	-	63	-
Dept of Families, Housing , Community Services and Indigenous Affairs				
<i>CDEP Community Dev Project Fund</i>	(4,838)	-	-	(4,838)
<i>Garbage Normalisation</i>	(24)	-	-	(24)
<i>Job Creation Package Muns</i>	(41,389)	-	-	(41,389)
<i>Titans CDEP Project</i>	1	-	-	1
<i>CDEP Operational Support</i>	6,067	-	-	6,067
<i>Barambah PACE 2014</i>	25,713	-	-	25,713
<i>NAIDOC Activities</i>	24	-	-	24
Total	(14,446)	-	-	(14,446)
Department of Prime Minister and Cabinet				
<i>Safety and Wellbeing</i>	-	154,500	105,301	49,199
Total	-	154,500	105,301	49,199
Department of Health & Ageing				
<i>BMX Track, Park & Playground</i>	6,729	-	-	6,729
<i>NKB Certification</i>	39,993	-	-	39,993
<i>Sporting Support</i>	1,620	-	-	1,620
<i>Job Creation - Respite</i>	(1,426)	-	-	(1,426)
<i>NJCP - Sport & Rec</i>	(45,343)	-	-	(45,343)
<i>Indigenous Sports & Rec Program 2010/2011</i>	(23,582)	-	-	(23,582)
<i>Indigenous Sports & Rec Program 2011/2012</i>	(29,835)	-	-	(29,835)
Total	(51,844)	-	-	(51,844)
Total - Commonwealth government	33,249	154,500	105,364	82,385

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

	Balance 01/07/17	Revenue	Expense	Balance 30/06/2018
	\$	\$	\$	\$
State government grants				
Department of Local Government				
<i>GraffitiSTOP Funding</i>	(3,796)	-	-	(3,796)
<i>W4Q Projects 1</i>	219,202	351,000	684,524	(114,322)
<i>W4Q Projects 2</i>	-	590,000	438,418	151,582
<i>509K Projects</i>	(95,227)	243,200	363,762	(215,789)
<i>Cherbourg Cattleyards Infrastructure</i>	(31,112)	44,227	1,177	11,938
<i>Football Field Amenities Infrastructure</i>	(79,313)	13,140	1,284	(67,457)
<i>Rehabilitation of Ponds</i>	199,299	-	-	199,299
<i>IKC Cherbourg</i>	76,691	-	-	76,691
<i>Community Hall Refurbishment</i>	(12,618)	43,781	56,403	(25,240)
<i>Main Water Pipe Replacement</i>	(35,607)	69,300	50,347	(16,654)
<i>DILGP IKC Grant</i>	(8,365)	23,589	19,243	(4,019)
<i>Get Ready Queensland</i>	2,543	-	3,169	(626)
<i>Indigenous Economic Development Grant</i>	(18,524)	80,000	82,709	(21,233)
<i>LGGSP - Business Incentive Scheme</i>	(18,576)	-	-	(18,576)
<i>LGGSP - Fire management line</i>	-	48,915	72,733	(23,818)
<i>State Government Financial Aid Program</i>	(582,724)	1,721,005	1,896,144	(757,863)
<i>SGFA - Service Delivery Funds</i>	(29,387)	-	-	(29,387)
<i>Financial Assistance Grant</i>	763,797	639,357	1,082,368	320,786
<i>Infrastructure Funding</i>	-	1,656,563	-	1,656,563
<i>Enhancement of Asset Data</i>	(310)	-	-	(310)
<i>Natural Disasters Resilience Program</i>	(63)	-	-	(63)
Total	345,910	5,524,077	4,752,281	1,117,706
Department of Employment, Economic Development and Innovation				
<i>Employ Trainees</i>	(67,620)	-	-	(67,620)
<i>F.I.A - Cherbourg Fresh Commercial Expansion</i>	(12,878)	-	-	(12,878)
<i>SQW Construction</i>	(666)	-	-	(666)
Total	(81,164)			(81,164)
Department of Communities				
<i>Emergency Relief Program</i>	1,841	-	-	1,841
<i>Disability Funding Program</i>	188,290	-	-	188,290
<i>Home and Community Care Program</i>	(124,697)	-	-	(124,697)
Total	65,434			65,434
Department of Communities ,Disability Services and Seniors				
<i>Sports Community Support</i>	-	50,000	3,068	46,932
<i>Community support -Women's camp</i>	-	10,000	-	10,000
Total	-	60,000	3,068	56,932
National Disability Insurance Agency				
<i>Community Inclusion Capacity Development Program</i>	-	670,533	-	670,533
Total	-	670,533	-	670,533
Department of Health				
<i>Injury Prevention, Safety Awareness</i>	1,667	-	-	1,667
<i>A&TSI Public Health</i>	(74,815)	162,954	167,288	(79,149)
Total	(73,148)	162,954	167,288	(77,482)

Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

Department of Transport and Main Roads

Department of State Development

MRF Upgrade 1	66,689	200,000	394,458	(127,769)
MRF Upgrade 2	-	350,000	538,350	(188,350)
MRF Upgrade 3	-	244,500	516,579	(272,079)
Cherbourg Historical Precinct	-	249,000	214,403	34,597
Total	66,689	1,043,500	1,663,790	(553,601)

Department of Aboriginal and TI

Sports and Recreation	(7,120)	-	4,886	(12,006)
Sports and Recreation Supervisor	-	137,000	67,112	69,888
Capital Funding -Improvement of Building	-	50,000	50,272	(272)
Total	(7,120)	187,000	122,270	57,610

Department of Education, Training and Employment

Skilling Queenslander for Work	(5,066)	25,000	25,157	(5,223)
Total	(5,066)	25,000	25,157	(5,223)

Department of National Parks, Sport and Racing

Get Out, Get Active Netball	(9,374)	-	-	(9,374)
Total	(9,374)	-	-	(9,374)

Department of Justice and Attorney - General

Sports Complex Lighting	(3,124)	-	-	(3,124)
Total	(3,124)	-	-	(3,124)

Department of Environment and Resource

Illegal Dumping Camera	1,000	-	-	1,000
Waste Facility Assistance	(5,042)	-	-	(5,042)
Total	(4,042)	-	-	(4,042)

Department of Community Safety

LGS Subsidy	12,162	-	-	12,162
Community Drought Support	7,714	-	-	7,714
SES Subsidy -Freight Container	3,000	-	-	3,000
Total	22,876	-	-	22,876

Total - State government	317,870.92	7,673,064.00	6,733,853.96	1,257,081
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Cherbourg Aboriginal Shire Council

Notes to the financial statements

For the year ended 30 June 2018

	Balance 01/07/17	Revenue	Expense	Balance 30/06/2018
	\$	\$	\$	\$
Other grant providers				
Keep Australia Beautiful				
<i>Recycling Grant</i>	(4,886)	-	-	(4,886)
Total	(4,886)	-	-	(4,886)
Burnett mary Regional Group				
<i>Drought Assistance Funding</i>	-	-	-	-
<i>Cherbourg Parthenium Control</i>	4,500	-	-	4,500
Total	4,500	-	-	4,500
Burnett Inland Economic Development Organisation				
<i>Cultural Diversity</i>	3,227	-	-	3,227
<i>Formal Training</i>	3,766	-	-	3,766
<i>Murri Network</i>	16,669	-	505	16,164
Total	23,662	-	505	23,157
State Library of Queensland				
<i>Indigenous Knowledge Centre</i>	9,098	34,252	40,405	2,945
Total	9,098	34,252	40,405	2,945
Rio Tinto - A.C.I.C.C				
<i>A.C.I.C.C - Barambah PaCE</i>	2,415	-	-	2,415
<i>A.C.I.C.C - Recycling</i>	140	-	-	140
<i>A.C.I.C.C - Cherbourg Café Project</i>	343	-	-	343
Total	2,898	-	-	2,898
Total - Other grant providers	35,272	34,252	40,910	28,614
Total grants	386,392	7,861,816	6,880,128	1,368,080
Less: Financial Assistance Grant	(763,797)	-	-	(320,786)
Add: Overdrawn Grant Balances	1,402,039	-	-	2,383,417
Total Tied Grants as at 30 June 2018	1,024,634	-	-	3,430,711

Cherbourg Aboriginal Shire Council

Financial statements

For the year ended 30 June 2018

Management Certificate

For the year ended 30 June 2018

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 3 to 35, 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

Arnold Murray

Date: 30/10/2018



Chief Executive Officer

Warren Collins

Date: 30/10/2018

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Cherbourg Aboriginal Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Cherbourg Aboriginal Shire Council (the Council).

In my opinion, the financial report:

- a) gives a true and fair view of the Council's financial position as at 30 June 2018, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate given by the Mayor and the Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland 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* (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 of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the Cherbourg Aboriginal Shire Council annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and 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 expressed a separate opinion on the current year financial sustainability statement.

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

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

Responsibilities of the Council for the financial report

The Council is 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 Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Council is 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit 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 financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the Council. I remain solely responsible for my audit opinion.

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.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

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



Sri Narasimhan
as delegate of the Auditor-General

31 October 2018
Queensland Audit Office
Brisbane

Cherbourg Aboriginal Shire Council

Current-year Financial Sustainability Statement For the year ended 30 June 2018



Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-30%	Between 0% and -0%
Asset sustainability ratio	Capital expenditure on the replacement of infrastructure assets (renewals) divided by infrastructure depreciation expense.	75%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-78%	not greater than 80%

Basis of Preparation

Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2018.

Certificate of Accuracy For the year ended 30 June 2018

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 Arnold Murray	 Chief Executive Officer Warren Collins
Date: 30/10/2018	Date: 30/10/2018

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Cherbourg Aboriginal Shire Council

Report on the Current Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Cherbourg Aboriginal Shire Council for the year ended 30 June 2018 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Cherbourg Aboriginal Shire Council for the year ended 30 June 2018 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland 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* (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 of Queensland Auditing Standards*.

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

Emphasis of matter – basis of accounting

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

Other Information

Other information comprises the information included in Cherbourg Aboriginal Shire Council's annual report for the year ended 30 June 2018, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and the 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 expressed a separate opinion on the general purpose financial report.

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 council for the current year financial sustainability statement

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

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

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

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

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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



Sri Narasimhan
as delegate of the Auditor-General

31 October 2018
Queensland Audit Office
Brisbane

**Cherbourg Aboriginal Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2018**

Measures of Financial Sustainability


Measure	Target	Projected for the years ending									
		Actuals at 30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027
Operating surplus ratio											
Asset sustainability ratio											
Net financial liabilities ratio											
Net result divided by total operating revenue	Between 0% and 10%	-30%	-21%	-28%	-27%	-25%	-24%	-25%	-21%	-26%	-18%
Capital expenditure on the replacement of infrastructure assets (renewals) divided by infrastructure depreciation	greater than 90%	75%	113%	113%	113%	113%	113%	113%	113%	113%	113%
Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-78%	-75%	-103%	-104%	-106%	-107%	-106%	-110%	-111%	-112%

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2018


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 the long-term financial sustainability statement has been accurately calculated



Mayor
Arnold Murray

Date: 30/10/2018



Chief Executive Officer
Warren Collins

Date: 30/10/2018