



Wambo Shire River Improvement Trust

Financial Statements
For The Year Ended
30 June 2020

Wambo Shire River Improvement Trust
Financial Statements
For the year ended 30 June 2020

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**Wambo Shire River Improvement Trust
Statement of Comprehensive Income
For the year ended 30 June 2020**

	Notes	2020 \$	2019 (Restated) \$
Income from Continuing Operations			
Grants & Other Contributions	2	12,828	106,956
Other Income	3	2,087	2,101
Total Recurrent Income from Continuing Operations		14,915	109,057
Expenses from Continuing Operations			
Supplies & Services	4	21,461	8,720
Administration Expenses	5	12,972	6,477
Depreciation Expense		12,872	13,702
Other Expenses	6	44,310	-
Total Recurrent Expenses from Continuing Operations		91,615	28,899
Net Result from Continuing Operations		(76,700)	80,158
Other Comprehensive Income			
Increase/(Decrease) in asset revaluation surplus		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		(76,700)	80,158

Wambo Shire River Improvement Trust
Statement of Financial Position
As at 30 June 2020

	Notes	2020 \$	2019 (Restated) \$
Current Assets			
Cash and Cash Equivalents	7	106,524	138,843
Trade and Other Receivables	8	875	-
Total Current Assets		<u>107,399</u>	<u>138,843</u>
Non-Current Assets			
Property, Plant & Equipment	9	297,934	355,116
Total Non-Current Assets		<u>297,934</u>	<u>355,116</u>
Total Assets		<u>405,333</u>	<u>493,958</u>
Current Liabilities			
Trade and Other Payables	11	3,100	15,025
Total Current Liabilities		<u>3,100</u>	<u>15,025</u>
Total Liabilities		<u>3,100</u>	<u>15,025</u>
Net Assets		<u>402,233</u>	<u>478,933</u>
Equity			
Asset Revaluation Surplus		167,927	167,927
Accumulated Surplus		234,306	311,006
Total Equity		<u>402,233</u>	<u>478,933</u>

Wambo Shire River Improvement Trust
Statement of Changes of Equity
For the year ended 30 June 2020

2020

	Accumulated Surplus \$	Asset Revaluation Surplus	Total \$
Balance as at 1 July 2019	311,006	167,927	478,933
Correction of Prior Period Errors	-	-	-
Increase/(Decrease) in asset revaluation surplus	-	-	-
Net Result for the Year	(76,700)	-	(76,700)
Balance as at 30 June 2020	<u>234,306</u>	<u>167,927</u>	<u>402,233</u>

2019 (Restated)

	Accumulated Surplus \$	Asset Revaluation Surplus	Total \$
Balance as at 1 July 2018	234,484	167,927	402,411
Correction of Prior Period Errors	(3,636)	-	(3,636)
Increase/(Decrease) in asset revaluation surplus	-	-	-
Net Result for the Year	80,158	-	80,158
Balance as at 30 June 2019	<u>311,006</u>	<u>167,927</u>	<u>478,933</u>

Wambo Shire River Improvement Trust
Statement of Cash Flows
For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
<i>Inflows:</i>			
Operating Grants		4,157	102,504
Interest Received		2,086	2,101
<i>Outflows:</i>			
Supplies and services		(38,563)	(4,989)
Net cash provided by (used in) operating activities		<u>(32,320)</u>	<u>99,616</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		(32,320)	99,616
Cash and cash equivalents at beginning of financial year		138,843	39,226
Cash and cash equivalents at end of financial year	7	<u><u>106,523</u></u>	<u><u>138,843</u></u>

Wambo Shire River Improvement Trust
Notes To and Forming Part of the Financial Statements
For the period ended 30 June 2020

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 2019*.

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020 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 13.

The Trust did not engage any employees, paid or voluntary, during the year ended 30 June 2020.

(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 2020

(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 2020

	2020	2019
	\$	\$
2. Grants and Other Contributions		
Government Subsidies and Grants	4,158	102,504
In Kind Assistance Received	8,670	4,452
Total	<u><u>12,828</u></u>	<u><u>106,956</u></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	2,087	2,101
Total	<u><u>2,087</u></u>	<u><u>2,101</u></u>

4. Supplies and Services

Audit Expenses	3,100	3,100
Insurance	820	820
Subscriptions	1,700	1,400
Training	617	-
Maintenance & Repairs	15,224	3,400
Total	<u><u>21,461</u></u>	<u><u>8,720</u></u>

5. Administration Expenses

Allowances - Trust Officers	416	416
Meeting Fees & Related Expenses	4,302	2,025
Council - Inkind Support	8,254	4,036
Total	<u><u>12,972</u></u>	<u><u>6,477</u></u>

6. Other Expense

Loss on Disposal of Property Plant and Equipment	44,310	-
Total	<u><u>44,310</u></u>	<u><u>-</u></u>

7. Cash and Cash Equivalents

Deposits held in trust by Western Downs Regional Council (the Council)	106,524	138,843
Total	<u><u>106,524</u></u>	<u><u>138,843</u></u>

Cash and cash equivalents include all cash and cheques receipted at 30 June 2020 as well as deposits held at call with financial institutions.

8. Trade and Other Receivables

Prepayments	875	-
Total	<u><u>875</u></u>	<u><u>-</u></u>

Wambo Shire River Improvement Trust
Notes To and Forming Part of the Financial Statements
For the period ended 30 June 2020

	2020	2019
	\$	\$
9. Property, Plant & Equipment		
Site Improvements: at fair value	694,515	814,022
Accumulated Depreciation	(396,581)	(458,906)
Total	297,934	355,116

		Site Improvements	Works In Progress	Total
30-Jun-20	Note	Fair Value	Cost	
Measurement Basis				
Opening Gross Balance		814,022	-	814,022
Additions		-	-	-
Disposals		(119,507)	-	(119,507)
Revaluation adjustment to the ARR		-	-	-
Works in Progress Transfers		-	-	-
Total Gross Value of Property, Plant & Equipment		694,515	-	694,515
Opening Accumulated Depreciation		(458,906)	-	(458,906)
Corrections to Opening Balances		-	-	-
Depreciation Expense		(12,872)	-	(12,872)
Disposals		75,197	-	75,197
Revaluation Decrements to ARR		-	-	-
Total Accumulated Depreciation of Property, Plant & Equipment		(396,581)	-	(396,581)
Total Net Book Value of Property, Plant & Equipment		297,934	-	297,934

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 2020

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.

Wambo Shire River Improvement Trust
Notes To and Forming Part of the Financial Statements
For the period ended 30 June 2020

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.

10. 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.

Fair values were determined by an independent registered valuer, Australis (QLD Reg No. 2997). Who undertook a comprehensive valuation effective 31 January 2020.

The valuer utilised the cost approach to determine the fair values of assets. Inputs included:

- Gross Replacement Cost
- Incremental Greenfield Unit Rates
- A review of useful lives
- Determining the remaining service potential of the assets

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 Australis as part of the valuation. This review resulted in the disaggregation of significant components which exhibit different useful lives. As part of this review (where applicable) adjustment to useful lives and remaining useful lives have been reflected in the valuation.

Wambo Shire River Improvement Trust
Notes To and Forming Part of the Financial Statements
For the period ended 30 June 2020

	2019	2018
	\$	\$
11. Trade and Other Payables		
Accrued Expenses	3,100	15,025
Total	<u><u>3,100</u></u>	<u><u>15,025</u></u>

12. 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.

13. 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 2019-20.

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

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 2020

During the 2019-20 financial year, four meetings were held, for a duration of approximately two hours.

Related Party Transactions

During the 2019-20 financial year there were no related part 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 in undertaking its functions. The value of the contributions received for these services is recognised, where practical, as a cost and an in kind assistance income amount to the Trust.

14. Correction of Error

The Trust engaged Australis to undertake a comprehensive asset valuation at 31 January 2020.

This was the first independent valuation the Trust has had undertaken since the assets were brought into the accounts at the Trust's valuation.

As part of the valuation the assets have now been valued using unit rates to determine the current replacement cost to renew the assets with the current market equivalent. In addition, the assets were componentised for the first time which provides a more accurate representation of the value of each element of the assets.

Given the significant time which has elapsed since the assets were brought into the Trusts accounts and how close the valuation was undertaken to when the prior year statements were signed off it has been identified that the balance of the assets in the 2018-2019 financial year did not reflect the current value of the assets. This error has been corrected by revaluing the asset values at 1 July 2018.

The adjustments are as follows:

Statement of Financial Position (Extract)

	Previous Amount 1 July 2018 \$	Adjustment \$	Restated Amount 30 June 2019 \$
Property, Plant & Equipment	527,335	286,688	814,023
Asset Revaluation Surplus	-	167,927	167,927
Accumulated Depreciation	326,444	132,463	458,906
Accumulated Surplus	316,605	(5,599)	311,006

Statement of Comprehensive Income (Extract)

	Previous Amount 1 July 2018 \$	Adjustment \$	Restated Amount 30 June 2019 \$
Depreciation	8,103	5,599	13,702
Operating Result	85,757	(5,599)	80,158

These changes have been included in a restated Statement of Financial Position and Statement of Comprehensive Income for the 2018-2019 Financial Year.

**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.39 of the *Financial and Performance Management Standard 2019* 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 2020 and of the financial position of the Trust as at the end of that year; and

We acknowledge responsibility under s.7 and s.11 of the Financial and Performance Management Standard 2019 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 period.



John Alexander
Chairperson

30/11/2020

Date



Graham Parsons
Secretary

30.11.2020

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 2020, 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 2019 and Australian Accounting Standards – Reduced Disclosure Requirements.

The financial report comprises the statement of financial position as at 30 June 2020, 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 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 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 2019 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

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- 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.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Melissa Fletcher
as delegate of the Auditor-General

15 December 2020

Queensland Audit Office
Brisbane