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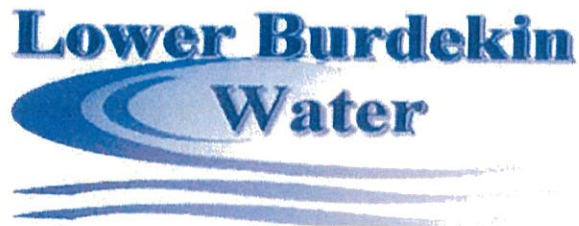
LOWER BURDEKIN WATER

FINANCIAL STATEMENTS

2021/22 DISCLAIMER

The information contained in the annual financial statements and website is for general information purposes only and are not to be used as an official copy. A hard copy of the annual financial statements can be obtained from the Lower Burdekin Water Ayr Office at 112 Airdmillan Road, Ayr Queensland, 4807.

**LOWER BURDEKIN WATER
FINANCIAL STATEMENTS 2021-22**



General Information

These financial statements and financial report cover Lower Burdekin Water (the Authority).

The Authority is a Statutory Body governed under the *Water Act 2000*. The Statutory Body is controlled by the State of Queensland, which is the ultimate parent.

The office and principal place of business is:
112 Airdmillan Road
AYR QLD 4807

A description of operations and principal activities is included in the notes to the financial statements. Lower Burdekin Water was established as the new alternative institutional structure on the 18 February 2015 following the dissolution of the previous category two water boards known as the North Burdekin Water Board and the South Burdekin Water Board.

For information in relation to the Authority's Financial Report please contact Elliott Gullotta on phone at Ayr Office 07 4783 1988 or Home Hill Office 07 4782 1703, email elliott.gullotta@lowerburdekinwater.com.au or visit the Authority's website www.lowerburdekinwater.com.au.

LOWER BURDEKIN WATER
For the year ended 30 June 2022

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LOWER BURDEKIN WATER
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue			
User charges and fees	B1-1	9,374,711	8,590,378
Other income	B1-2	111,647	67,720
Grants and other contributions	B1-3	1,906,961	183,227
Interest Earned from Cash Management			
Interest income	B1-4	49,010	51,277
Total Revenue		<u>11,442,329</u>	<u>8,892,603</u>
Gains on disposal/remeasurement of assets	B1-5	5,000	47,655
Total Revenue and Other Income		<u>11,447,329</u>	<u>8,940,258</u>
Expenses			
Employee expenses	B2-1	1,990,830	2,056,717
Supplies and services	B2-3	4,231,653	4,084,544
Depreciation expense	C5	1,450,133	1,339,877
Revaluation decrement		-	183,744
Loss on disposal		13,796	2,096,787
Total Expenses		<u>7,686,411</u>	<u>9,761,668</u>
Operating Result from Operations		<u>3,760,918</u>	<u>(821,409)</u>
Other Comprehensive Income			
Increase (decrease) in asset revaluation surplus	C10	1,659,410	1,133,899
Total Items that will not be Reclassified to Operating Result		<u>1,659,410</u>	<u>1,133,899</u>
Total Other Comprehensive Income		<u>1,659,410</u>	<u>1,133,899</u>
Total Comprehensive Income		<u>5,420,328</u>	<u>312,490</u>

The accompanying notes form part of these statements.

LOWER BURDEKIN WATER
STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Notes	2022 \$	2021 \$
Current Assets			
Cash and cash equivalents	C1	12,751,514	8,833,358
Receivables	C2	923,785	462,361
Contract assets	C3	441,522	0
Inventories		77,241	90,320
Other current assets		23,671	18,316
Total Current Assets		14,217,733	9,404,355
Non Current Assets			
Intangible assets	C4	4,500,000	4,500,000
Property, plant and equipment	C5	59,379,894	55,324,405
Total Non Current Assets		63,879,894	59,824,405
Total Assets		78,097,627	69,228,760
Current Liabilities			
Payables	C6	1,637,991	900,016
Borrowings	C7	114,634	114,634
Provision for employee benefits	C8	743,489	782,797
Other current liabilities	C9	18,852	138,744
Total Current Liabilities		2,514,967	1,936,192
Non Current Liabilities			
Borrowings	C7	5,566,444	2,643,905
Provision for employee benefits	C8	23,167	75,942
Total Non Current Liabilities		5,589,611	2,719,847
Total Liabilities		8,104,577	4,656,038
Net Assets		69,993,049	64,572,722
Equity			
Contributed equity		49,474,216	49,474,216
Accumulated surplus		8,309,736	4,548,818
Asset revaluation surplus	C10	12,209,099	10,549,689
Total Equity		69,993,049	64,572,722

The accompanying notes form part of these statements.

LOWER BURDEKIN WATER
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2022

	Contributed Equity	Accumulated Surplus	Asset Revaluation Surplus (Note C-10)	Total
	\$	\$	\$	\$
Balance as at 1 July 2020	49,474,216	5,370,227	9,415,790	64,260,231
Operating Result from Operations	-	(821,409)	-	(821,409)
<i>Other Comprehensive Income</i>				
- Increase in asset revaluation surplus	-	-	1,133,899	1,133,899
Total Comprehensive Income for the year 2021	-	(821,409)	1,133,899	312,490
Balance as at 30 June 2021	49,474,216	4,548,818	10,549,689	64,572,721
Balance as at 1 July 2021	49,474,216	4,548,818	10,549,689	64,572,721
Operating Result from Operations	-	3,760,918	-	3,760,918
<i>Other Comprehensive Income</i>				
- Increase in asset revaluation surplus	-	-	1,659,410	1,659,410
Total Comprehensive Income for the year 2022	-	3,760,918	1,659,410	5,420,328
Balance as at 30 June 2022	49,474,216	8,309,736	12,209,099	69,993,049

The accompanying notes form part of these statements.

LOWER BURDEKIN WATER
STATEMENT OF CASH FLOWS
For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
User charges and fees		8,529,823	9,107,096
Other income		111,647	67,720
Grants and other contributions		1,906,961	183,227
Interest income		49,010	51,277
GST input tax credits from ATO		487,166	593,652
GST collected from customers		330,813	229,472
<i>Outflows:</i>			
Employee expenses		(2,082,514)	(2,049,754)
Supplies and services		(3,606,244)	(5,258,905)
GST remitted to ATO		(209,843)	(71,545)
GST paid to suppliers		(666,192)	(613,890)
Net Cash Provided by (used in) Operating Activities	CF1	<u>4,850,627</u>	<u>2,238,351</u>
Cash Flows from Investing Activities			
<i>Inflows:</i>			
Sale of property, plant & equipment		5,000	327,200
<i>Outflows</i>			
Payments for property, plant & equipment		(3,860,009)	(1,663,863)
Net Cash Provided (used in) by Investing Activities		<u>(3,855,009)</u>	<u>(1,336,663)</u>
Cash Flows from Financing Activities			
<i>Inflows:</i>			
Proceeds from borrowings		3,100,000	1,824,568
<i>Outflows:</i>			
Repayment of Borrowings		(177,461)	(56,895)
Net Cash Provided (used in) by Financing Activities		<u>2,922,539</u>	<u>1,767,673</u>
Net increase (decrease) in cash and cash equivalents		3,918,158	2,669,361
Cash and cash equivalents at beginning of financial year		8,833,353	6,163,996
Cash and cash equivalents at End of Financial Year	C1	<u>12,751,514</u>	<u>8,833,353</u>

The accompanying notes form part of these statements.

LOWER BURDEKIN WATER
For the year ended 30 June 2022

A1 - Basis of Financial Statement Preparation

A1-1 General Information about the Reporting Entity

These financial statements have been prepared in compliance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019, section 39*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2021.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis (with the exception of the statement of cash flows which is prepared on a cash basis) in accordance with Australian Accounting Standards - Simplified Disclosure Scheme (SDS) and Interpretations.

With respect to compliance with Australian Accounting Standards and Interpretations, the Authority has applied those requirements applicable to not-for-profit entities, as the Authority is operated on a not-for-profit basis. Except where stated, the historical cost convention is used.

A1-2 Presentation

Currency and Rounding - Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1, unless disclosure of the full amount is specifically required.

Comparatives - Comparative information reflects the audited 2020-21 financial statements.

Current/Non-Current Classification - Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Authority does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

A1-3 Basis of Measurement

Historical cost is used as the measurement basis in this financial report except for the following:

Land, buildings, infrastructure which are measured at fair value and plant and equipment which is measured at cost; Provisions expected to be settled 12 or more months after reporting date which are measured at their present value; and Inventories which are measured at the lower of cost and net realisable value.

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The cost approach reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The income approach converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

A1-4 The Reporting Entity

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

A1-5 Contributed Equity

Contributed equity as at 30 June 2022 includes the net assets of Lower Burdekin Water's predecessor entities (North Burdekin Water Board and South Burdekin Water Board) which were abolished on 18 February 2015 and their net assets transferred to Lower Burdekin Water.

LOWER BURDEKIN WATER
For the year ended 30 June 2022

A1-6 Taxation

The Authority is a statutory body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by Lower Burdekin Water. GST credits recoverable from, and GST payable to the Australian Taxation Office (ATO), are recognised as receivables and payables, respectively, on the statement of financial position (refer to Note C2).

A1-7 Authorisation of Financial Statements for Issue

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

A1-8 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.

Estimates and assumptions with the most significant effect on the financial statements are outlined in the following notes:

Receivables - Note C2
Payables - Note C6
Provisions - Notes C8
Valuation of Property, Plant and Equipment - Note C5

Further, the matters covered in each of those notes (except for Depreciation) necessarily involve estimation uncertainty with the potential to materially impact on the carrying amount of the Authority's assets and liabilities in the reporting period. Reference should be made to the respective notes for more information.

A1-9 New and Revised Accounting Standards

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Authority has reviewed the impact of AASB 1060 and identified the following impacts of the new standards of which came into effect on 1 July 2021:

The Authority reviewed the revised disclosure requirements under the simplified disclosure regime (SDR) and did not make any changes to the format of the financial statements.

A1-10 Future Impact of Accounting Standards Not Yet Effective

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendments set out in this standard apply to entities and financial statements in accordance with the application of the other Standards set out in AASB 1057 Application of Australian Accounting Standards.

This standard applies to annual periods beginning on or after 1 January 2023. The amendments to individual standards may be applied early, separately from the amendments to the other standards, where feasible.

The standard uses underlining, striking out and other typographical material to identify some of the amendments to a standard, in order to make the amendments more understandable. However, the amendments made by this standard do not include that underlining, striking out or other typographical material. Ellipses (...) are used to help provide the context within which amendments are made and also to indicate text that is not amended. The standard amends: AASB 7 Financial Instruments: Disclosures (August 2015); AASB 101 Presentation of Financial Statements (July 2015); AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (August 2015); AASB 134 Interim Financial Reporting (August 2015); and AASB 134 Interim Financial Reporting (August 2015).

At the date of authorisation of the financial report Australian Accounting Standard 2021-2 will have an impact in future financial periods.

AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

The new standard applies to annual reporting periods beginning on or after 1 January 2023, which was the original mandatory effective date of the amendments.

The standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (March 2020).

The deferred amendments, for example, clarified that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability was also clarified in those amendments.

At the date of authorisation of the financial report Australian Accounting Standard 2020-6 will have an impact in future financial periods.

LOWER BURDEKIN WATER
For the year ended 30 June 2022

B1 - Revenue	2022 \$	2021 \$
B1-1 User Charges and Fees		
Area Charge - Cane Grower	3,826,803	3,789,997
Area Charge - Cane Miller	1,886,178	1,867,241
Area Charge - Other Crops	249,088	228,232
Open Water Levies	2,699,648	2,133,307
Open Water Excess	210,071	82,675
Open Water River Base	16,475	31,410
Commercial Water	735	336
External Water Sales South	337,019	209,519
External Water Sales West	39,560	47,581
Sale of Structures	8,460	-
Sale of Surplus Equipment	888	-
Burdekin Shire Council Levies	100,988	200,000
Total	<u>9,374,711</u>	<u>8,590,378</u>

Accounting Policy

Sale of Services

Area charges relate to annual rates on ratepayer's land in the authority area in relation to a water service, these charges are issued at the start of the financial year. Open water and all other water related charges involve the supply of water for irrigation, commercial, stock and domestic purposes. These charges are invoiced in arrears based on the volume of water taken.

Sale of Goods

Revenue from sale of goods comprising of structures used for transporting water i.e. culverts, flow meters used for recording water usage and surplus equipment no longer required by the Authority and is invoiced in arrears.

B1-2 Other Income		
Administration Charge	700	900
Sundry Income	69,556	16,370
Fuel Tax Credit Income	41,391	50,450
Total	<u>111,647</u>	<u>67,720</u>

Accounting Policy

Sale of Services

The hire of equipment is only charged when performing scheduled capital and maintenance based works in connection with the Authority's infrastructure only and is invoiced in arrears. Administration charges - on completion of the requested service and license fees and is invoiced in arrears.

B1-3 Grants and Other Contributions		
Specific purpose capital grants	1,906,961	183,227
Total	<u>1,906,961</u>	<u>183,227</u>

Accounting Policy

Grants, contributions and donations are non-reciprocal transactions where the Authority does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the Authority to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by the Authority. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as the Authority satisfies its obligations under the grant through construction of the asset.

B1-4 Interest Income		
Interest Received - Online Fund	12,951	10,504
Interest Received - Entitlement Fund	2,281	5,981
Interest Received - Northern Development Fund	23,175	22,617
Interest Received - Southern Development Fund	3,649	3,253
Interest Received - Overdue Accounts	8,955	8,922
Total	<u>49,010</u>	<u>51,277</u>

B1-5 Gains on disposal/remeasurement of assets		
Net gains from disposal of land	5,000	-
Total	<u>5,000</u>	<u>47,655</u>

LOWER BURDEKIN WATER
For the year ended 30 June 2022

B2 - Expenses

B2-1 Employee Expenses

Employee Benefits		
Wages and Salaries	1,412,256	1,453,105
Superannuation	233,741	224,813
Annual Leave Expense	164,980	164,600
Long Service Leave Expense	(1,591)	30,216
Employee Related Expenses		
Workers Compensation	5,300	5,502
Payroll Tax	31,676	26,180
Other	144,467	152,299
Total	<u>1,990,830</u>	<u>2,056,717</u>

The number of employees as at 30 June 2022 including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	2022	2021
Number of Employees	18.26	18.26

Accounting Policy

Employer superannuation contributions, annual leave and long service leave payments are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but is not included as part of employees' total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, Salaries, and Personal leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

Superannuation

Employer superannuation contributions are paid to the employee's nominated superannuation fund. Contributions are expensed in the period in which they are paid. This liability is treated as a creditor of the Authority and no provision is shown in the financial statements.

Key Executive Management Personnel and Remuneration

Key executive management personnel and remuneration disclosures are made in accordance with Section 5 to the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Remuneration Note for the disclosures on key executive management personnel and remuneration.

2022	2021
\$	\$

Remuneration of Board Members and Senior Management

Board Members

Payments in respect of attendance at Meetings	<u>48,520</u>	<u>37,980</u>
Total Payments to Board Members	<u>48,520</u>	<u>37,980</u>
Board Members whose income was within the following bands:		
Earnings in the range \$0 - \$5,000	5	6
Earnings in the range \$5,001 - \$15,000	2	1
Earnings in excess of \$15,001	0	1

Key Executive Management Personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Authority for the 2021-22 period. Further information on these positions can be found in the body of the Annual Report under the Section relating to Executive Management.

Position and responsibilities	Current Incumbents*	
	Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Executive Officer - responsible for the day to day operations, finances, governance and due diligence of the Authority.	Salary	Appointed 4/06/2012
Technical Services Manager - responsible for maintaining all technical aspects of the Authority including but not limited to the geographic information systems, research and development, project management, workplace health and safety management and licencing.	Salary	Appointed 02/09/2013
Operations Manager - responsible for maintaining all plant and equipment, maintaining aquifers and providing entitlement holders with surface water when requested.	Salary	Appointed 28/08/1989
Finance Officer - responsible for providing high quality, consistent and cost effective financial services to all the Authority's functional areas.	Salary	Appointed 25/10/2010

* Date appointed to position refers to the date appointed by the predecessor abolished Water Board from which employee was transferred to Lower Burdekin Water on 18 February 2015.

Remuneration

Remuneration policy for the Authority's key executive management personnel is set by Lower Burdekin Water. The remuneration and other terms of employment for the key executive management personnel are specified in individual employment contracts.

LOWER BURDEKIN WATER
For the year ended 30 June 2022

Remuneration expenses for key executive management personnel comprises the following components:

- Short term employee benefits which include:

* Base - consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.

* Non-monetary benefits - consisting of provision of a vehicle together with fringe benefits tax applicable to the benefit.

- Long term employee benefits including long service leave accrued.
- Post employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individuals contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice of termination, regardless of the reason of termination.
- Performance bonuses are not paid under contracts in place.
- Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

1 July 2021 - 30 June 2022

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$	Non-Monetary Benefits \$				
Executive Officer	204,458	Full private use of company vehicle subject to FBT, Reportable Employee FBT amount was \$15,064	Accrued long service leave provision amount was \$1,143	29,708	-	250,373
Technical Services Manager	141,540	Full private use of company vehicle subject to FBT, Reportable Employee FBT amount was \$6,533	Accrued long service leave provision amount was \$754	28,270	-	177,096
Operations Manager	135,230	Full private use of company vehicle subject to FBT, Reportable Employee FBT amount was \$11,024	Accrued long service leave provision amount was \$1,174	28,172	-	175,599
Finance Officer	115,370	Full private use of company vehicle subject to FBT, Reportable Employee FBT amount was \$16,000	Accrued long service leave provision amount was \$987	23,676	-	156,034
Total Remuneration	596,597	48,621	4,058	109,825	-	759,102

LOWER BURDEKIN WATER
For the year ended 30 June 2022

1 July 2020 - 30 June 2021

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$	\$	\$	\$	\$	\$
Executive Officer	193,205	Full private use of company vehicle subject to FBT, Reportable Employee FBT amount was \$16,486	Accrued long service leave provision amount was \$1,126	29,119	-	239,936
Technical Services Manager	130,317	Full private use of company vehicle subject to FBT, Reportable Employee FBT amount was \$8,296	Accrued long service leave provision amount was \$743	26,148	-	165,504
Operations Manager	128,997	Full private use of company vehicle subject to FBT, Reportable Employee FBT amount was \$11,252	Accrued long service leave provision amount was \$1,156	26,075	-	167,480
Finance Officer	112,312	Full private use of company vehicle subject to FBT, Reportable Employee FBT amount was \$16,133	Accrued long service leave provision amount was \$972	22,749	-	152,166
Total Remuneration	564,831	52,167	3,997	104,091	-	725,086

LOWER BURDEKIN WATER
For the year ended 30 June 2022

B2-2 Related Party Transactions

Transactions with people/entities related to Key Management Personnel (KMP).

Several KMP had numerous revenue based transactions throughout the reporting period. Since these transactions are in the ordinary course of business, they have not been disclosed.

A helicopter/spraying company of a KMP was used to aerial spraying in a channel system. The total amount of all the invoices paid was not material and amounted to \$8,450. This invoice was paid under the standard accounts payable procedure for the Authority.

	2022 \$	2021 \$
B2-3 Supplies and Services		
<i>Administration</i>		
Overheads	798,978	750,887
<i>Operations</i>		
Vehicles	102,409	87,761
Equipment	257,396	224,190
Pump Stations	1,705,204	1,685,188
Channels	29,513	31,766
Research and Development	165,471	26,663
Water Allocation Charges	767,700	767,550
<i>Maintenance</i>		
Vehicles	26,514	21,431
Equipment	70,063	100,254
Pump Stations	194,302	197,365
Channels	74,750	135,038
Dams	50	18,000
Aquifers	4,904	8,132
Workshop	34,402	30,319
Total	<u><u>4,231,653</u></u>	<u><u>4,084,544</u></u>

External Audit Fees

Total External Audit Fees payable to Queensland Audit Office relating to the 2021-22 period are forecasted to be \$40,000. There are no non-assurance services included in this amount.

Accounting Policy

For a transaction to be classified as supplies and services, the value of goods and services received by the Authority must be of approximately equal value to the value of the consideration exchanged for those goods or services.

C1 Cash and Cash Equivalents

Operating Fund Bank Account	705,333	1,777,410
Online Interest Account	3,183,530	858,293
Leave Provision Account	860,762	858,471
Northern Development Account	6,565,013	5,150,718
Southern Development Account	1,436,687	188,502
Petty Cash	200	200
Total	<u><u>12,751,514</u></u>	<u><u>8,833,358</u></u>

Accounting Policy

Cash and cash equivalents include all cash and cheques received at 30 June as well as deposits held at call with financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments qualify as cash equivalents if they have a short maturity of three months or less from the date of acquisition.

LOWER BURDEKIN WATER
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	2022	2021
	\$	\$
C2 Receivables		
Trade Receivables and Accruals	858,282	454,816
Provision for Impairment	(2,685)	(2,586)
GST Receivable	68,188	10,130
Total	<u>923,785</u>	<u>462,363</u>
C3 Contract Assets		
Contract Assets	441,522	-
Total	<u>441,522</u>	<u>-</u>

Accounting Policy

Trade debtors are recognised at the amounts due at the time of sale or service delivery. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for expected credit losses. The loss allowance is estimated based on the probability and timing of potential defaults, and takes into account forecasts of future economic conditions as well as past events. All known bad debts were written-off as at 30 June.

Contract assets arise from contracts with customers, and are transferred to receivables when the Authority's right to payment becomes unconditional.

Non Current Assets

	2022	2021
	\$	\$
C4 Intangible Assets		
Purchase of Additional 45,000 ML of Water Allocation	4,500,000	4,500,000
Total	<u>4,500,000</u>	<u>4,500,000</u>

Accounting Policy

Intangible assets with a cost or other value greater than \$100,000 are recognised in the statement of financial position, items with a lesser value being expensed. Each intangible asset is amortised over its estimated useful life to the Authority, less any anticipated residual value. The residual value is zero for all the Authority's intangible assets. If the useful life of the intangible asset is indefinite then the asset is not amortised.

Purchase of Additional 45,000 ML Water Allocation above the allocations gazetted in 1992.

The purchase of an additional 45,000 megalitres of water allocation above the allocations gazetted in 1992 was based on a commercial contractual agreement. This allocation is non-transferrable under current provisions contained within the *Water Act 2000*. The asset has been recorded at cost.

The intangible asset is the purchase price for an indefinite life licence for water allocation from the board of the Department of Regional Development, Manufacturing and Water. The licence for water allocation is tradeable at market value. The water volume is replenished every year from the Burdekin Dam.

The intangible asset is assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Authority 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.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the Authority. The recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

LOWER BURDEKIN WATER
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C5 Property, Plant and Equipment Reconciliation

	Land 2021	Buildings 2021	Infrastructure 2021	Plant & Equipment 2021	Capital Works in Progress 2021	TOTALS 2021
	\$	\$	\$	\$	\$	\$
Gross	402,549	1,829,085	86,115,782	3,924,778	456,902	92,729,096
Less: Accumulated depreciation	-	(827,798)	(34,773,206)	(1,803,685)	-	(37,404,690)
Carrying amount at 30 June 2021	402,549	1,001,287	51,342,575	2,121,092	456,902	55,324,405
Carrying amount at 1 July 2020	586,293	797,819	48,998,707	1,512,952	4,530,819	56,426,591
Acquisitions	-	-	114,211	1,312,429	237,223	1,663,863
Disposals	-	-	(1,903,335)	(472,997)	-	(2,376,332)
Transfers between asset classes	-	224,434	4,070,421	16,286	(4,311,141)	-
Revaluation Increment / (Decrement)	(183,744)	16,792	1,117,107	-	-	950,155
Depreciation	-	(37,757)	(1,054,541)	(247,579)	-	(1,339,877)
Carrying amount at 30 June 2021	402,549	1,001,287	51,342,575	2,121,092	456,902	55,324,405
	Land 2022	Buildings 2022	Infrastructure 2022	Plant & Equipment 2022	Capital Works in Progress 2022	TOTALS 2022
	\$	\$	\$	\$	\$	\$
Gross	402,549	1,868,550	88,307,165	3,990,044	4,078,841	98,647,150
Less: Accumulated depreciation	-	(674,524)	(36,527,719)	(2,065,011)	-	(39,267,255)
Carrying amount at 30 June 2022	402,549	1,194,026	51,779,446	1,925,033	4,078,841	59,379,895
Carrying amount at 1 July 2021	402,549	1,001,287	51,342,570	2,121,091	456,902	55,324,400
Acquisitions	-	10,640	52,615	75,239	3,696,462	3,834,957
Disposals	-	-	(13,796)	-	-	(13,796)
Transfers between asset classes	-	-	74,523	-	(74,523)	-
Transfer to expense	-	-	(29,150)	54,202	-	25,052
Revaluation Increment / (Decrement)	-	229,762	1,429,648	-	-	1,659,410
Depreciation	-	(47,664)	(1,076,969)	(325,500)	-	(1,450,133)
Carrying amount at 30 June 2022	402,549	1,194,026	51,779,446	1,925,033	4,078,841	59,379,895

Accounting Policy

The capital works in progress relate to Infrastructure Major Works (\$3,580,600), Infrastructure Gates/Culverts (\$483,364) and Research and Development (\$14,877)

Acquisition of Assets

Historical cost is utilised for all property, plant and equipment acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

Property, Plant & Equipment

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:

Buildings	\$5,000
Infrastructure	\$5,000
Plant & Equipment	\$5,000
Land	\$1

For any minor plant and equipment assets costing between \$1,000 to \$5,000 these assets will be included on the depreciation schedule in a low value pool. These assets will not be subject to a Capital Expenditure Authorisation approval prior to purchase and will be fully depreciated in the relevant financial year in which the asset is purchased. Minor individualised computer equipment that falls into the \$1,000 to \$5,000 range i.e. laptop will not be included in the low value pool and instead will be shown as a separate line item in the depreciation schedule and will not be subject to Capital Expenditure Authorisation approval.

Items with a lesser value are expensed in the year of acquisition excluding flow meters costing less than \$5,000 will be included on the depreciation schedule in the infrastructure asset class.

Expenditure is capitalised where it is probable that the expenditure will produce future service potential for the Authority. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's Non Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment is not materially different from their fair value.

Depreciation

Land is not depreciated as it has an unlimited useful life.

Buildings and property, plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Authority.

The estimation of useful lives of assets for any newly acquired assets between full comprehensive asset revaluations will be determined based on the contracted asset revaluation company's advice, manufacturer's advice, historical experience with similar assets as well as considerations such as asset turnover practices. Reassessment of useful lives are undertaken annually by the Authority. Any consequential adjustments to remaining useful life estimates are implemented prospectively.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes with property, plant and equipment.

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 and are depreciated accordingly.

Any expenditure that increases the original 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 Authority.

For each class of depreciable asset the following depreciation rates are used:

Buildings	2-43 years
Plant & Equipment	1-35 years
Infrastructure	20-100 years

Asset Revaluation

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by management employees (Executive Officer, Finance Officer, Technical Services Manager and Operations Manager) who determine the specific revaluation practices and procedures and oversee the revaluation processes. Management undertake annual reviews of the revaluation practices (after each year's revaluation exercise), and report to the Board regarding the outcomes of, and recommendations arising from, each annual review.

If a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. For the financial year an indexation increase of 24% was applied to building assets, increase of 5% to infrastructure control assets, increase of 3% to infrastructure intake assets and a decrease of 5% to infrastructure other assets.

Fair Value Measurement

Land, buildings and infrastructure assets are revalued using the gross method of revaluation, as per Queensland Treasury's revised Non-current Asset Policies for the Queensland Public Sector. Assets are revalued using a cost valuation approach (e.g. written down current replacement cost) under which accumulated depreciation is adjusted to equal the difference between the gross amount and the carrying amount, after taking into account accumulated impairment losses.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available.

All assets and liabilities of the Authority for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
 - level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly:
 - (a) Quoted prices for similar assets or liabilities in active markets;
 - (b) Quoted prices for identical or similar assets or liabilities in markets that are not active;
- Adjustments to Level 2 inputs will vary depending on factors specific to the asset or liability. Those factors include the following:
- (a) The condition or location of the asset and
 - (b) The volume or level of activity in the markets within which the inputs are observed.
- level 3 – inputs are unobservable inputs for the asset or liability.

Land

The last comprehensive assessment for Land was performed under the AASB 116 and AASB 13 standards as at 30 June 2020, with interim assessments performed as at 30 June 2021 and 30 June 2022. It was noted from LBW staff that since the previous valuation, there has been no material change in the condition of the assets. The revaluation of the assets was assessed using the Cost Approach and Market Approach. Where there is an active and liquid market as evidenced by sales transactions of similar property types, a Market Approach by way of Direct Comparison or Income methods can be utilised, and are accepted valuation methodologies under AASB 13. If a Market Approach is adopted, the valuation is deemed to be a Level 2 input.

Direct Comparison method, which is considered a Level 2 input on the Fair Value Hierarchy, involves the analysis of sales evidence and comparisons with the subject land taking into account matters such as area, location and other general site characteristics. The Authority notes the Direct Comparison approach has been utilised in their assessment for all Land Assets, depending on the following assumptions:

- Whether the land is subject to restrictions as to use and/or sale;
- Whether there is no active market.

If these assumptions apply to the land as per Queensland Treasury NCAP 3, the expected Fair Value is measured as a Level 3. However if an active market can be established and there are no unreasonable restrictions as to use and/or sale the measurement is deemed to be a Level 2. Land that is utilised for footpath or access restriction purposes, land that is a volumetric title, or due to its general characteristics land that has no observable active market, has been assessed as a Level 3.

The valuation techniques used to measure fair value maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of fair values.

The unobservable inputs used to assess the level of remaining service potential required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

Infrastructure and Buildings

The last comprehensive assessment for Infrastructure and buildings was performed under AASB 116 and AASB 13 as at 30 June 2020, with interim assessments performed as at 30 June 2021 and 30 June 2022. Since the previous valuation, there has been no material change in the condition of the assets.

The infrastructure, building and other asset valuations have been undertaken on a Cost Approach (Current Replacement Cost), an accepted valuation methodology under AASB 13. The cost approach is deemed a Level 3 input. Under this approach, the following process has been adopted:

Inputs to the valuation include the design and construction, average cost of construction, condition and consumption score for each component. As these are supported by observable evidence obtained via inspection and market evidence they have been classified as Level 2 inputs. The unobservable inputs used to assess the level of remaining service potential required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

As the Cost Approach is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

As a result, the revaluation for each asset portfolio is classified as having been valued using Level 3 valuation inputs.

Under this approach, the cost to replace the asset is calculated and then adjusted to take account any accumulated depreciation. The valuer disaggregated the assets into different components and for each component determined a value based on the interrelationship between a range of factors, for example.

- Significant increases (decreases) in the rated condition, useful and remaining life of assets in isolation would result in significantly higher (lower) fair value measurement.
- Significant increases (decreases) in the adopted unit rates would result in significantly higher (lower) fair value measurement.
- Significant increases (decreases) in the residual value would result in significantly higher (lower) fair value measurement.
- While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as useful and remaining life) were also required (level 3).

Indicators of Impairment and Determining Recoverable Amount

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, the Authority determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use subject to the following:

- As a not-for-profit entity, certain property, plant and equipment of the Authority is held for the continuing use of its service capacity and not for the generation of cash flows. Such assets are typically specialised in nature. In accordance with AASB 136, where such assets are measured at fair value under AASB 13, that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. As a consequence, AASB 136 does not apply to such assets unless they are measured at cost.
- For other non-specialised property, plant and equipment measured at fair value, where indicators of impairment exist, the only difference between the asset's fair value and its fair value less costs of disposal is the incremental costs attributable to the disposal of the asset. Consequently, the fair value of the asset determined under AASB 13 will materially approximate its recoverable amount where the disposal costs attributable to the asset are negligible. After the revaluation requirements of AASB 13 are first applied to these assets, applicable disposal costs are assessed and, in the circumstances where such costs are not negligible, further adjustments to the recoverable amount are made in accordance with AASB 136.

For all other remaining assets measured at cost, and assets within the economic entity held for the generation of cash flows, the recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

Value in use is equal to the present value of the future cash flows expected to be derived from the asset, or where the Authority no longer uses an asset and has made a formal decision not to reuse or replace the asset, the value in use is the present value of net disposal proceeds.

Recognising Impairment Losses

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available in respect of the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement. For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

Reversal of Impairment Losses

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.

For assets measured at fair value, to the extent the original decrease was expensed through the statement of comprehensive income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through asset revaluation surplus.

For assets measured at cost, impairment losses are reversed through Income.

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	2022	2021
	\$	\$
C6 Payables		
Trade Payables and Accruals	1,637,991	900,416
Accrued Superannuation	-	(400)
	<u>1,637,991</u>	<u>900,016</u>

Accounting Policy

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

C7 Borrowings - Current

Queensland Treasury Corporation Borrowings	114,634	114,634
	<u>114,634</u>	<u>114,634</u>

C7 Borrowings - Non-current

Queensland Treasury Corporation Borrowings	5,566,444	2,643,905
	<u>5,566,444</u>	<u>2,643,905</u>

Total Provision for Borrowings	CF2	<u>5,681,078</u>	<u>2,758,539</u>
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Accounting Policy

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of a financial liability to the amortised cost of the liability. The fair value of borrowings are subsequently measured at market value.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are split between current and non-current liabilities using the principles set out in the foreword and preparation information section of this financial report.

All borrowings by the Authority are from the Queensland Treasury Corporation (QTC), for terms of 20 years. There have been no defaults or breaches of the loan agreement. No assets have been pledged as security for any borrowings.

The interest rate for the three loan borrowings are 2.06%, 2.21% and 2.35%. No interest has been capitalised during the current or comparative period.

C8 Provision for Employee Benefits - Current

Annual Leave	239,497	262,666
Long Service Leave	440,898	458,556
Personal Leave	52,170	51,399
Employee related on-costs	10,923	10,176
	<u>743,489</u>	<u>782,797</u>

C8 Provision for Employee Benefits - Non-current

Long Service Leave	23,167	75,942
	<u>23,167</u>	<u>75,942</u>

Total Provision for Employee Benefits		<u>766,656</u>	<u>858,739</u>
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LOWER BURDEKIN WATER
For the year ended 30 June 2022

Accounting Policy

Provisions are recorded when the Authority has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

Personal Leave

Prior history indicates that on average, personal leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused personal leave entitlements is recognised except for the one employee to whom personal leave vests, where the personal leave expense is recognised as it accrues.

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 interest rates, as at the reporting date, of Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value. The Authority has chosen to calculate the value of the liability based on current pay rates and projected future increases in those rates and also includes related employee on costs. The liability is treated as a provision of the Authority.

Annual Leave

A liability for annual leave is recognised and based on current wage and salary levels with an additional allowance being made for annual leave loading and superannuation. The liability is treated as a provision of the Authority.

	2022	2021
	\$	\$
C9 Other Current Liabilities		
Accrued Expenses	4,964	71,917
Contract Liabilities	13,888	66,827
	18,852	138,744

C10 Asset Revaluation Surplus by Class:

	Buildings	Infrastructure	Total
	\$	\$	\$
Balance 1 July 2020	476,151	8,939,639	9,415,790
Revaluation Increment	16,792	1,117,107	1,133,899
Carrying amount at 30 June 2021	492,943	10,056,746	10,549,689
	Buildings	Infrastructure	Total
	\$	\$	\$
Balance 1 July 2021	492,943	10,056,746	10,549,689
Revaluation Increment	229,762	1,429,648	1,659,410
Carrying amount at 30 June 2022	722,705	11,486,394	12,209,099

LOWER BURDEKIN WATER
For the year ended 30 June 2022

D1 Commitments and Contingencies

The Authority currently implements a cash reserve balance contingency that is used to fund capital projects and is set at a level in order to cover five months of budgeted expenses (excluding non cash items i.e. depreciation) at any one time, all accrued employee benefits. This acts as a risk mitigation strategy.

The Authority is a party to the Bindal People Native Title determination application to the Federal Court. The Authority owns and operates water distribution infrastructure on lands within the application area. The Authority joined on the first of August 2017 as a co-respondent to Federal Court proceedings QUD203/2016 and as at 30 June 2022 the applicants are yet to establish connectivity. It is not possible to make a reliable estimate of the final amount payable. The Authority will continue to work through this process over the coming years.

As at 30 June 2022 there are two capital projects which have contractual commitments that are still ongoing. These projects are scheduled to be completed by the October 2022 and June 2023. In relation to these projects, the Authority had a committed amount of \$3,697,771 at year end.

The Authority entered into the whole of government electricity contract for selected pump stations in June 2021. The contract commenced in July 2021 and will finish in December 2028. During the contractual period neither party may terminate or has any right to terminate or obtain any order with the effect of terminating the contract. Following the expiration of the term of the contract the Authority will need to secure another electricity retail contract with a retail provider. Given the rate in which other entities are moving away from the regulated tariffs, it is reasonable to believe that the contestable energy retail market will be a lot stronger at the end of the contractual period than it is currently. The anticipated forecasted annual savings should limit the financial risk to ensure sufficient funds are available to cater for any excess or shortfall charges if they are incurred.

D2 Events Occurring after Balance Date

The Authority considers the following events to have a potential significant unbudgeted financial impacts. Climate change impacts are currently included in the strategic risk register of the Authority. The Authority considers that climate-related risks like increasing rise in temperature could have a very minimal impact on the financial results in that any increase in revenue through increased water sales would be offset by an increase in expenses from the need to pump extra water.

	2022	2021
	\$	\$
CF1 Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating surplus/(deficit)	3,760,918	(821,409)
Non-Cash items:		
Depreciation expense	1,450,133	1,339,877
Gains on disposal of property, plant and equipment	(5,000)	(47,655)
Loss on disposal of property, plant and equipment	-	193,452
Loss on disposal of infrastructure	13,796	1,903,335
Revaluation decrement	-	183,744
Changes in operating assets and liabilities:		
Decrease in trade debtors	(403,367)	489,273
Decrease in contract assets	(441,522)	27,445
(Increase)/decrease in GST payable/receivable	(58,058)	137,689
(Increase) in inventories	13,080	(18,293)
(Increase)/decrease in other current assets	(5,354)	(858)
Increase/(decrease) in trade creditors	617,683	(1,155,211)
Increase in provision for employee benefits	(92,084)	7,362
Increase/(decrease) in accrued superannuation	400	(400)
Net cash from operating activities	<u>4,850,627</u>	<u>2,236,351</u>

LOWER BURDEKIN WATER
For the year ended 30 June 2022

CF2 Changes in Liabilities Arising from Financing Activities

2022

	Non-cash changes				Cash flows		
	Opening Balance	Transfers to/(from) other Queensland Government entities	New leases acquired	Other (specify)	Cash received	Cash repayments	Closing balance
	\$	\$	\$	\$	\$	\$	\$
Borrowings	2,758,539	-	-	-	3,100,000	(177,461)	5,681,078
Total	2,758,539	-	-	-	3,100,000	(177,461)	5,681,078

2021


	Non-cash changes				Cash flows		
	Opening Balance	Transfers to/(from) other Queensland Government entities	New leases acquired	Other (specify)	Cash received	Cash repayments	Closing balance
	\$	\$	\$	\$	\$	\$	\$
Borrowings	990,866	-	-	-	1,824,568	(56,895)	2,758,539
Total	990,866	-	-	-	1,824,568	(56,895)	2,758,539

LOWER BURDEKIN WATER
For the year ended 30 June 2022

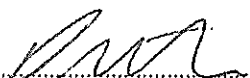
CERTIFICATE OF LOWER BURDEKIN WATER

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 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 Lower Burdekin Water for the financial period ended 30 June 2022 and of the financial position of the Authority as at the end of that year, and
- c) 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 on internal controls and risk management processes with respect to financial reporting throughout the reporting period.

 25/08/22

R. Searle
CHAIRPERSON

 25/08/22

D. Sartori
EXECUTIVE OFFICER

INDEPENDENT AUDITOR'S REPORT

To the Board of Lower Burdekin Water

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Lower Burdekin Water.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2022, 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 – Simplified Disclosures.

The financial report comprises the statement of financial position as at 30 June 2022, 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 entity 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 – Simplified Disclosures, 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. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- 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

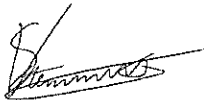
Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *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.



Vaughan Stemmett
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office
Brisbane