



Wambo Shire River Improvement Trust

Financial Statements
For The Year Ended
30 June 2019

Wambo Shire River Improvement Trust
Financial Statements
For the year ended 30 June 2019

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Wambo Shire River Improvement Trust
Statement of Comprehensive Income
For the year ended 30 June 2019

	Notes	2019	2018
		\$	\$
Income from Continuing Operations			
Grants & Other Contributions	2	106,956	15,480
Other Income	3	2,101	1,093
Total Income from Continuing Operations		109,057	16,573
Expenses from Continuing Operations			
Supplies & Services	4	8,720	24,583
Administration Expenses	5	6,477	1,735
Depreciation Expense		8,103	8,103
Total Expenses from Continuing Operations		23,300	34,421
Operating Surplus (Deficit) for the Year		85,757	(17,848)
Other Comprehensive Income			
Capital Grants		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income		85,757	(17,848)

Wambo Shire River Improvement Trust
Statement of Financial Position
As at 30 June 2019

	Notes	2019 \$	2018 \$
Current Assets			
Cash and Cash Equivalents	6	138,843	39,226
Trade and Other Receivables	7	-	820
Total Current Assets		<u>138,843</u>	<u>40,046</u>
Non-Current Assets			
Property, Plant & Equipment	8	192,788	200,891
Total Non-Current Assets		<u>192,788</u>	<u>200,891</u>
Total Assets		<u><u>331,631</u></u>	<u><u>240,937</u></u>
Current Liabilities			
Trade and Other Payables	10	15,025	6,453
Total Current Liabilities		<u>15,025</u>	<u>6,453</u>
Total Liabilities		<u><u>15,025</u></u>	<u><u>6,453</u></u>
Net Assets		<u><u>316,605</u></u>	<u><u>234,484</u></u>
Equity			
Accumulated Surplus		316,605	234,484
Total Equity		<u><u>316,605</u></u>	<u><u>234,484</u></u>

Wambo Shire River Improvement Trust
Statement of Changes of Equity
For the year ended 30 June 2019

	2019	
	Accumulated Surplus	Total
	\$	\$
Balance as at 1 July 2018	234,484	234,484
Correction of Prior Period Errors	(3,636)	(3,636)
Net Result for the Year	85,757	85,757
Balance as at 30 June 2019	<u>316,605</u>	<u>316,605</u>
	2018	
	Accumulated Surplus	Total
	\$	\$
Balance as at 1 July 2017	252,332	252,332
Net Result for the Year	(17,848)	(17,848)
Balance as at 30 June 2018	<u>234,484</u>	<u>234,484</u>

Wambo Shire River Improvement Trust
Statement of Cash Flows
For the year ended 30 June 2019

	Notes	2019	2018
		\$	\$
Cash flows from operating activities			
<i>Inflows:</i>			
Operating Grants		102,504	15,272
Interest Received		2,101	1,093
<i>Outflows:</i>			
Supplies and services		(4,989)	(23,309)
Net cash provided by (used in) operating activities		<u>99,617</u>	<u>(6,944)</u>
Cash flows from investing activities			
<i>Inflows:</i>			
Grants, subsidies, contributions and donations		-	-
<i>Outflows:</i>			
Payments for property, plant and equipment		-	-
Net cash provided by (used in) investing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		99,617	(6,944)
Cash and cash equivalents at beginning of financial year		39,226	46,170
Cash and cash equivalents at end of financial year	6	<u><u>138,843</u></u>	<u><u>39,226</u></u>

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*.

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019 and are prepared in compliance with the requirements of Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations applicable to not-for-profit entities.

The financial statements are prepared on an accrual basis.

With respect to compliance with Australian Accounting Standards and Interpretations, the Trust has applied those requirements applicable to not-for-profit entities.

(b) The Reporting Entity

The Trust does not control other entities. The financial statements include the value of all revenue, expenses, assets, liabilities and equity for the Trust as an individual entity.

(c) Underlying Measurement Basis

Except where stated, the historical cost convention is used. All amounts throughout the financial statements are in Australian dollars.

(d) Trustee and Key Management Personnel Remuneration

The trustees and key management personnel were paid meeting fees only. The rate for each personnel and the number of meetings attended can be found in Note 12.

The Trust did not engage any employees, paid or voluntary, during the year ended 30 June 2019.

(e) Taxation

The Trust is exempt from income tax under the Income Tax Assessment Act 1936 and is exempt from other forms of Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

The Trust is not registered for Goods & Services Tax (GST).

(f) Insurance

The Trust is insured for public liability, products liability, professional indemnity, Councillors & Officers liability and employment practices liability. This insurance cover is held with the Queensland Local Government Mutual Liability Pool.

Wambo Shire River Improvement Trust
Notes To and Forming Part of the Financial Statements
For the period ended 30 June 2019

(g) Key Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying 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.

(h) New and Revised Accounting Standards

No accounting standards and interpretations that have been issued, but are not yet effective, have been adopted early by the Trust.

(i) Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Chairman and Secretary at the date of the signing of the Management Certificate.

Wambo Shire River Improvement Trust
Notes To and Forming Part of the Financial Statements
For the period ended 30 June 2019

	2019	2018
	\$	\$
2. Grants and Other Contributions		
Government Subsidies and Grants	102,504	15,272
In Kind Assistance Received	<u>4,452</u>	<u>208</u>
Total	<u>106,956</u>	<u>15,480</u>

Grants, contributions, donations and gifts that are non-reciprocal in nature (i.e. do not require any goods or services to be provided in return) are recognised as revenue in the year in which the Trust obtains control over them at the time of receipt.

3. Other Income

Bank Interest	<u>2,101</u>	<u>1,093</u>
Total	<u>2,101</u>	<u>1,093</u>

4. Supplies and Services

Audit Expenses	3,100	3,000
Insurance	820	929
Subscriptions	1,400	1,300
Maintenance & Repairs	<u>3,400</u>	<u>19,354</u>
Total	<u>8,720</u>	<u>24,583</u>

5. Administration Expenses

Allowances - Trust Officers	416	416
Meeting Fees	2,025	1,319
Council - Inkind Support	<u>4,036</u>	<u>-</u>
Total	<u>6,477</u>	<u>1,735</u>

6. Cash and Cash Equivalents

Deposits held in trust by Western Downs Regional Council (the Council)	<u>138,843</u>	<u>39,226</u>
Total	<u>138,843</u>	<u>39,226</u>

Cash and cash equivalents include all cash and cheques receipted at 30 June 2019 as well as deposits held at call with financial institutions.

7. Trade and Other Receivables

Prepayments	<u>-</u>	<u>820</u>
Total	<u>-</u>	<u>820</u>

Wambo Shire River Improvement Trust
Notes To and Forming Part of the Financial Statements
For the period ended 30 June 2019

8. Property, Plant & Equipment

30-Jun-19		Site Improvements	Works In Progress	Total
Measurement Basis	Note	Fair Value	Cost	
Opening Gross Balance		527,335	-	527,335
Additions		-	-	-
Disposals		-	-	-
Revaluation Decrements to Profit & Loss		-	-	-
Works in Progress Transfers		-	-	-
Total Gross Value of Property, Plant & Equipment		527,335	-	527,335
Opening Accumulated Depreciation		(326,444)	-	(326,444)
Corrections to Opening Balances		-	-	-
Depreciation Expense		(8,103)	-	(8,103)
Disposals		-	-	-
Revaluation Decrements to Profit & Loss		-	-	-
Total Accumulated Depreciation of Property, Plant & Equipment		(334,547)	-	(334,547)
Total Net Book Value of Property, Plant & Equipment		192,788	-	192,788

Asset Acquisition

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including freight in, architects' fees, establishment costs and engineering design fees.

As the Trust is not registered for GST and subsequently GST is not recoverable from the Australian Taxation Office, assets are recognised inclusive of GST.

Each class of property, plant & equipment is stated at cost or fair value less, where applicable, any accumulated depreciation.

Wambo Shire River Improvement Trust
Notes To and Forming Part of the Financial Statements
For the period ended 30 June 2019

Recognition of Property, Plant and Equipment

Assets are initially recognised at cost. Site Improvements are measured at fair value through revaluations after initial recognition, whilst works in progress is measured at cost. Assets measured at fair value are revalued so that the carrying amount of the asset does not differ materially from its fair value.

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Site Improvements	\$10,000
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Items with a lesser value are expensed in the year of acquisition. Expenditure is only capitalised if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (arising from ordinary wear and tear etc.) is expensed.

Revaluation of Non-Current Physical Assets

Site Improvements are measured at fair value in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement and Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses where applicable.

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.

The cost of assets acquired during the financial year have been judged by management to materially represent their fair value at the end of the reporting period.

Impairment

All non-current physical assets are assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Trust determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Depreciation

Depreciation on site improvements 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 non-depreciable value, progressively over its estimated useful life to the Trust.

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 Trust.

9. Fair Value

The Trust recognises the following asset class at fair value:

- Site Improvements

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

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

Site Improvements (Level 3)

Site improvements have been valued using the cost approach.

The Trust used unit rates sourced from Western Downs Regional Council's engineering department to determine the assets current value. Western Downs Regional Council's engineering department has extensive day-labour construction knowledge and experience which enables them to provide accurate unit

Accumulated Depreciation

In determining the level of accumulated depreciation, a review of the useful lives, remaining useful lives, condition and non-depreciable value was undertaken by Western Downs Regional Council's engineering department.

Wambo Shire River Improvement Trust
Notes To and Forming Part of the Financial Statements
For the period ended 30 June 2019

	2019	2018
	\$	\$
10. Trade and Other Payables		
Expenses Payable	-	1,864
Accrued Expenses	15,025	4,589
Total	15,025	6,453

11. Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Trust becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and Cash equivalents - held at fair value through profit and loss
- Receivables - held at carrying amount
- Payables - held at carrying amount

The carrying amounts of trade receivables and payables are assumed to approximate their fair value due to their short-term nature.

No financial assets and financial liabilities have been offset and presented on a net basis in the Statement of Financial Position.

The Trust does not enter into, or trade with, such instruments for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Trust holds no financial assets classified at fair value through profit and loss.

12. Transactions With Related Parties

(a) Key Management Personnel

The following details for non-Ministerial key management personnel include those Trust positions, and the personnel occupying them, that had authority and responsibility for planning, directing and controlling the activities of the Trust during 2018-19.

<i>Position</i>	<i>Position Responsibility</i>
<i>Chairperson</i>	The strategic leadership, guidance and effective oversight of the management of the Trust, including its operational and financial performance.
<i>Board Members</i>	The strategic leadership, guidance and effective oversight of the management of the Trust, including its operational and financial performance.

Remuneration Policy

The remuneration for the Chairperson and Members is a per meeting stipend. There is no other remuneration paid to the key management personnel of the Trust

Meetings of less than 4 hours duration pay the Chairperson \$195 and Members \$150. Meetings of more than 4 hours duration pay the Chairperson \$390 and Members \$300.

The Secretary and Engineer are paid a yearly allowance of \$208 per annum. The Secretary and the Engineer have elected to forgo this allowance in the current financial year.

Wambo Shire River Improvement Trust
Notes To and Forming Part of the Financial Statements
For the period ended 30 June 2019

During the 2018-19 financial year, four meetings were held, for a duration of approximately one hour.

Related Party Transactions

During the 2018-19 financial year there were no related party transactions between the Trust and its key management personnel or related parties.

(b) Relationship Between the Wambo Shire River Improvement Trust and the Western Downs Regional Council.

The Trust receives operational and administrative support from the Western Downs Regional Council, at no cost to the Trust, in undertaking its functions. The value of the contribution received for these services is impractical to determine and its omission is not considered to be material to the users of the financial statements.

13. Correction of Error

Provisions had been made to pay councillors an attendance fee for the time they contributed to the Trust. Based on additional information, it has been found that Councillors are not eligible to be paid an allowance under the River Improvement Trust Act 1940, due to attendance at the Trust meetings being considered part of their standard duties as a councillor.

In addition, the finalisation of the 2016-17 and 2017-18 audits were completed in 2018-19. There was additional work to substantiate asset valuations for these financial years. The increased work, required to complete the audits, resulted in \$5,500 of additional audit fees.

The net effect of these events is an adjustment of (\$3,636) to opening Equity and Expenses Payable. The correction is recorded in the Statement of Changes in Equity, and Note 10 Trade and Other Payables.

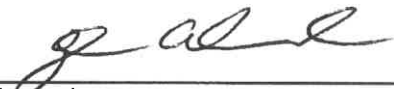
**MANAGEMENT CERTIFICATE OF
WAMBO SHIRE RIVER IMPROVEMENT TRUST**

These general purpose financial statements have been prepared pursuant to s. 62 (1)(a) of the *Financial Accountability Act 2009 (the Act)* , s.43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Wambo Shire River Improvement Trust (the Trust) for the financial year ended 30 June 2019 and of the financial position of the Trust as at the end of that year; and

We acknowledge responsibility under s.8 and s.15 of the Financial and Performance Management Standard 2009 for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting



John Alexander
Chairperson

12/12/19

Date



Graham Parsons
Secretary

19.12.2019

Date

INDEPENDENT AUDITOR'S REPORT

To the Board of Wambo Shire River Improvement Trust

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Wambo Shire River Improvement Trust.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2019, 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 summaries of significant accounting policies and other explanatory information, and the management certificate.

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 entity 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.

Responsibilities of the Board for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity'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 entity or to otherwise cease operations.

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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity'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 entity'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 entity 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.

I communicate with the Board 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 2019:

- 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.



Melissa Fletcher
as delegate of the Auditor-General

17 February 2020

Queensland Audit Office
Brisbane