

SHIRE OF SERPENTINE-JARRAHDAL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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The Shire of Serpentine-Jarrahdale conducts the operations of a local government with the following community vision:

A welcoming community where everyone feels at home.

Principal place of business:
 6 Paterson Street
 Mundijong WA 6123

**SHIRE OF SERPENTINE-JARRAHDAL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

The accompanying financial report of the Shire of Serpentine-Jarrahdale has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

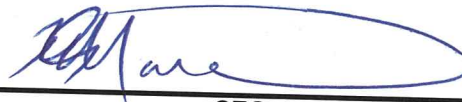
Signed on the

17th

day of

December

2024



CEO

PAUL MARTIN

Name of CEO

SHIRE OF SERPENTINE-JARRAHDAL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

			Restated*
	NOTE	2024 Actual \$	2024 Budget \$ 2023 Actual \$
Revenue			
Rates	2(a),29	30,657,492	29,898,171
Grants, subsidies and contributions	2(a)	4,386,321	5,062,209
Fees and charges	2(a)	9,310,462	8,556,015
Service charges	2(a)	0	0
Interest revenue	2(a)	2,102,468	1,478,319
Other revenue	2(a)	716,479	719,308
		47,173,222	44,116,512
Expenses			
Employee costs	2(b)	(21,344,425)	(18,630,480)
Materials and contracts		(13,431,924)	(13,116,563)
Utility charges		(1,299,015)	(1,075,776)
Depreciation		(15,735,764)	(11,444,354)
Finance costs		(68,277)	(112,712)
Insurance		(527,797)	(476,940)
Other expenditure	2(b)	(1,482,722)	(1,935,990)
		(53,889,924)	(46,792,815)
		(6,716,702)	(3,412,675)
Capital grants, subsidies and contributions	2(a)	21,287,414	27,248,647
Profit on asset disposals		84,154	18,052
Loss on asset disposals		0	(110,417)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(779)	4,114
Fair value adjustments to investment property	12	85,000	(17,182)
Share of net profit/(loss) of associates accounted for using the equity method	24(c)	(8,062)	32,476
		21,447,727	27,175,690
Net result for the period	28(b)	14,731,025	16,284,668
Other comprehensive income for the period			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	19	0	10,000,298
Total other comprehensive income for the period	19	0	10,000,298
Total comprehensive income for the period		14,731,025	33,763,313

This statement is to be read in conjunction with the accompanying notes.

*Restated – Refer to Note 34

SHIRE OF SERPENTINE-JARRAHDALE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024 \$	Restated* 2023 \$	Restated* 1-Jul-22
CURRENT ASSETS				
Cash and cash equivalents	3	6,841,593	9,136,290	5,412,029
Trade and other receivables	5	3,698,577	3,967,953	2,946,693
Other financial assets	4(a)	32,866,801	30,850,739	35,018,647
Inventories	6	6,435	4,779	18,317
Other assets	7	1,093,806	781,845	22,908
TOTAL CURRENT ASSETS		44,507,212	44,741,606	43,418,594
NON-CURRENT ASSETS				
Trade and other receivables	5	290,121	259,837	227,497
Other financial assets	4(b)	83,263	84,042	79,928
Investment in associate	23(b)	24,414	32,476	0
Property, plant and equipment	8	51,789,519	47,521,360	46,313,506
Infrastructure	9	454,416,046	441,487,394	413,743,927
Right-of-use assets	11(a)	69,695	90,707	57,877
Investment property	12	815,000	730,000	747,182
Intangible assets	13	1,900,209	2,213,730	2,527,250
TOTAL NON-CURRENT ASSETS		509,388,267	492,419,546	463,697,167
TOTAL ASSETS		553,895,479	537,161,152	507,115,761
CURRENT LIABILITIES				
Trade and other payables	14	8,280,266	8,896,140	7,600,876
Other liabilities	15	2,627,154	2,272,692	2,860,281
Lease liabilities	11(b)	39,061	44,097	31,856
Borrowings	16	3,853,168	820,455	1,253,756
Employee related provisions	17	2,572,292	2,276,514	2,353,572
TOTAL CURRENT LIABILITIES		17,371,941	14,309,898	14,100,341
NON-CURRENT LIABILITIES				
Other liabilities	15	0	3,045,000	6,200,000
Lease liabilities	11(b)	32,216	48,191	27,604
Borrowings	16	1,747,283	3,200,451	4,020,904
Employee related provisions	17	989,497	859,315	831,928
Other provisions	18	3,325,220	0	
TOTAL NON-CURRENT LIABILITIES		6,094,216	7,152,957	11,080,436
TOTAL LIABILITIES		23,466,157	21,462,855	25,180,777
NET ASSETS		530,429,322	515,698,297	481,934,984
EQUITY				
Retained surplus		188,328,768	177,960,720	156,427,092
Reserve accounts	32	24,600,336	20,237,359	18,007,972
Revaluation surplus	19	317,500,218	317,500,218	307,499,920
TOTAL EQUITY		530,429,322	515,698,297	481,934,984

This statement is to be read in conjunction with the accompanying notes.

*Restated – Refer to Note 34



SHIRE OF SERPENTINE-JARRAHDAL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022- as previously reported		153,655,948	18,007,972	307,499,920	479,163,840
Correction of error		2,771,144	0	0	2,771,144
Restated balance at the beginning of the financial year		156,427,092	18,007,972	307,499,920	481,934,984
Comprehensive income for the period					
Net result for the period		19,237,704	0	0	19,237,704
Other comprehensive income for the period	19	0	0	10,000,298	10,000,298
Total comprehensive income for the period		19,237,704	0	10,000,298	29,238,002
Transfers from reserve accounts	32	4,677,937	(4,677,937)	0	0
Transfers to reserve accounts	32	(6,907,324)	6,907,324	0	0
Correction of error		4,525,311	0	0	4,525,311
Balance as at 30 June 2023		177,960,720	20,237,359	317,500,218	515,698,297
Change in accounting policies		0	0	0	0
Restated balance at 1 July 2023		177,960,720	20,237,359	317,500,218	515,698,297
Comprehensive income for the period					
Net result for the period		14,731,025	0	0	14,731,025
Other comprehensive income for the period	19	0	0	0	0
Total comprehensive income for the period		14,731,025	0	0	14,731,025
Transfers from reserve accounts	32	3,554,862	(3,554,862)	0	0
Transfers to reserve accounts	32	(7,917,839)	7,917,839	0	0
Balance as at 30 June 2024		188,328,768	24,600,336	317,500,218	530,429,322

This statement is to be read in conjunction with the accompanying notes.

*Restated – Refer to Note 34

SHIRE OF SERPENTINE-JARRAHDAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		30,665,438	27,543,994
Grants, subsidies and contributions		5,277,821	4,212,152
Fees and charges		8,555,011	8,628,543
Interest revenue		2,041,642	762,330
Goods and services tax received		415,960	474,653
Other revenue		810,944	702,485
		47,766,816	42,324,157
Payments			
Employee costs		(20,821,146)	(18,487,824)
Materials and contracts		(13,659,392)	(12,437,421)
Utility charges		(1,140,603)	(1,146,722)
Finance costs		(60,126)	(107,669)
Insurance paid		(527,797)	(477,190)
Goods and services tax paid		(408,755)	(720,612)
Other expenditure		(2,215,674)	(1,597,040)
		(38,833,493)	(34,974,478)
Net cash provided by operating activities	20(b)	8,933,323	7,349,679
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost		(2,016,062)	0
Payments for purchase of property, plant & equipment	8(a)	(6,502,832)	(3,652,862)
Payments for construction of infrastructure		(9,720,708)	(11,888,774)
Capital grants, subsidies and contributions		5,250,959	8,873,379
Proceeds for financial assets at amortised cost		0	4,167,908
Proceeds from sale of property, plant & equipment		234,776	189,992
Net cash (used in) investing activities		(12,753,867)	(2,310,357)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	31(a)	(820,455)	(1,253,754)
Payments for principal portion of lease liabilities	31(d)	(53,698)	(61,307)
Proceeds from new borrowings	31(a)	2,400,000	0
Net cash provided by (used in) financing activities		1,525,847	(1,315,061)
Net increase (decrease) in cash held		(2,294,697)	3,724,261
Cash at beginning of year		9,136,290	5,412,029
Cash and cash equivalents at the end of the year	20(a)	6,841,593	9,136,290

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF SERPENTINE-JARRAHDALE
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024**

			Restated*
	NOTE	2024 Actual \$	2024 Budget \$ 2023 Actual \$
OPERATING ACTIVITIES			
Revenue from operating activities			
General rates	29	30,657,492	27,564,289
Grants, subsidies and contributions		4,386,321	5,062,209
Fees and charges		9,310,462	8,556,015
Interest revenue		2,102,468	1,478,319
Other revenue		716,479	719,308
Profit on asset disposals		84,154	18,052
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(779)	4,114
Fair value adjustments to investment property	12	85,000	(17,182)
Share of net profit of associates accounted for using the equity method	24(c)	(8,062)	32,476
		47,333,535	43,417,600
Expenditure from operating activities			
Employee costs		(21,344,425)	(18,630,480)
Materials and contracts		(13,431,924)	(13,116,563)
Utility charges		(1,299,015)	(1,075,776)
Depreciation		(15,735,764)	(11,444,354)
Finance costs		(68,277)	(112,712)
Insurance		(527,797)	(476,940)
Other expenditure		(1,482,722)	(1,935,990)
Loss on asset disposals		0	(110,417)
		(53,889,924)	(46,903,232)
Non cash amounts excluded from operating activities	30(a)	19,000,570	11,512,358
Amount attributable to operating activities		12,444,181	8,026,726
INVESTING ACTIVITIES			
Inflows from investing activities			
Capital grants, subsidies and contributions		21,287,414	27,248,647
Proceeds from disposal of assets		234,776	189,992
		21,522,190	27,438,639
Outflows from investing activities			
Right of use assets received - non cash	11(a)	(32,687)	(94,135)
Purchase of property, plant and equipment	8(a)	(6,502,832)	(3,770,547)
Purchase and/or construction of infrastructure	9(a)	(26,213,146)	(26,532,361)
		(32,748,665)	(30,397,043)
Non-cash amounts excluded from investing activities	30(b)	32,687	94,135
Amount attributable to investing activities		(11,193,788)	(2,864,269)
FINANCING ACTIVITIES			
Inflows from financing activities			
Proceeds from borrowings	31(a)	2,400,000	0
Proceeds from new leases - non cash	31(d)	32,687	94,135
Transfers from reserve accounts	32	3,554,862	4,677,937
		5,987,549	4,772,072
Outflows from financing activities			
Repayment of borrowings	31(a)	(820,455)	(1,253,754)
Payments for principal portion of lease liabilities	31(d)	(53,698)	(61,307)
Transfers to reserve accounts	32	(7,917,839)	(6,907,324)
		(8,791,992)	(8,222,385)
Non-cash amounts excluded from financing activities	30(c)	(32,687)	(94,135)
Amount attributable to financing activities		(2,837,130)	(3,544,448)
MOVEMENT IN SURPLUS OR DEFICIT			
Surplus or deficit at the start of the financial year	30(d)	8,013,901	6,395,892
Amount attributable to operating activities		12,444,181	8,026,726
Amount attributable to investing activities		(11,193,788)	(2,864,269)
Amount attributable to financing activities		(2,837,130)	(3,544,448)
Surplus or deficit after imposition of general rates	30(d)	6,427,164	8,013,901

This statement is to be read in conjunction with the accompanying notes.

*Restated – Refer to Note 34

SHIRE OF SERPENTINE-JARRAHDAL
FOR THE YEAR ENDED 30 JUNE 2024
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SHIRE OF SERPENTINE-JARRAHDALE NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

The financial report of the Shire of Serpentine-Jarrahdale which is a Class 2 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraph 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

The *Local Government (Financial Management) Regulations 1996* provide that:

- Land and buildings classified as property, plant and equipment; or
 - Infrastructure; or
 - Vested improvements that the local government controls;
- and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116: Property, Plant and Equipment, which would have required the Shire to assessed at each reporting date whether the carrying amount of the above mentioned non-financial assets materiality differs from their fair value and, if so, revalue the class of non-financial asset.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
- **Expected credit losses on financial assets - note 5**
 - Impairment losses of non-financial assets - note 2 (b)
 - Investment property - note 12
 - Estimated useful life of intangible assets - note 13
- *Measurement of employee benefits - note 17*
 - *Measurement of provisions - note 17*

Fair value hierarchy information can be found in note 26

The local government reporting entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 0 of the financial report.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- *AASB 2021-2 Amendments to Australian Accounting Standards*
 - *Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- *AASB 2014-10 Amendments to Australian Accounting Standards*
 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2020-1 Amendments to Australian Accounting Standards*
 - *Classification of Liabilities as Current or Non-current*
- *AASB 2021-7c Amendments to Australian Accounting Standards*
 - *Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-5 Amendments to Australian Accounting Standards*
 - *Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards*
 - *Non-current Liabilities with Covenants*

These amendments are not expected to have any material impact on the financial report on initial application.

- *AASB 2022-10 Amendments to Australian Accounting Standards*
 - *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- *AASB 2023-1 Amendments to Australian Accounting Standards*
 - *Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Output method based on provision of service
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared, where obligations are sufficiently specific
Grants or contributions with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Pool inspections	Compliance safety check	Single point in time	Equal proportion annually	None	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on provision of service
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Memberships	Gym membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

Consideration from contracts with customers is included in the transaction price.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES

(a) Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	30,657,492	0	30,657,492
Grants, subsidies and contributions	0	4,386,321	0	0	4,386,321
Fees and charges	182,355	0	8,842,575	285,532	9,310,462
Interest revenue	0	0	2,102,468	0	2,102,468
Other revenue	0	0	0	716,479	716,479
Capital grants, subsidies and contributions	0	29,293,369	0	(8,005,955)	21,287,414
Total	182,355	33,679,690	41,602,535	(7,003,944)	68,460,636

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	27,564,289	0	27,564,289
Grants, subsidies and contributions	0	5,062,209	0	0	5,062,209
Fees and charges	275,797	0	7,998,581	281,637	8,556,015
Interest revenue	0	0	1,478,319	0	1,478,319
Other revenue	0	0	0	719,308	719,308
Capital grants, subsidies and contributions	0	22,723,336	0	4,525,311	27,248,647
Total	275,797	27,785,545	37,041,189	5,526,256	70,628,787

(a) Revenue (Continued)

Note	2024 Actual	2023 Actual
	\$	\$
Assets and services acquired below fair value		
Contributed assets	13,167,218	10,235,961
	13,167,218	10,235,961
Interest revenue		
Other interest revenue	2,102,468	1,478,319
	2,102,468	1,478,319

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	41,890	53,200
- Other services – grant acquittals	5,520	5,800
	47,410	59,000

Employee Costs

Other employee costs	21,344,425	18,630,480
	21,344,425	18,630,480

Finance costs

Borrowings	66,521	110,479
Lease liabilities	1,756	2,233
	68,277	112,712

Other expenditure

Write Offs	5,734	0
Sundry expenses	576,988	523,445
Refund	900,000	1,412,545
	1,482,722	1,935,990

SHIRE OF SERPENTINE-JARRAHDAL
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FOR THE YEAR ENDED 30 JUNE 2024

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand

Total cash and cash equivalents

Held as

- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

Note	2024	2023
	\$	\$
	6,841,593	9,136,290
20(a)	6,841,593	9,136,290
	3,441,003	430,931
20(a)	3,400,590	8,705,359
	6,841,593	9,136,290

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

SHIRE OF SERPENTINE-JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

4. OTHER FINANCIAL ASSETS

	Note	2024 \$	2023 \$
(a) Current assets			
Financial assets at amortised cost		32,866,801	30,850,739
		<u>32,866,801</u>	<u>30,850,739</u>
Other financial assets at amortised cost			
Term deposits		32,866,801	30,850,739
		<u>32,866,801</u>	<u>30,850,739</u>
Held as			
- Unrestricted other financial assets at amortised cost		5,600,681	5,295,688
- Restricted other financial assets at amortised cost	20(a)	27,266,120	25,555,051
		<u>32,866,801</u>	<u>30,850,739</u>
(b) Non-current assets			
Financial assets at amortised cost		0	0
Financial assets at fair values through other comprehensive income		0	0
Financial assets at fair value through profit or loss		83,263	84,042
		<u>83,263</u>	<u>84,042</u>
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		63,157	57,003
Listed Shares		10,860	12,900
Unlisted Shares		10,025	10,025
Movement in Local Government House Trust		(779)	4,114
Total Financial assets at fair value through profit or loss		<u>83,263</u>	<u>84,042</u>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 30 (a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 26 (i)) due to the observable market rates).

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair values through other comprehensive income

The Shire has elected to classify the following financial assets at fair value through other comprehensive income:

- debt investments which do not qualify for measurement at either amortised cost or fair value through profit or loss.
- equity investments which the Shire has elected to recognise as fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 25.

SHIRE OF SERPENTINE-JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

5. TRADE AND OTHER RECEIVABLES

Note	2024	2023
	\$	\$
Current		
Rates and statutory receivables	2,805,223	2,757,054
Trade receivables	492,876	803,216
GST receivable	440,478	447,683
Allowance for credit losses of trade receivables	(40,000)	(40,000)
	3,698,577	3,967,953
Non-current		
Deferred - Rates	290,121	259,837
	290,121	259,837

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2024 Actual	30 June 2023 Actual	1 July 2022 Actual
	\$	\$	\$
Allowance for credit losses of trade receivables	(40,000)	(40,000)	(40,000)
Total trade and other receivables from contracts with customers	(40,000)	(40,000)	(40,000)

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

6. INVENTORIES

	Note	2024	2023
Current		\$	\$
Fuel and materials		6,435	4,779
		6,435	4,779
The following movements in inventories occurred during the year:			
Balance at beginning of year		4,779	18,316
Inventories expensed during the year		(426,766)	(351,205)
Additions to inventory		428,422	337,668
Balance at end of year		6,435	4,779

MATERIAL ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

SHIRE OF SERPENTINE-JARRAHDAL
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FOR THE YEAR ENDED 30 JUNE 2024

7. OTHER ASSETS

	2024	2023
	\$	\$
Other assets - current		
Prepayments	41,633	49,033
Accrued income	1,052,173	732,812
	1,093,806	781,845

MATERIAL ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Total Property			Plant and equipment					Total property, plant and equipment
	Land	Buildings - specialised	Total Property	Furniture and equipment	Plant and equipment	Motor vehicles	Computer equipment	Capital Works in progress	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	8,372,500	27,861,792	36,234,292	13,082	4,349,413	1,691,586	463,111	3,562,022	46,313,506
Additions*	0	3,016,069	3,016,069	0	467,794	643,397	55,171	(411,884)	3,770,547
Disposals	0	(114,117)	(114,117)			(168,240)	0	0	(282,357)
Depreciation	0	(1,190,938)	(1,190,938)	(3,270)	(492,264)	(183,785)	(120,370)	0	(1,990,627)
Transfers to Infrastructure	0	340,291	340,291	0	0	0	0	0	340,291
Other Transfers	(510,000)	(120,000)	(630,000)						(630,000)
Balance at 30 June 2023	7,862,500	29,793,097	37,655,597	9,812	4,324,943	1,982,958	397,912	3,150,138	47,521,360
Comprises:									
Gross balance amount at 30 June 2023	7,862,500	49,391,913	57,254,413	40,876	7,045,322	2,928,111	658,219	3,150,138	71,077,079
Accumulated depreciation at 30 June 2023	0	(19,598,816)	(19,598,816)	(31,064)	(2,720,379)	(945,153)	(260,307)	0	(23,555,719)
Accumulated impairment loss at 30 June 2023	0	0	0	0	0	0	0	0	0
Balance at 30 June 2023	7,862,500	29,793,097	37,655,597	9,812	4,324,943	1,982,958	397,912	3,150,138	47,521,360
Change in accounting policy	0	0	0						0
Restated balance at 1 July 2023	7,862,500	29,793,097	37,655,597	9,812	4,324,943	1,982,958	397,912	3,150,138	47,521,360
Additions	0	1,484,024	1,484,024	0	952,536	449,882	194,765	3,421,625	6,502,832
Disposals	0	0	0	0	(67,723)	(82,900)	0	0	(150,623)
Depreciation	0	(1,255,271)	(1,255,271)	(3,271)	(527,751)	(179,539)	(131,404)	0	(2,097,236)
Transfers	0	13,186	13,186	0	0	0	0	0	13,186
Balance at 30 June 2024	7,862,500	30,035,036	37,897,536	6,541	4,682,005	2,170,401	461,273	6,571,763	51,789,519
Comprises:									
Gross balance amount at 30 June 2024	7,862,500	50,889,123	58,751,623	40,876	7,699,701	3,227,568	852,983	6,571,763	77,144,514
Accumulated depreciation at 30 June 2024	0	(20,854,087)	(20,854,087)	(34,335)	(3,017,696)	(1,057,167)	(391,710)	0	(25,354,995)
Balance at 30 June 2024	7,862,500	30,035,036	37,897,536	6,541	4,682,005	2,170,401	461,273	6,571,763	51,789,519

* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2023	0	0	0	0	0	117,685	0	0	117,685
During the year ended 30 June 2024	0	0	0	0	0	0	0	0	0

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	2	Market approach using recent observable market for similar properties	Independent Valuers	June 2022	An independent asset management consultant reviewed the land valuation and have conducted a sample of land condition assessments. They have also reviewed the valuation inputs of previous valuations and have updated the unit rates. Assessment inputs used was construction costs, residual values and remaining useful life inputs.
Buildings - specialised	3	Cost approach using current replacement cost	Independent Valuers	June 2022	This required estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacts significantly on the final determination of fair value.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

(ii) Cost					
Furniture and equipment	Cost	Cost	N/A	N/A	N/A
Motor vehicles	Cost	Cost	N/A	N/A	N/A
Computer equipment	Cost	Cost	N/A	N/A	N/A
Other property, plant and equipment	Cost	Cost	N/A	N/A	N/A

SHIRE OF SERPENTINE-JARRAHDALE
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FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Infrastructure - work in progress	Infrastructure - landfill assets	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	259,892,205	19,775,687	86,891,391	39,846,220	4,567,280	0	410,972,783
Correction of error**	314,518	587,407	0	1,869,219	0		2,771,144
Balance at 1 July 2022 (restated)	260,206,723	20,363,094	86,891,391	41,715,439	4,567,280	0	413,743,927
Additions*	6,836,057	1,058,227	4,631,177	596,145	8,885,444	0	22,007,050
Revaluation increments / (decrements) transferred to revaluation surplus	(19,692,830)	3,965,595	39,689,705	(13,332,172)	0	0	10,630,298
Depreciation	(5,485,223)	(349,618)	(1,793,887)	(1,450,173)	0	0	(9,078,901)
Transfers from Property Plant and Equipment	0	0	0	(340,291)	0	0	(340,291)
Correction of error**	1,672,379	397,856	0	2,455,076	0	0	4,525,311
Restated* Balance at 30 June 2023	243,537,106	25,435,154	129,418,386	29,644,024	13,452,724	0	441,487,394
Comprises:							
Gross balance at 30 June 2023	426,507,325	29,324,926	154,206,152	45,781,689	13,452,724	0	669,272,816
Accumulated depreciation at 30 June 2023	(182,970,219)	(3,889,772)	(24,787,766)	(16,137,665)	0	0	(227,785,422)
Accumulated impairment loss at 30 June 2023	0	0	0	0	0	0	0
Restated* Balance at 30 June 2023	243,537,106	25,435,154	129,418,386	29,644,024	13,452,724	0	441,487,394
Restated balance at 1 July 2023	243,537,106	25,435,154	129,418,386	29,644,024	13,452,724	0	441,487,394
Additions *	13,093,836	1,509,371	6,568,372	3,623,362	(1,907,015)	3,325,220	26,213,146
Depreciation	(9,867,663)	(387,581)	(1,564,634)	(1,451,430)	0	0	(13,271,308)
Transfers	405,455			(418,641)	0	0	(13,186)
Balance at 30 June 2024	247,168,734	26,556,944	134,422,124	31,397,315	11,545,709	3,325,220	454,416,046
Comprises:							
Gross balance at 30 June 2024	440,006,616	30,834,296	160,774,524	48,986,409	11,545,709	3,325,220	695,472,774
Accumulated depreciation at 30 June 2024	(192,837,882)	(4,277,352)	(26,352,400)	(17,589,094)	0	0	(241,056,728)
Accumulated impairment loss at 30 June 2024	0	0	0	0	0	0	0
Balance at 30 June 2024	247,168,734	26,556,944	134,422,124	31,397,315	11,545,709	3,325,220	454,416,046
* Asset additions included additions received at substantially less than fair value:							
During the year ended 30 June 2023	5,783,409	1,456,083	4,601,880	2,802,215	0	0	14,643,587
During the year ended 30 June 2024	2,467,628	1,603,883	6,271,931	2,823,776	0	0	13,167,218

**Restated – Refer to Note 25

SHIRE OF SERPENTINE-JARRAHDAL
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FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2023	The valuations required estimating the replacement cost for each asset type and taking into account a range of factors. While unit rates based on area could be supported from market evidence (level 2) other inputs (such as useful life, pattern of consumption and asset condition) required extensive professional judgement and impacts significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2023	The valuations required estimating the replacement cost for each asset type and taking into account a range of factors. While unit rates based on area could be supported from market evidence (level 2) other inputs (such as useful life, pattern of consumption and asset condition) required extensive professional judgement and impacts significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2023	The valuations required estimating the replacement cost for each asset type and taking into account a range of factors. While unit rates based on area could be supported from market evidence (level 2) other inputs (such as useful life, pattern of consumption and asset condition) required extensive professional judgement and impacts significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Independent Valuers	June 2023	The valuations required estimating the replacement cost for each asset type and taking into account a range of factors. While unit rates based on area could be supported from market evidence (level 2) other inputs (such as useful life, pattern of consumption and asset condition) required extensive professional judgement and impacts significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF SERPENTINE-JARRAHDAL
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FOR THE YEAR ENDED 30 JUNE 2024

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	
Structural	50 years
Internal Fit-Out	15 – 25 years
Mechanical Services	25 – 35 years
Security	15 years
Fire systems	15 years
Other Building Structures	15 – 25 years
Plant and Equipment	5 – 15 years
Motor Vehicles	2 – 5 years
Furniture and Equipment	4 – 10 years
Computer Equipment	2 – 5 years
Roads	
Subgrade	Not depreciated
Pavement	
Unsealed	10 years
Urban and Regional	60 - 100 years
Surface	5 – 20 years
Surface Water Channel	
Kerbing	40 years
Drains	8 – 15 years
Drainage	
Culvert	50 - 80 years
Stormwater Drainage	50 years
Footpaths	40 – 80 years
Parks and Reserves	
Land	Not depreciated
Softscapes	50 years
Hardscapes	40 – 80 years
Reticulation	20 years
Parks Furniture	10 – 20 years
Lighting	15 – 25 years
Other Structures	10 – 40 years
Right of Use (Plant)	Based on the remaining lease
Right of Use (Furniture)	Based on the remaining lease
Intangibles	
Computer Software	10 years

SHIRE OF SERPENTINE-JARRAHDAL
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10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Local Government (Financial Management) Regulation 17A(5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are *land and buildings classified as property, plant and equipment*, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, *infrastructure or vested improvements that the local government controls* and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Note	Right-of-use assets - Furniture & Equipment \$	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2022		15,100	42,777	57,877
Additions		0	94,135	94,135
Depreciation		(30,031)	(31,274)	(61,305)
Balance at 30 June 2023		(14,931)	105,638	90,707
Gross balance amount at 30 June 2023		85,179	98,362	183,541
Accumulated depreciation at 30 June 2023		(34,993)	(57,841)	(92,834)
Balance at 30 June 2023		50,186	40,521	90,707
Additions		0	32,687	32,687
Depreciation		(19,012)	(34,687)	(53,699)
Balance at 30 June 2024		31,174	38,521	69,695
Gross balance amount at 30 June 2024		50,186	73,208	123,394
Accumulated depreciation at 30 June 2024		(19,012)	(34,687)	(53,699)
Balance at 30 June 2024		31,174	38,521	69,695

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Shire is the lessee:

	2024 Actual \$	2023 Actual \$
Depreciation on right-of-use assets	(53,699)	(61,305)
Finance charge on lease liabilities	(1,743)	(2,303)
Total amount recognised in the statement of comprehensive income	(55,442)	(63,608)
Total cash outflow from leases	(55,441)	(63,610)
(b) Lease Liabilities		
Current	39,061	44,097
Non-current	32,216	48,191
	71,277	92,288

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

MATERIAL ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 31(d).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

11. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment Subject to Lease

Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease

Rental income

2024 Actual	2023 Actual
\$	\$
6,023	5,200

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Refer to note 12 for details of leased investment property.

MATERIAL ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

12. INVESTMENT PROPERTY

Non-current assets - at reportable value

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Carrying balance at 1 July	730,000	0	747,182
Net gain/(loss) from fair value adjustment	85,000	0	(17,182)
Closing balance at 30 June	815,000	0	730,000

Amounts recognised in profit or loss for investment properties

Rental income	6,023	0	5,200
Direct operating expenses from property that did not generate rental income	(116)	0	
Fair value gain recognised in profit or loss	85,000	0	(17,182)

Leasing arrangements

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

Less than 1 year	6,023	0	5,200
	6,023	0	5,200

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the Shire is a lessor is recognised in income on a straightline basis over the lease term.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Refer to Note 11 for details of leased property, plant and equipment not classified as investment property

MATERIAL ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the Shire.

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are investment properties, are shown at their reportable value.

Reportable value for the purposes of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date.

Revaluation

In accordance with the regulatory framework, investment properties are required to be revalued whenever required by AASB 140 and, in any event, every five years.

Fair value of investment properties

A management valuation was performed to determine the fair value of investment properties. The main Level 3 inputs used in the valuation were discount rates, yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

13. INTANGIBLE ASSETS

	2024 Actual	2023 Actual
	\$	\$
Intangible assets		
Non-current		
Computer software development	3,135,203	3,135,203
Less: Accumulated amortisation	(1,234,994)	(921,473)
	1,900,209	2,213,730
 Movements in balances of computer software during the financial year are shown as follows:		
Balance at 1 July	2,213,730	2,527,250
Amortisation	(313,521)	(313,520)
Balance at 30 June	1,900,209	2,213,730
TOTAL INTANGIBLE ASSETS	1,900,209	2,213,730

Amortisation

The estimated useful life of intangible assets is 10 years for the current and prior years.

MATERIAL ACCOUNTING POLICIES

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the the Shire are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;

Computer software (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Information on useful life, amortisation rates and amortisation methods can be found in Note 10. are reviewed at the end of each financial year.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Prepaid rates	
Accrued payroll liabilities	
ATO liabilities	
Bonds and deposits held	
Accrued Interest on Long Term Borrowings	
Accrued Expenses	

2024	2023
\$	\$
1,739,046	23,745
2,638,773	2,552,364
539,155	454,959
87,744	86,714
2,452,255	3,185,128
34,056	25,905
789,237	2,567,325
8,280,266	8,896,140

MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises income for the prepaid rates that have not been refunded.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

15. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities

Non-current

Capital grant/contributions liabilities

Reconciliation of changes in contract liabilities

Opening balance
Additions
Current Year Revenue Recognised
Revenue from contracts with customers included as a contract liability at the start of the period

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance
Additions
Current Year Revenue Recognised
Revenue from capital grant/contributions held as a liability at the start of the period

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

2024	2023
\$	\$
414,156	235,457
2,212,998	2,037,235
2,627,154	2,272,692
0	3,045,000
0	3,045,000
235,457	364,050
1,077,817	592,529
(885,312)	(578,722)
(13,806)	(142,400)
414,156	235,457
5,082,235	8,696,231
3,157,803	11,581,510
(2,937,425)	(10,050,873)
(3,089,615)	(5,144,633)
2,212,998	5,082,235
2,212,998	2,037,235
0	3,045,000
0	0
0	0
0	0
0	0
2,212,998	5,082,235

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

MATERIAL ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 27(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

16. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Long Term Borrowings		3,853,168	1,747,283	5,600,451	820,455	3,200,451	4,020,906
Total secured borrowings	31(a)	3,853,168	1,747,283	5,600,451	820,455	3,200,451	4,020,906

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Serpentine-Jarrahdale. Other loans relate to transferred receivables. Refer to Note 5.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 27(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 25.

Details of individual borrowings required by regulations are provided at Note 31(a).

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

17. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	1,672,161	1,563,089
Long service leave	832,035	653,247
Sick Leave	68,096	60,178
Total current employee related provisions	2,572,292	2,276,514
Non-current provisions		
Employee benefit provisions		
Long service leave	989,497	859,315
Total non-current employee related provisions	989,497	859,315
Total employee related provisions	3,561,789	3,135,829

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Note	2024	2023
		\$	\$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		2,572,292	2,316,165
More than 12 months from reporting date		989,497	819,664
		3,561,789	3,135,829

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

18. OTHER PROVISIONS

	Waste Transfer Station Remediation Works	
	Provision	Total
	\$	\$
Opening balance at 1 July 2023		
Additional provision	3,325,220	3,325,220
Balance at 30 June 2024	3,325,220	3,325,220
Comprises		
Non-current	3,325,220	3,325,220
	3,325,220	3,325,220

Provision for remediation costs

The Shire of Serpentine Jarrahdale (the Shire) operated the Watkins Road Waste Transfer Station and Recycling Centre (WTS) at 40 Watkins Road, Mundijong as per the conditions of the Department of Water and Environmental regulation (DWER) licence L9073. Formerly this site and the adjoining site to the north owned by the Department of Biodiversity Conservation and Attractions (DBCA) were being used for landfilling activities.

In October 2023 asbestos fragments were found at several locations across the WTS site along with some soil samples that contained asbestos fibres. The site has since been closed to the public pending the outcome of further investigation and Council decision on the future use of the site.

Regardless of the outcome of the site the following remediation works will need to be undertaken:

- Install Soil Capping
- Asbestos Containing Material Removal
- Drainage Waste Material Removal

A non-current provision for the costs required for the remediation of the site have been recognised in these financial statements based on the estimated value to undertake the works in 2025/26 financial year.

MATERIAL ACCOUNTING POLICIES

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

19. REVALUATION SURPLUS

	2024 Opening Balance	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	5,309,633	5,309,633	5,309,633	0	5,309,633
Revaluation surplus - Buildings - non-specialised	12,849,109	12,849,109	13,479,109	(630,000)	12,849,109
Revaluation surplus - Furniture and equipment	45,243	45,243	45,243	0	45,243
Revaluation surplus - Plant and equipment	17,648	17,648	17,648	0	17,648
Revaluation surplus - Motor vehicles	6,246	6,246	6,246	0	6,246
Revaluation surplus - Infrastructure - roads	156,848,048	156,848,048	176,540,878	(19,692,830)	156,848,048
Revaluation surplus - Infrastructure - footpaths	20,711,733	20,711,733	16,746,138	3,965,595	20,711,733
Revaluation surplus - Infrastructure - drainage	107,617,744	107,617,744	67,928,039	39,689,705	107,617,744
Revaluation surplus - Infrastructure - parks and ovals	14,094,814	14,094,814	27,426,986	(13,332,172)	14,094,814
	317,500,218	317,500,218	307,499,920	10,000,298	317,500,218

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

20. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2024 Actual \$	2023 Actual \$
Cash and cash equivalents	3	6,841,593	9,136,290
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	3,400,590	8,705,359
- Financial assets at amortised cost	4	23,865,530	16,849,692
		<u>27,266,120</u>	<u>25,555,051</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	32	24,600,336	20,237,359
Contract liabilities	15	414,156	235,457
Capital grant liabilities	15	2,212,998	5,082,235
Unspent loans	31(c)	38,630	0
Total restricted financial assets		<u>27,266,120</u>	<u>25,555,051</u>

**(b) Reconciliation of Net Result to Net Cash Provided
By Operating Activities**

Net result		14,731,025	23,763,015
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		779	(4,114)
Adjustments to fair value of investment property		(85,000)	17,182
Depreciation/amortisation		15,735,764	11,444,354
(Profit)/loss on sale of asset		(84,154)	92,365
Share of profits of associates		8,062	(32,476)
Assets received for substantially less than fair value		(13,167,218)	(10,235,961)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		239,092	(1,053,600)
(Increase)/decrease in other assets		(311,961)	(758,937)
(Increase)/decrease in inventories		(1,656)	13,538
Increase/(decrease) in trade and other payables		(615,874)	1,295,263
Increase/(decrease) in employee related provisions		425,961	(49,671)
Increase/(decrease) in other liabilities		(2,690,538)	(3,742,589)
Capital grants, subsidies and contributions		(5,250,959)	(13,398,690)
Net cash provided by/(used in) operating activities		<u>8,933,323</u>	<u>7,349,679</u>

Loan facilities

Loan facilities - current		3,853,168	820,455
Loan facilities - non-current		1,747,283	3,200,451
Total facilities in use at balance date		<u>5,600,451</u>	<u>4,020,906</u>

*Restated – Refer to Note 25

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

20. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

**UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

	Note	2024 Actual	2023 Actual
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit		10,000	10,000
Credit card balance at balance date		(1,129)	(7,358)
Total amount of credit unused		8,871	2,642
Loan facilities			
Loan facilities - current		3,853,168	820,455
Loan facilities - non-current		1,747,283	3,200,451
Total facilities in use at balance date		5,600,451	4,020,906

SHIRE OF SERPENTINE-JARRAHDAL NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

21. CONTINGENT LIABILITIES

In compliance with the *Contaminated Sites Act 2003*, the Shire has listed the following site to be possible source of contamination.

Watkins Road Waste Transfer Station and Recycling Centre (WTS)

Based on the contaminated sites investigation findings, Environmental Risk Consultants (ERC) prepared an Indicative Costings document and has specified the following three conceptual site options for the future of the Waste Transfer Station:

- **Site Option 1** – Reduced Site Operation - Operations on part of the Waste Transfer Station site (excluding former green waste area)
- **Site Option 2** – Full Site Operation - Continue operations on the entire Waste Transfer Station
- **Site Option 3** – Site Closure - Closure of the Waste Transfer Station facility and rehabilitation of the former landfill areas

The cost of these options range between approximately \$3.3-\$8m.

Regardless of which option is chosen a minimum of \$3,325,220, for which the Shire has recognised a provision, is required to rehabilitate the site which involves the following works:

- Install Soil Capping
- Asbestos Containing Material Removal
- Drainage Waste Material Removal

22. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

2024	2023
\$	\$
1,723,559	3,045,329
1,016,263	1,137,447
2,739,822	4,182,776
2,739,822	4,182,776

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

23. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	46,991	47,045	47,045
President's meeting attendance fees	22,728	23,131	23,131
President's ICT expenses	2,436	0	3,500
	72,155	70,176	73,676
Deputy President's annual allowance	11,458	11,761	11,761
Deputy President's meeting attendance fees	16,805	17,250	17,250
Deputy President's ICT expenses	2,436	0	3,500
	30,699	29,011	32,511
All other council member's meeting attendance fees	88,934	96,930	108,620
All other council member's ICT expenses	12,987	19,048	22,064
All other council member's travel and accommodation expenses	0	2,250	0
	101,921	118,228	130,684
23(b)	204,775	217,415	236,871

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

Short-term employee benefits	1,178,669	1,212,582
Post-employment benefits	167,660	112,871
Employee - other long-term benefits	6,522	12,117
Council member costs	204,775	236,871
23(a)	1,557,626	1,574,441

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

23. RELATED PARTY TRANSACTIONS

Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2024 Actual	2023 Actual
	\$	\$
Sale of goods and services	0	0
Purchase of goods and services	0	0
Short term employee benefits - other related parties	0	0
Payment of council member costs (Refer to Note 23(a))	0	0

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 23(a) and 23(b).

ii. Entities subject to significant influence by the Shire

The shire has an interest in the Rivers Regional Council which is accounted for in these financial statements for the first time using the equity method.

For the details of interest held in associates refer to Note 23

The Shire's interest in Rivers Regional Council is based on the tonnes of waste delivered during the previous financial year.

The percentage interest for year on year tonnage contributions (from the Cities of Armadale, Gosnells, Mandurah, South Perth and Shires of Serpentine Jarrahdale and Murray) was 7%, representing an interest of \$24,414. The total contribution paid to Rivers Regional Council during the year was \$23,530.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

24. INVESTMENT IN ASSOCIATES

(a) Investment in associates

Set out in the table below are the associates of the Shire. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity	% of ownership interest		2024	2023
	2024	2023	Actual	Actual
Rivers Regional Council			\$ 32,476	\$ 32,476
Initial recognition of investment(7% Share of net equity of \$349,062)	7.00%	9.00%		
Adjustment for current period			24,414	0
Balance as at 30 June 2024 (7% of net equity of \$349,062)			56,890	32,476

(b) Immaterial investments in associates

Aggregate carrying amount of interests in individually immaterial associates accounted for using the equity method are reflected in the table below.

Note	2024	2023
	Actual	Actual
	\$	\$
- Share of associates net profit / (loss) for the period	(8,062)	0
- Share of associates total comprehensive income arising during the period	(8,062)	0
Carrying amount at 1 July	32,476	0
- Share of associates total comprehensive income arising during the period	(8,062)	0
Carrying amount at 30 June (Refer to Note 24(a))	24,414	0

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

(c) Share of associates net profit/(loss) for the period

Immaterial investments in associates (Refer to Note 24(b))

2024	2023
Actual	Actual
\$	\$
(8,062)	32,476
(8,062)	32,476

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance department under policies approved by the council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2024					
Cash and cash equivalents	3.43%	6,841,593	0	6,841,593	0
Financial assets at amortised cost - term deposits	5.00%	32,866,801	32,866,801	0	0
2023					
Cash and cash equivalents	1.99%	9,136,290	0	9,136,290	0
Financial assets at amortised cost - term deposits	4.41%	30,850,739	30,850,739	0	0

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2024	2023
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	68,416	91,363

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings.

Details of interest rates applicable to each borrowing may be found at Note 31(a).

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 Financial Instruments simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2023 or 1 July 2024 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2024					
Trade receivables					
Expected credit loss	0.07%	0.18%	0.18%	0.18%	
Gross carrying amount	433,455	8,940	9,894	40,579	492,868
Loss allowance	29,389	1,597	1,767	7,247	40,000
30 June 2023					
Trade receivables					
Expected credit loss	0.04%	0.0871%	0.0871%	0.0871%	
Gross carrying amount	672,170	2,010	4,101	124,935	803,216
Loss allowance	28,580	175	357	10,888	40,000

(b) Credit risk

The loss allowances for trade, other receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Trade receivables	
	2024 Actual	2023 Actual
	\$	\$
Opening loss allowance as at 1 July	40,000	40,000
Closing loss allowance at 30 June	40,000	40,000

Trade, other receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 20(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
<u>2024</u>					
Trade and other payables	8,280,266	0	0	8,280,266	8,280,266
Borrowings	3,853,166	1,747,285	0	5,600,451	5,600,451
Lease liabilities	39,061	32,216	0	71,277	71,277
	<u>12,172,493</u>	<u>1,779,501</u>	<u>0</u>	<u>13,951,994</u>	<u>13,951,994</u>
<u>2023</u>					
Trade and other payables	8,896,140	0	0	8,896,140	8,896,140
Borrowings	820,455	3,200,451	0	4,020,906	4,020,906
Lease liabilities	44,097	48,191	0	92,288	92,288
	<u>9,760,692</u>	<u>3,248,642</u>	<u>0</u>	<u>13,009,334</u>	<u>13,009,334</u>

**SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

26. EVENTS OCCURING AFTER THE END OF THE REPORTING PERIOD

Following the end of the financial year the Shire has been engaged in legal proceedings, however the value of any outcome of these proceedings are not anticipated to be materially significant.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

27. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

SHIRE OF SERPENTINE-JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

28. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	Members of Council and Chief Executive Office
General purpose funding To collect revenue to allow for the provision of services.	Rate revenue, late payment penalty, general purpose grants, untied road grants, commissions, interest on investments, reimbursements and banking costs.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Volunteer bushfire brigades, fire prevention, animal control, emergency management and public safety.
Health To provide an operational framework for environmental and community health.	Health services including food and water quality, inspection of premises, public health protection and promotion.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	Youth services and program, and facilities for community based services such as family centres, early education providers.
Community amenities To provide services required by the community.	Waste management including household refuse and recycling, waste transfer station, environmental and sustainability, town planning, public conveniences and cemeteries.
Recreation and culture To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	Provision of facilities and support of organisations with leisure activities and sport including halls, sports grounds, parks and gardens, community development and the Shire's Library.
Transport To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, bridges, footpaths, Shire depot, purchases of plant and equipment and engineering design.
Economic services To help promote the Shire and its economic wellbeing.	Rural services such as weed control of reserves, tourism and area promotion, management of building applications and economic development.
Other property and services To monitor and control overhead operating accounts.	Private works, public works overheads, plant operation, finance and administration costs.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

28. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2024	Restated*
	Actual	2023
	\$	Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	33,201,674	29,500,664
Law, order, public safety	587,104	326,228
Health	119,685	250,421
Education and welfare	5,276	238
Community amenities	7,151,984	6,774,357
Recreation and culture	315,958	275,925
Transport	169,043	255,323
Economic services	1,028,819	834,797
Other property and services	367,671	137,439
	42,947,214	38,355,392
Grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	3,015,966	3,688,996
Law, order, public safety	848,030	677,010
Education and welfare	15,000	90,403
Community amenities	13,710,974	17,632,030
Recreation and culture	478,364	3,345,401
Transport	7,590,938	6,823,662
Economic services	14,463	53,353
	25,673,735	32,310,855
Total Income	68,620,949	70,666,247
Expenses		
Governance	(1,626,803)	(1,247,569)
General purpose funding	(904,316)	(1,197,772)
Law, order, public safety	(3,879,936)	(3,657,203)
Health	(1,117,293)	(975,518)
Education and welfare	(460,872)	(451,512)
Community amenities	(11,743,658)	(12,054,506)
Recreation and culture	(12,067,035)	(10,101,323)
Transport	(18,038,138)	(13,140,821)
Economic services	(2,289,037)	(2,127,437)
Other property and services	(1,762,836)	(1,949,571)
Total expenses	(53,889,924)	(46,903,232)
Net result for the period	14,731,025	23,763,015
(c) Total Assets		
Governance	6,137,077	7,142,946
General purpose funding	46,159,092	46,487,593
Law, order, public safety	3,469,216	2,768,865
Health	776,705	747,000
Community amenities	753,820	628,154
Recreation and culture	53,699,124	47,762,924
Transport	428,576,379	427,823,469
Economic services	639,108	650,049
Other property and services	3,383,047	2,066,594
Unallocated	10,301,911	1,083,558
	553,895,479	537,161,152

*Restated – Refer to Note 25

SHIRE OF SERPENTINE-JARRAHDALE
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29. RATING INFORMATION

(a) General Rates

RATE TYPE				2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2022/23
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
				\$	\$	\$	\$	\$	\$	\$	\$
GRV Residential	Gross rental valuation	9.1599	8,815	184,953,372	16,941,544	552,323	17,493,867	16,941,543	443,000	17,384,543	15,357,260
GRV Commercial/Industrial	Gross rental valuation	14.6502	141	16,181,205	2,370,579	689,242	3,059,821	2,370,579	97,000	2,467,579	2,577,978
							0			0	
UV General	Unimproved valuation	0.4198	830	834,325,000	3,502,496	37,162	3,539,658	3,502,496	0	3,502,496	3,275,417
UV Rural Residential	Unimproved valuation	0.4891	1,054	539,420,292	2,638,305	12,343	2,650,648	2,638,305	0	2,638,305	2,984,493
UV Commercial/Industrial	Unimproved valuation	0.7141	79	56,155,009	401,003	8,250	409,253	401,003	0	401,003	398,841
UV Intensive Farming	Unimproved valuation	0.8396	16	12,865,000	108,015	0	108,015	108,015	0	108,015	104,195
Total general rates			10,935	1,643,899,878	25,961,942	1,299,320	27,261,262	25,961,941	540,000	26,501,941	24,698,184
Minimum payment											
				\$							
GRV Residential	Gross rental valuation	1,404	364	4,924,997	511,056	0	511,056	2,193,048	0	2,193,048	447,850
GRV Vacant	Gross rental valuation	1,404	1,198	93,941,516	1,681,992	0	1,681,992	0	0	0	546,184
GRV Commercial/Industrial	Gross rental valuation	1,594	15	50,701	23,910	0	23,910	23,910	0	23,910	21,056
							0			0	
UV General	Unimproved valuation	1,537	32	4,544,866	49,184	0	49,184	49,184	0	49,184	37,700
UV Rural Residential	Unimproved valuation	2,026	662	222,513,208	1,341,212	0	1,341,212	1,341,212	0	1,341,212	2,032,456
UV Commercial/Industrial	Unimproved valuation	2,133	4	1,021,991	8,532	0	8,532	8,532	0	8,532	10,065
UV Intensive Farming	Unimproved valuation	3,074	0	0	0	0	0	0	0	0	
Total minimum payments			2,275	326,997,279	3,615,886	0	3,615,886	3,615,886	0	3,615,886	3,095,311
Total general rates and minimum payments			13,210	1,970,897,157	29,577,828	1,299,320	30,877,148	29,577,827	540,000	30,117,827	27,793,495
Ex-gratia Rates											
Ex Gratia Rates			0	0	0	18,586	18,586	12,500	0	12,500	0
Total amount raised from rates (excluding general rates)			0	0	0	18,586	18,586	12,500	0	12,500	0
Discounts							0			(2,000)	0
Concessions							(219,656)			(219,656)	(229,206)
Total Rates							30,676,078			29,908,671	27,564,289

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

SHIRE OF SERPENTINE-JARRAHDAL
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30. DETERMINATION OF SURPLUS OR DEFICIT

		2023/24 (30 June 2024 Carried Forward)	2023/24 (1 July 2023 Brought Forward)	Restated* 2022/23 (30 June 2023 Carried Forward)
	Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(84,154)	(18,052)	(18,052)
Less: Fair value adjustments to financial assets at fair value through profit or loss		779	(4,114)	(4,114)
Less: Fair value adjustments to investment property	12	(85,000)	17,182	17,182
Less: Share of net profit of associates and joint ventures accounted for using the equity method		8,062	(32,476)	(32,476)
Add: Loss on disposal of assets		0	110,417	110,417
Add: Depreciation		15,735,764	11,444,354	11,444,354
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(30,283)	(32,340)	(32,340)
Employee benefit provisions		130,182	27,387	27,387
Non-cash amounts excluded from operating activities		19,000,570	11,512,358	11,512,358
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
Property, plant and equipment received for substantially less than fair value	8(a)	0	(117,685)	(117,685)
Infrastructure received for substantially less than fair value	9(a)	13,167,218	17,414,731	17,414,731
Non cash capital grants, subsidies and contributions		(13,167,218)	(17,297,046)	(17,297,046)
Right of use assets received - non cash	11(a)	32,687	94,135	94,135
Non-cash amounts excluded from investing activities		32,687	94,135	94,135
(c) Non-cash amounts excluded from financing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to financing activities				
Non cash proceeds from new leases	31(d)	(32,687)	0	(94,135)
Non-cash amounts excluded from financing activities		(32,687)	0	(94,135)
(d) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	32	(24,600,336)	(20,237,359)	(20,237,359)
Less: Financial assets at amortised cost				
Less: Current assets not expected to be received at end of year				
- Unspent Grants held in non-current liabilities		0	(3,045,000)	(3,045,000)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	16	3,853,168	820,455	820,455
- Current portion of lease liabilities	11(b)	39,061	44,097	44,097
Total adjustments to net current assets		(20,708,107)	(22,417,807)	(22,417,807)
Net current assets used in the Statement of Financial Activity				
Total current assets		44,507,212	44,741,606	44,741,606
Less: Total current liabilities		(17,371,941)	(14,309,898)	(14,309,898)
Less: Total adjustments to net current assets		(20,708,107)	(22,417,807)	(22,417,807)
Surplus or deficit after imposition of general rates		6,427,164	8,013,901	8,013,901

*Restated – Refer to Note 25

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

31. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
Council Chamber Refurbishment		\$ 139,559	\$ 0	\$ (139,559)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Abernethy Road		1,761,050	0	(270,716)	1,490,334	0	(222,660)	1,267,674	1,490,335	0	(279,449)	1,210,886
Webb Road		926,144	0	(306,382)	619,762	0	(279,448)	340,314	619,761	0	(308,708)	311,053
Briggs Park Upgrade		1,007,477	0	(221,052)	786,425	0	0	786,425	786,425	0	(222,660)	563,765
Abernethy Road		1,440,430	0	(316,045)	1,124,385	0	(318,347)	806,038	1,124,383	0	(318,347)	806,036
Civic Centre Upgrade		0	0	0	0	2,400,000	0	2,400,000	0	6,000,000	0	6,000,000
Oakford Firebrigade		0	0	0	0	0	0	0	0	2,095,000	0	2,095,000
Total		5,274,660	0	(1,253,754)	4,020,906	2,400,000	(820,455)	5,600,451	4,020,904	8,095,000	(1,129,164)	10,986,740
Total Borrowings	16	5,274,660	0	(1,253,754)	4,020,906	2,400,000	(820,455)	5,600,451	4,020,904	8,095,000	(1,129,164)	10,986,740

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
Council Chamber Refurbishment	117	WATC*	4.36%	26/06/2023	\$ 0	\$ 0	\$ (7,622)
Abernethy Road	123	WATC*	0.73%	24/09/2026	(5,308)	(45,472)	(6,917)
Webb Road	121	WATC*	3.20%	17/05/2028	(45,473)	(4,705)	(54,205)
Briggs Park Upgrade	122	WATC*	0.76%	30/06/2025	0	(5,308)	(7,031)
Abernethy Road	124	WATC*	0.73%	24/09/2026	(7,589)	(7,589)	(7,589)
Civic Centre Upgrade	STL	WATC*	3.00%	TBA	0	(35,000)	0
Oakford Firebrigade	N/A	N/A	N/A	3/06/2025	0	0	0
Total					(58,370)	(98,074)	(83,364)
Total Finance Cost Payments					(58,370)	(98,074)	(83,364)

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

31. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2023/24

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2024 Actual	2024 Budget	2024 Actual	2024 Budget		
				%	\$	\$	\$	\$	\$	\$
Civic Centre Upgrade	WATC*	Short Term	1**	4.90%	2,400,000	6,000,000	0	6,000,000	0	38,630
Oakford Firebrigade	WATC*	Self Supporting	10	5.00%	0	2,095,000	0	2,095,000	0	0
					2,400,000	8,095,000	0	8,095,000	0	38,630

* WA Treasury Corporation

** The loan was originally budgeted for \$6M. However, the Shire has only withdrawn \$2.4M in 2023-24. The remaining balance is included in 2024-25.

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2023	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2024
			\$	\$	\$	\$
Civic Centre Upgrade	WATC*	Short Term	0	2,400,000	(2,361,370)	38,630
			0	2,400,000	(2,361,370)	38,630

* WA Treasury Corporation

** The loan was originally budgeted for \$6M. However, the Shire has only withdrawn \$2.4M in 2023-24. The remaining balance is included in 2024-25.

(d) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Photocopiers - Admin		3,824	13,382	(17,206)	0	0	0	0	58,299	0	(23,295)	35,004
Photocopiers - Emergency Services		11,276	0	(9,020)	2,256	3,006	(5,262)	0	2,256	0	(2,256)	0
Ford Ranger - CESM		44,360	0	(19,012)	25,348	0	(19,012)	6,336	23,768	0	(19,008)	4,760
Scania Tip Truck with Crane		0	12,264	(12,264)	0	0	0	0	0	0	0	0
Photocopiers - Admin		0	68,489	(3,805)	64,684	0	(22,828)	41,856	0	0	0	0
Photocopiers - Emergency Services		0	0	0	0	29,681	(6,596)	23,085	0	0	0	0
Total Lease Liabilities	11(b)	59,460	94,135	(61,307)	92,288	32,687	(53,698)	71,277	84,323	0	(44,559)	39,764

Lease Finance Cost Payments

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease Term
					\$	\$	\$	
Photocopiers - Admin	IW85510127001	Canon	2.10%	31/03/2023	0	0	(585)	N/A
Photocopiers - Emergency Services	IW85510204001	Canon	2.10%	31/01/2024	(296)	(126)	(508)	N/A
Ford Ranger - CESM	FMOLT Q21451	Fleetcare	2.00%	30/10/2024	(846)	(840)	(846)	48
Scania Tip Truck with Crane	E6R0162897	MAIA	2.00%	N/A	0	0	(286)	N/A

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

31. BORROWING AND LEASE LIABILITIES (Continued)

(d) Lease Liabilities

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease Term
Photocopiers - Admin	L36761	Fuji Film	2.00%	30/04/2026	(466)	(1,847)	(78)	36
Photocopiers - Emergency Services	L90364	Fuji Film	2.00%	31/10/2026	(135)	0	0	36
Total Finance Cost Payments					(1,743)	(2,813)	(2,303)	

SHIRE OF SERPENTINE-JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

32. RESERVE ACCOUNTS

Restricted by legislation/agreement

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Byford Developer Contribution Fund	4,318,647	2,082,102	(989,143)	5,411,606	3,768,119	20,925	(776,650)	3,012,394	4,404,203	1,471,464	(1,557,020)	4,318,647
(b) Community Infrastructure Reserve	3,957,781	1,160,079	(137,157)	4,980,703	3,698,317	626,884	(138,418)	4,186,783	3,059,477	1,119,091	(220,787)	3,957,781
(c) Miscellaneous Developer Contribution	558,611	28,216	0	586,827	554,233	3,216	0	557,449	550,980	7,631	0	558,611
(d) Mundijong Whitby Shire Contribution	157,703	129,746	(42,798)	244,651	163,880	923	(47,326)	117,477	209,011	2,895	(54,203)	157,703
(e) W. Mundijong Industrial DCP	719,603	36,785	(17,197)	739,191	1,531,651	8,880	(20,441)	1,520,090	983	851,200	(132,580)	719,603
(f) Public Open Space	60,336	3,047	0	63,383	59,512	346	0	59,858	59,512	824	0	60,336
	9,772,681	3,439,975	(1,186,295)	12,026,361	9,775,712	661,174	(982,835)	9,454,051	8,284,166	3,453,105	(1,964,590)	9,772,681

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

31. RESERVE ACCOUNTS (Continued)

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(g) Administration Building	643,462	1,135,839	(624,410)	1,154,891	650,083	78,394	(650,000)	78,477	1,337,663	15,259	(709,460)	643,462
(h) Briggs Park	96,852	4,892	0	101,744	96,092	557	0	96,649	95,529	1,323	0	96,852
(i) Buildings Asset Management	888,502	240,829	(184,277)	945,054	826,113	4,453	(584,752)	245,814	1,078,995	31,467	(221,960)	888,502
(j) Byford BMX Track	206,366	7,671	(91,686)	122,351	112,526	655	0	113,181	203,547	2,819	0	206,366
(k) Car Parking	101,421	4,599	(6,830)	99,190	100,574	527	(100,000)	1,101	91,308	10,113	0	101,421
(l) Community Facilities	152,674	6,441	(145,420)	13,695	130,617	681	(129,000)	2,298	150,832	1,842	0	152,674
(m) Community Grants Reserve	217,354	109,087	(81,106)	245,335	137,038	97,010	(202,150)	31,898	211,642	97,445	(91,733)	217,354
(n) Drainage Asset Management	163,860	8,277	0	172,137	162,574	944	0	163,518	161,622	2,238	0	163,860
(o) Emergency Management	243,532	12,301	0	255,833	241,621	1,405	0	243,026	240,205	3,327	0	243,532
(p) Fire Asset Management	6,739	340	0	7,079	6,685	37	0	6,722	6,647	92	0	6,739
(q) Footpaths Asset Management	495,051	75,413	0	570,464	688,536	3,999	0	692,535	243,494	251,557	0	495,051
(r) Investment	704,498	94,190	0	798,688	698,975	59,847	0	758,822	694,874	9,624	0	704,498
(s) Jarrahdale Communications Tower	252,385	39,165	(22,712)	268,838	289,048	48,558	(22,473)	315,133	264,736	10,003	(22,354)	252,385
(t) Jarrahdale Community Infrastructure	53,037	2,679	0	55,716	52,624	304	0	52,928	52,312	725	0	53,037
(u) Light Fleet & Plant Acquisition	1,317,074	996,000	(899,347)	1,413,727	1,205,039	828,820	(1,594,000)	439,859	1,305,573	818,922	(807,421)	1,317,074
(v) Local Government Election	84,083	81,779	(135,000)	30,862	83,323	75,321	(135,000)	23,644	1,073	83,010	0	84,083
(w) Multi Use Trails	18,844	952	0	19,796	18,698	110	0	18,808	18,587	257	0	18,844
(x) Parks & Gardens Asset Management	157,019	7,931	0	164,950	155,788	905	0	156,693	154,874	2,145	0	157,019
(y) Public Art	262,569	12,643	(25,000)	250,212	165,032	101,260	(35,000)	231,292	119,351	143,218	0	262,569
(z) Rates Revaluation	3,610	27,325	0	30,935	3,466	26,171	0	29,637	53,126	25,484	(75,000)	3,610
({) Renewable Energy	35,163	1,776	0	36,939	34,884	203	0	35,087	34,683	480	0	35,163
() Road Asset Management	1,181,660	163,547	(11,891)	1,333,316	1,135,638	26,656	0	1,162,294	310,290	1,015,379	(144,009)	1,181,660
() Serpentine Jarrahdale Locality Funding	29,056	1,468	0	30,524	28,833	167	0	29,000	28,659	397	0	29,056
(~) Serpentine Jarrahdale Sporting Precinct	332,966	16,818	0	349,784	330,357	1,918	0	332,275	328,418	4,548	0	332,966
(•) Tourism	13,219	668	0	13,887	13,113	74	0	13,187	13,038	181	0	13,219
(€) Unspent Grants & Contributions	38	0	0	38	0	0	0	0	38	0	0	38
(†) Waste	1,716,270	151,381	0	1,867,651	1,688,330	9,778	(50,000)	1,648,108	1,648,369	134,311	(66,410)	1,716,270
(.) Oakford Fire Station	302,623	366,440	(140,888)	528,175	299,011	1,560	(299,000)	1,571	343,443	4,180	(45,000)	302,623
(€) ICT Reserve	784,751	144,689	0	929,440	778,621	105,102	0	883,723	530,878	783,873	(530,000)	784,751
(†) Operations Optimisation	0	762,724	0	762,724	0	0	0	0	0	0	0	0
	10,464,678	4,477,864	(2,368,567)	12,573,975	10,133,239	1,475,416	(3,801,375)	7,807,280	9,723,806	3,454,219	(2,713,347)	10,464,678
Total Reserve Accounts	20,237,359	7,917,839	(3,554,862)	24,600,336	19,908,951	2,136,590	(4,784,210)	17,261,331	18,007,972	6,907,324	(4,677,937)	20,237,359

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Byford Developer Contributions	To provide for future community infrastructure funded from the Byford Developer Contribution Plan.
(b) Community Infrastructure Reserve	To provide for future community infrastructure, matching funds from the Community Infrastructure Developer Contribution Plan.
(c) Miscellaneous Developer Contribution	To be used to fund capital works and administration as per each agreement.
(d) Mundijong Whitby Shire Contribution	To provide towards the future contribution requirements of the Mundijong Whitby Community Development Contribution Scheme.
(e) W. Mundijong Industrial DCF	To provide for future community infrastructure funded from the West Mundijong Developer Contribution Plan.
(f) Public Open Space	To provide for future public open space funded from Developer contributions for cash-in-lieu of public open space.
(g) Administration Building	To provide for the employee accommodation requirements.
(h) Briggs Park	To provide for the future Briggs Park development.
(i) Buildings Asset Management	To provide funds for the upgrade, renewal, replacement and creation of new Shire facilities.
(j) Byford BMX Track	To provide for the future Byford BMX track.
(k) Car Parking	To provide for future public car parking infrastructure funded from Developer contributions for cash-in-lieu of car parking.
(l) Community Facilities	This reserve is for the establishment of additional facilities in the community.
(m) Community Grants Reserve	To provide funds and project management support for delivery of community infrastructure to enable individuals and community groups to build capacity within the community, encourage volunteering and youth development, and deliver sustainable, accessible and demonstrated social, environmental and economic benefits.
(n) Drainage Asset Management	To provide funds for the upgrade, renewal, replacement and creation of new Shire drainage.
(o) Emergency Management	To provide for unanticipated significant emergency services events or plant repairs.
(p) Footpaths Asset Management	To provide funds for the upgrade, renewal, replacement and creation of new Shire footpaths.
(q) Fire Asset Management	To provide for the future additions and maintenance required for fire fighting assets and mitigation strategies.
(r) Investment	To support economic, subdivision and tourism development opportunities for the Shire.
(s) Jarrahdale Communications Tower	To provide for the upgrades and maintenance of the tower when required.
(t) Jarrahdale Community Infrastructure Reserve	To provide funds for the upgrade, renewal or replacement of community assets in the Jarrahdale locality.
(u) Light Fleet & Plant Acquisition	To provide for new and renewal of Light Fleet, Plant and Equipment as required under the replacement and acquisition program.
(v) Local Government Election Reserve	To provide for Bi-Annual, and other interim local government election expenses.
(w) Multi Use Trails	To allow for the construction of Multi Use Trails.
(x) Parks & Gardens Asset Management	To provide funds for the upgrade, renewal, replacement and creation of new Shire parks, gardens and natural reserves.
(y) Public Art	To provide for public art development and creation.
(z) Rates Revaluation	To provide for the tri-ennial Gross Rental Valuation (GRV).
({) Renewable Energy	This reserve is to allow Council to undertake renewable energy projects.
(l) Road and Bridge Asset Management	To provide funds for the upgrade, renewal, replacement and creation of new Shire road and bridge infrastructure.
(j) Serpentine Jarrahdale Locality Funding	Council initiated townscape related projects in the Serpentine Jarrahdale Shire.
(~) Serpentine Jarrahdale Sporting Precinct	To provide funds for the Serpentine Jarrahdale Regional Sporting Precinct when grant applications require contribution funding.
(•) Tourism	To fund the implementation of the tourism strategy and development of tourism throughout the district and region.
(€) Waste	To provide for waste management requirements and future waste infrastructure.
(†) Oakford Firestation	To provide funding the construction of the new Oakford Fire Station.
(.) ICT Reserve	To provide for the Shire's ICT requirements
(€) Operations Optimisation Reserve	To provide funds for future operational and capital requirements of the Shire's Operations function to optimise service delivery to the community.

SHIRE OF SERPENTINE-JARRAHDAL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

33. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2023	Amounts Received	Amounts Paid	30 June 2024
	\$	\$	\$	\$
Cash in Lieu of Public Open Space	304,222	0	0	304,222
				0
	304,222	0	0	304,222

SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

34 CORRECTION OF ERROR

During the year ended 30 June 2024, the following misstatements were identified relating to prior financial years.

The misstatements have been corrected by restating each of the affected financial statement line items for the prior years.

(a) Correction of recognition of Gifted Assets from prior financial years

During the year 2023-24, gifted assets were identified that were received in prior financial years.

As a part of the survey undertaken this year the Shire identified a number of assets which were not included in previous years financial statement. Valuation dates and dates assets were gifted has not been captured, meaning earlier quantification was impracticable. These assets values were quantified and taken up at their fair value. These assets have been reflected in 1 July 2022.

Furthermore, the Shire has also identified assets that were constructed in the 2022/23. These assets have been reflected in the balance at 30 June 2023 and recognised in the statement of comprehensive income in 2022-23 as capital grants, subsidies and contributions.

As a consequence, the Shire has determined that :

- For the opening balance as at 1 July 2022, infrastructure assets and retained surplus were understated by \$2,771,144.
- Non-operating contributions for period ending 30 June 2023 were understated by \$2,455,076 in Parks and Ovals, \$397,856 for footpaths and \$1,672,379 in Roads.
- For closing balance as at 30 June 2023, infrastructure assets were understated a total of \$7,296,455
- Retained surplus was understated by \$7,296,455 as at 30 June 2023

The Shire has retrospectively applied the corrections as at 1 July 2022 (beginning of earliest period practicable) to reflect the Shire's fair value of the assets.

The financial impact of this correction errors is indicated below:

STATEMENT OF FINANCIAL POSITION (Extract)	30 June 2023	Increase/ (Decrease)	30 June 2023 (Restated)	01 July 2022	Increase/ (Decrease)	01 July 2022 (Restated)
Infrastructure						
Parks and Ovals	41,457,394	4,324,295	45,781,689	56,148,314	1,869,219	58,017,533
Roads	424,520,428	1,986,897	426,507,325	339,916,549	314,518	340,231,067
Footpaths	28,339,663	985,263	29,324,926	19,775,687	587,407	20,363,094
Total adjustments to assets	494,317,485	7,296,455	501,613,940	415,840,550	2,771,144	418,611,694
Net assets	508,401,842	7,296,455	515,698,297	479,163,840	2,771,144	481,934,984
Retained Surplus	170,664,265	7,296,455	177,960,720	153,655,948	2,771,144	156,427,092
Total equity	508,401,842	7,296,455	515,698,297	479,163,840	2,771,144	481,934,984
STATEMENT OF COMPREHENSIVE INCOME (Extract)	2023	Increase/ (Decrease)	2023 (Restated)			
Capital grants, subsidies and contributions	22,723,336	4,525,311	27,248,647			
Net result for the period	19,237,704.00	4,525,311	23,763,015.00			
Total comprehensive income for the period	29,238,002	4,525,311	33,763,313			

**SHIRE OF SERPENTINE-JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

34 CORRECTION OF ERROR

(a) Correction of recognition of Gifted Assets from prior financial years

STATEMENT OF FINANCIAL ACTIVITY (Extract)	2023	Increase/ Decrease	2023 (Restated)
Capital grants, subsidies and contributions	22,723,336	4,525,311	27,248,647
Purchase and/or construction of infrastructure	(22,007,050)	(4,525,311)	(26,532,361)