

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	53

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

*City living offering a rural lifestyle with abundant opportunities for a diverse community*

Principal place of business:  
 6 Paterson Street  
 Mundijong WA 6123

SHIRE OF SERPENTINE JARRAHDALÉ  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022  
STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Serpentine Jarrahdale for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Serpentine Jarrahdale at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the *Local Government (Financial Management) Regulations 1996*, the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.


Signed on the

5

day of

April

2023



---

Chief Executive Officer

Paul Martin

---

Name of Chief Executive Officer

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	25(a),2(a)	25,429,868	26,000,921	24,457,638
Operating grants, subsidies and contributions	2(a)	4,362,487	3,966,899	3,881,078
Fees and charges	24(c),2(a)	7,713,240	7,284,338	7,199,767
Interest earnings	2(a)	350,521	543,000	449,603
Other revenue	2(a)	638,081	435,742	679,864
		38,494,197	38,230,900	36,667,950
<b>Expenses</b>				
Employee costs		(17,890,840)	(19,209,113)	(17,114,805)
Materials and contracts		(10,101,248)	(10,848,319)	(10,713,878)
Utility charges		(1,105,643)	(1,042,150)	(1,070,258)
Depreciation	10(a)	(10,581,149)	(9,825,198)	(9,844,544)
Finance costs	2(b)	(116,351)	(126,014)	(173,761)
Insurance		(443,049)	(431,122)	(413,080)
Other expenditure	2(b)	(2,314,721)	(664,437)	(778,649)
		(42,553,001)	(42,146,353)	(40,108,975)
		(4,058,804)	(3,915,453)	(3,441,025)
Capital grants, subsidies and contributions	2(a)	25,597,971	17,541,797	15,104,276
Profit on asset disposals	10(b)	63,454	53,800	2,714
Loss on asset disposals	10(b)	0	(4,260)	(7,871)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	3,829
		25,661,425	17,591,337	15,102,948
<b>Net result for the period</b>	26(b)	<b>21,602,621</b>	<b>13,675,884</b>	<b>11,661,923</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	18	2,993,511	0	0
<b>Total other comprehensive income for the period</b>		<b>2,993,511</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>24,596,132</b>	<b>13,675,884</b>	<b>11,661,923</b>

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



**SHIRE OF SERPENTINE JARRAHDALÉ**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	5,412,029	15,068,565
Trade and other receivables	5	2,946,693	3,040,567
Other financial assets	4(a)	35,018,647	14,017,945
Inventories	6	18,317	37,199
Other assets	7	22,908	17,130
<b>TOTAL CURRENT ASSETS</b>		<b>43,418,594</b>	<b>32,181,406</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	227,497	203,984
Other financial assets	4(b)	79,928	76,660
Property, plant and equipment	8	46,313,506	41,468,769
Infrastructure	9	410,972,783	395,034,357
Right-of-use assets	11(a)	57,877	182,438
Investment property	13	747,182	747,182
Intangible assets	12	2,527,250	2,796,419
<b>TOTAL NON-CURRENT ASSETS</b>		<b>460,926,023</b>	<b>440,509,809</b>
<b>TOTAL ASSETS</b>		<b>504,344,617</b>	<b>472,691,215</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	7,600,876	6,238,237
Other liabilities	15	2,860,281	2,661,757
Lease liabilities	11(b)	31,856	124,562
Borrowings	16	1,253,756	3,414,998
Employee related provisions	17	2,353,572	2,093,891
<b>TOTAL CURRENT LIABILITIES</b>		<b>14,100,341</b>	<b>14,533,445</b>
<b>NON-CURRENT LIABILITIES</b>			
Other liabilities	15	6,200,000	0
Lease liabilities	11(b)	27,604	57,876
Borrowings	16	4,020,904	2,826,753
Employee related provisions	17	831,928	705,433
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>11,080,436</b>	<b>3,590,062</b>
<b>TOTAL LIABILITIES</b>		<b>25,180,777</b>	<b>18,123,507</b>
<b>NET ASSETS</b>		<b>479,163,840</b>	<b>454,567,708</b>
<b>EQUITY</b>			
Retained surplus		153,655,948	134,299,435
Reserve accounts	30	18,007,972	15,761,864
Revaluation surplus	18	307,499,920	304,506,409
<b>TOTAL EQUITY</b>		<b>479,163,840</b>	<b>454,567,708</b>

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



**SHIRE OF SERPENTINE JARRAHDALE  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>127,246,526</b>	<b>11,152,850</b>	<b>304,506,409</b>	<b>442,905,785</b>
<b>Restated balance at the beginning of the financial year</b>		<b>127,246,526</b>	<b>11,152,850</b>	<b>304,506,409</b>	<b>442,905,785</b>
Comprehensive income for the period					
Net result for the period		11,661,923	0	0	11,661,923
Total comprehensive income for the period		11,661,923	0	0	11,661,923
Transfers from reserves	30	1,380,398	(1,380,398)	0	0
Transfers to reserves	30	(5,989,412)	5,989,412	0	0
<b>Balance as at 30 June 2021</b>		<b>134,299,435</b>	<b>15,761,864</b>	<b>304,506,409</b>	<b>454,567,708</b>
Comprehensive income for the period					
Net result for the period		21,602,621	0	0	21,602,621
Other comprehensive income for the period	18	0	0	2,993,511	2,993,511
Total comprehensive income for the period		21,602,621	0	2,993,511	24,596,132
Transfers from reserves	30	5,482,094	(5,482,094)	0	0
Transfers to reserves	30	(7,728,202)	7,728,202	0	0
<b>Balance as at 30 June 2022</b>		<b>153,655,948</b>	<b>18,007,972</b>	<b>307,499,920</b>	<b>479,163,840</b>

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



**SHIRE OF SERPENTINE JARRAHDALE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		25,813,216	26,500,921	25,323,313
Operating grants, subsidies and contributions		4,613,930	3,966,899	3,870,578
Fees and charges		7,749,054	7,334,338	7,410,815
Service charges		0	0	0
Interest received		350,521	548,000	449,603
Goods and services tax received		949,161	150,000	1,963,974
Other revenue		638,081	435,742	679,864
		40,113,963	38,935,900	39,698,147
<b>Payments</b>				
Employee costs		(17,384,079)	(18,810,862)	(16,677,966)
Materials and contracts		(9,217,369)	(10,571,566)	(9,605,566)
Utility charges		(1,105,643)	(1,037,150)	(1,070,258)
Finance costs		(116,351)	(126,014)	(162,611)
Insurance paid		(443,052)	(431,122)	(413,080)
Goods and services tax paid		(931,071)	0	(1,626,036)
Other expenditure		(2,314,721)	(664,437)	(778,649)
		(31,512,286)	(31,641,151)	(30,334,166)
<b>Net cash provided by (used in) operating activities</b>	19(b)	8,601,677	7,294,749	9,363,981
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(5,118,402)	(15,066,221)	(1,639,002)
Payments for construction of infrastructure		(8,284,162)	(17,328,269)	(8,215,643)
Payments for intangible assets	12	0	0	(692,695)
Non-operating grants, subsidies and contributions		17,214,673	17,558,817	8,424,785
Proceeds from financial assets at amortised cost		(21,000,701)	0	0
Proceeds from financial assets at fair values through profit and loss		(3,268)	0	3,829
Net payments for financial assets at amortised cost		0	0	(13,773,816)
Proceeds from sale of property, plant & equipment	10(b)	23,714	175,000	136,455
<b>Net cash provided by (used in) investing activities</b>		(17,168,146)	(14,660,673)	(15,756,087)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	29(a)	(967,091)	(1,284,000)	(942,870)
Payments for principal portion of lease liabilities	29(b)	(122,978)	(117,090)	(223,764)
Proceeds from new borrowings	29(a)	0	4,819,500	0
<b>Net cash provided by (used in) financing activities</b>		(1,090,069)	3,418,410	(1,166,634)
<b>Net increase (decrease) in cash held</b>		(9,656,537)	(3,947,514)	(7,558,740)
Cash at beginning of year		15,068,565	17,273,065	22,627,305
<b>Cash and cash equivalents at the end of the year</b>	19(a)	5,412,029	13,325,551	15,068,565

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

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	28(c)	5,425,657	2,930,228	7,726,152
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Operating grants, subsidies and contributions		4,362,487	3,966,899	3,881,078
Fees and charges		7,713,240	7,284,338	7,199,767
Service charges		0	0	0
Interest earnings		350,521	543,000	449,603
Other revenue		638,081	435,742	679,864
Profit on asset disposals	10(b)	63,454	53,800	2,714
Fair value adjustments to financial assets at fair value through profit or loss		0	0	3,829
		13,127,783	12,283,779	12,216,855
<b>Expenditure from operating activities</b>				
Employee costs		(17,890,840)	(19,209,113)	(17,114,805)
Materials and contracts		(10,101,248)	(10,848,319)	(10,713,878)
Utility charges		(1,105,643)	(1,042,150)	(1,070,258)
Depreciation		(10,581,149)	(9,825,198)	(9,844,544)
Finance costs		(116,351)	(126,014)	(173,761)
Insurance		(443,049)	(431,122)	(413,080)
Other expenditure		(2,314,721)	(664,437)	(778,649)
Loss on asset disposals	10(b)	0	(4,260)	(7,871)
		(42,553,001)	(42,150,613)	(40,116,846)
Non-cash amounts excluded from operating activities	28(a)	10,607,147	9,775,658	9,903,278
<b>Amount attributable to operating activities</b>		(18,818,071)	(20,091,176)	(17,996,713)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		25,597,971	17,541,797	15,104,276
Proceeds from disposal of assets	10(b)	109,714	175,000	136,455
Purchase of property, plant and equipment	8(a)	(5,662,981)	(15,123,057)	(1,639,002)
Purchase and construction of infrastructure	9(a)	(22,436,090)	(17,328,269)	(12,933,384)
Payments for intangible assets	12	0	0	(692,695)
		(2,391,386)	(14,734,529)	(24,350)
Non-cash amounts excluded from investing activities	28(b)	86,000	0	(2,961,422)
<b>Amount attributable to investing activities</b>		(2,305,386)	(14,734,529)	(2,985,772)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	29(a)	(967,091)	(1,284,000)	(942,870)
Proceeds from borrowings	29(a)	0	4,819,500	0
Payments for principal portion of lease liabilities	29(b)	(122,978)	(117,090)	(223,764)
Movement in Non-Current Liabilities		0	61,067	0
Transfers to reserves (restricted assets)	30	(7,728,202)	(2,153,217)	(5,989,412)
Transfers from reserves (restricted assets)	30	5,482,094	4,568,296	1,380,398
<b>Amount attributable to financing activities</b>		(3,336,177)	5,894,556	(5,775,648)
<b>Surplus/(deficit) before imposition of general rates</b>		(19,033,976)	(26,000,921)	(19,031,981)
<b>Total amount raised from general rates</b>	27(a)	25,429,868	26,000,921	24,457,638
<b>Surplus/(deficit) after imposition of general rates</b>	28(c)	<b>6,395,892</b>	<b>0</b>	<b>5,425,657</b>

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

**SHIRE OF SERPENTINE JARRAHDALE  
FOR THE YEAR ENDED 30 JUNE 2022  
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	13
Note 4	Other Financial Assets	13
Note 5	Trade and Other Receivables	14
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Leases	23
Note 12	Intangible Assets	24
Note 13	Investment Property	25
Note 14	Trade and Other Payables	26
Note 15	Other Liabilities	27
Note 16	Borrowings	28
Note 17	Employee Related Provisions	29
Note 18	Revaluation Surplus	30
Note 19	Notes to the Statement of Cash Flows	31
Note 20	Contingent Liabilities	32
Note 21	Events occurring after the balance date	32
Note 22	Capital Commitments	32
Note 23	Related Party Transactions	33
Note 24	Financial Risk Management	36
Note 25	Other Significant Accounting Policies	40
Note 26	Function and Activity	41
<b>Information required by legislation</b>		
Note 27	Rating Information	44
Note 28	Rate Setting Statement Information	47
Note 29	Borrowing and Lease Liabilities	48
Note 30	Reserve accounts	50
Note 31	Trust Funds	52



**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. BASIS OF PREPARATION**

The financial report 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.

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 City to measure any vested improvements at zero cost.

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.

**The local government reporting entity**

All funds through which the City 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 31 of the financial report.

**Judgements and estimates**

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 values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets

Comparative figures are, where appropriate, reclassified to be comparable with figures presented in the current financial year.

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**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:

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations typically satisfied</b>	<b>Payment terms</b>	<b>Returns/Refunds/Warranties</b>	<b>Timing of revenue recognition</b>
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
Grant contracts with customers	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 as inputs are shared
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
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
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
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

**SHIRE OF SERPENTINE JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES**

**(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 and pool 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

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES (Continued)**

Note	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>(a) Revenue (Continued)</b>			
<b>Assets and services acquired below fair value</b>			
Contributed assets	14,616,379	0	4,717,742
	14,616,379	0	4,717,742
<b>Interest earnings</b>			
Interest on reserve funds	42,971	100,000	80,589
Rates instalment and penalty interest (refer Note 27(d))	289,707	326,000	295,615
Other interest earnings	17,843	115,000	73,399
	350,521	541,000	449,603
<b>Revenue Recognition</b>			

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

**For the year ended 30 June 2022**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	25,429,868	0	25,429,868
Operating grants, subsidies and contributions	0	4,362,487	0	0	4,362,487
Fees and charges	211,215	0	7,281,418	220,607	7,713,240
Interest earnings	0	0	350,521	0	350,521
Other revenue	0	0	0	638,081	638,081
Non-operating grants, subsidies and contributions		25,597,971	0	0	25,597,971
<b>Total</b>	211,215	29,960,458	33,061,807	858,688	64,092,168

**For the year ended 30 June 2021**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	24,457,638	0	24,457,638
Operating grants, subsidies and contributions	0	3,881,078	0	0	3,881,078
Fees and charges	193,280	0	6,958,398	48,089	7,199,767
Interest earnings	0	0	449,603	0	449,603
Other revenue	0	0	0	679,864	679,864
Non-operating grants, subsidies and contributions	0	15,104,276	0	0	15,104,276
<b>Total</b>	193,280	18,985,354	31,865,639	727,953	51,772,226

**(b) Expenses**

Note	2022 Actual	2022 Budget	2021 Actual
<b>Auditors remuneration</b>			
- Other services	58,806	57,000	51,000
	5,612	3,000	2,320
	64,418	60,000	53,320
<b>Finance costs</b>			
Borrowings	29(a) 112,911	124,000	168,549
Lease liabilities	29(b) 3,440	2,014	5,212
	116,351	126,014	173,761
<b>Other expenditure</b>			
Impairment losses on rates receivables	0	0	40,000
Sundry expenses	512,157	664,437	738,649
Repayment of Development Contribution Credits	1,802,564	0	0
	2,314,721	664,437	778,649

**SHIRE OF SERPENTINE JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
 Term deposits  
**Total cash and cash equivalents**

Held as

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

Note	2022	2021
	\$	\$
	5,412,029	7,573,203
	0	7,495,362
19(a)	5,412,029	15,068,565
	5,412,029	13,324,646
19(a)	0	1,743,919
	5,412,029	15,068,565

**SIGNIFICANT 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.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

**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 reserves, 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.

Details of restrictions on financial assets can be found at Note 19.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Term deposits

Held as

- Unrestricted other financial assets at amortised cost  
 - Restricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at fair value through profit and loss

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust  
 Listed Shares  
 Unlisted Shares

	2022	2021
	\$	\$
	35,018,647	14,017,945
	35,018,647	14,017,945
	35,018,647	14,017,945
	35,018,647	14,017,945
	17,010,675	0
19(a)	18,007,972	14,017,945
	35,018,647	14,017,945
	79,928	76,660
	79,928	76,660
	58,353	55,355
	11,550	11,280
	10,025	10,025
	79,928	76,660

**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 25 (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 value through profit and loss**

The Shire classifies the following financial assets at fair value through profit and loss:

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 24.

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**5. TRADE AND OTHER RECEIVABLES**

Note	2022	2021
	\$	\$
<b>Current</b>		
Rates receivable	2,630,689	2,670,659
Trade and other receivables	154,280	190,094
GST receivable	201,724	219,814
Allowance for credit losses of trade and other receivables	24(b) (40,000)	(40,000)
	<u>2,946,693</u>	<u>3,040,567</u>
<b>Non-current</b>		
Pensioner's rates and ESL deferred	227,497	203,984
	<u>227,497</u>	<u>203,984</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

**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 24.

**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.

**6. INVENTORIES**

Note	2022	2021
	\$	\$
<b>Current</b>		
Fuel and materials	9,817	28,699
History Books	2,321	2,321
Inventory	6,179	6,179
	<u>18,317</u>	<u>37,199</u>

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>	37,199	21,141
Inventories expensed during the year	(258,847)	(154,104)
Additions to inventory	239,965	170,162
<b>Balance at end of year</b>	<u>18,317</u>	<u>37,199</u>

**SIGNIFICANT 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 JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**7. OTHER ASSETS**

	2022	2021
	\$	\$
<b>Other assets - current</b>		
Prepayments	22,908	17,130
	22,908	17,130

**SIGNIFICANT 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 JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

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.

Note	Land	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Motor vehicles	Computer equipment	capital works in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	7,684,081	28,775,228	36,459,309	19,623	3,823,076	1,353,446	166,819	1,345	41,823,618
Additions	0	187,797	187,797	0	644,358	201,516	359,063	246,268	1,639,002
Disposals	0	0	0	0	0	(141,612)	0	0	(141,612)
Depreciation	0	(1,056,228)	(1,056,228)	(3,271)	(474,957)	(284,223)	(33,560)	0	(1,852,239)
Transfers	0	93,219	93,219	0	0	0	0	(93,219)	0
<b>Balance at 30 June 2021</b>	7,684,081	28,000,016	35,684,097	16,352	3,992,477	1,129,127	492,322	154,394	41,468,769
<b>Comprises:</b>									
Gross balance amount at 30 June 2021	7,684,081	46,121,282	53,805,363	40,876	5,787,778	1,902,552	527,083	154,394	62,218,046
Accumulated depreciation at 30 June 2021	0	(18,121,266)	(18,121,266)	(24,524)	(1,795,301)	(773,425)	(34,761)	0	(20,749,277)
Accumulated impairment loss at 30 June 2021	0	0	0	0	0	0	0	0	0
<b>Balance at 30 June 2021</b>	7,684,081	28,000,016	35,684,097	16,352	3,992,477	1,129,127	492,322	154,394	41,468,769
Additions*	0	601,934	601,934	0	988,953	588,501	75,965	3,407,628	5,662,981
Disposals	0	0	0	0	(21,908)	(24,352)	0	0	(46,260)
Accumulated Depreciation on Disposed Assets	0	0	0	0	(12,092)	(63,648)	0	0	(75,740)
Revaluation increments / (decrements) transferred to revaluation surplus	688,419	2,305,092	2,993,511	0	0	0	0	0	2,993,511
Depreciation	0	(1,122,312)	(1,122,312)	(3,270)	(432,814)	(103,245)	(105,176)	0	(1,766,817)
Transfers	0	0	0	0	(165,203)	165,203	0	0	0
Transfers to Infrastructure	0	(1,922,938)	(1,922,938)	0	0	0	0	0	(1,922,938)
<b>Balance at 30 June 2022</b>	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
<b>Comprises:</b>									
Gross balance amount at 30 June 2022	8,372,500	46,200,000	54,572,500	40,876	6,577,528	2,568,256	603,048	3,562,022	67,924,230
Accumulated depreciation at 30 June 2022	0	(18,338,208)	(18,338,208)	(27,794)	(2,228,115)	(876,670)	(139,937)	0	(21,610,724)
<b>Balance at 30 June 2022</b>	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

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

During the year ended 30 June 2021	0	0	0	0	0	0	0	0	0
During the year ended 30 June 2022	0	0	0	0	0	464,451	0	0	464,451



SHIRE OF SERPENTINE JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2022

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
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.
(ii) Cost						
Furniture and equipment			Cost	Cost	N/A	N/A
Motor vehicles			Cost	Cost	N/A	N/A
Computer equipment			Cost	Cost	N/A	N/A
Other property, plant and equipment			Cost	Cost	N/A	N/A

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**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.

Note	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Capital Works in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	250,684,099	19,732,869	78,595,730	37,588,065	13,557	386,614,320
Additions*	7,425,099	678,505	3,398,187	411,020	1,020,573	12,933,384
Depreciation	(4,909,745)	(338,592)	(1,076,688)	(1,213,415)	0	(7,538,440)
Transfers	3,025,093	0	0	0	0	3,025,093
<b>Balance at 30 June 2021</b>	256,224,546	20,072,782	80,917,229	36,785,670	1,034,130	395,034,357
<b>Comprises:</b>						
Gross balance at 30 June 2021	331,063,566	26,685,215	110,492,028	51,120,599	1,034,130	520,395,538
Accumulated depreciation at 30 June 2021	(74,839,020)	(6,612,433)	(29,574,799)	(14,334,929)	0	(125,361,181)
<b>Balance at 30 June 2021</b>	256,224,546	20,072,782	80,917,229	36,785,670	1,034,130	395,034,357
Additions*	8,852,983	51,700	7,619,289	2,378,968	3,533,150	22,436,090
Depreciation	(5,185,324)	(348,795)	(1,645,127)	(1,241,356)	0	(8,420,602)
Transfers from Property Plant and Equipment	0	0	0	1,922,938	0	1,922,938
<b>Balance at 30 June 2022</b>	259,892,205	19,775,687	86,891,391	39,846,220	4,567,280	410,972,783
<b>Comprises:</b>						
Gross balance at 30 June 2022	339,916,549	26,736,915	118,111,317	56,148,314	4,567,280	545,480,375
Accumulated depreciation at 30 June 2022	(80,024,344)	(6,961,228)	(31,219,926)	(16,302,094)	0	(134,507,592)
<b>Balance at 30 June 2022</b>	259,892,205	19,775,687	86,891,391	39,846,220	4,567,280	410,972,783
* Asset additions included additions received at substantially less than fair value:						
During the year ended 30 June 2021	548,073	586,201	3,337,173	246,295	0	4,717,742
During the year ended 30 June 2022	5,119,263	0	6,660,698	2,371,967	0	14,151,928

SHIRE OF SERPENTINE JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Infrastructure - Roads</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	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.
<b>Infrastructure - Footpaths</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	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.
<b>Infrastructure - Drainage</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	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.
<b>Infrastructure - Parks &amp; Ovals</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	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 JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**10. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - specialised	8(a)	1,122,312	1,036,497	1,056,228
Furniture and equipment	8(a)	3,270	36,634	3,271
Plant and equipment	8(a)	432,814	447,730	474,957
Motor vehicles	8(a)	103,245	376,753	284,223
Computer equipment	8(a)	105,176	0	33,560
Infrastructure - Roads	9(a)	5,185,324	4,908,316	4,909,745
Infrastructure - Footpaths	9(a)	348,795	337,706	338,592
Infrastructure - Drainage	9(a)	1,645,127	1,073,105	1,076,688
Infrastructure - Parks & Ovals	9(a)	1,241,356	1,212,564	1,213,415
Right-of-use assets - Furniture & Equipment	11(a)	38,474	0	114,988
Right-of-use assets - plant and equipment	11(a)	86,087	115,893	104,542
		10,311,980	9,545,198	9,610,209
<b>Amortisation</b>				
Intangible assets - Intangible assets - Computer Software	12	269,169	280,000	234,335
		269,169	280,000	234,335
		10,581,149	9,825,198	9,844,544

**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	18 years

**SHIRE OF SERPENTINE JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**10. FIXED ASSETS (Continued)**

**(b) Disposals of assets**

	2022			2022			2022			2021		
	Actual	Actual	2022	Budget	Budget	2022	Budget	Budget	Actual	Actual	2021	
	Net Book	Actual	Actual	Net Book	Net Book	Budget	Budget	Actual	Actual	Actual		
	Value	Proceeds	Profit	Value	Value	Profit	Loss	Proceeds	Profit	Loss		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Plant and equipment	21,908	23,714	1,806	0	0	0	0	0	0	0		
Motor vehicles	24,352	86,000	61,648	125,460	175,000	53,800	(4,260)	136,455	2,714	(7,871)		
	46,260	109,714	63,454	125,460	175,000	53,800	(4,260)	136,455	2,714	(7,871)		

The following assets were disposed of during the year.

	2022	2022	2022	2022
	Actual	Actual	Actual	Actual
	Net Book	Actual	Actual	Actual
	Value	Proceeds	Profit	Loss
<b>Plant and Equipment</b>				
<b>Law, order, public safety</b>				
SJ33 Kubota Trac	21,908	23,714	1,806	0
<b>Transport</b>				
SJ912 2007 Toyota	12,176	43,000	30,824	0
SJ920 2007 Toyota	12,176	43,000	30,824	0
	46,260	109,714	63,454	0

**SHIRE OF SERPENTINE JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Initial recognition and measurement for assets held at cost**

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

**Initial recognition and measurement between mandatory revaluation dates for assets held at fair value**

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 *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.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of 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.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

**Revaluation**

The fair value of land, buildings, infrastructure and investment properties is determined at least 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 vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

**Revaluation (continued)**

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets 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.

An 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 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.

**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. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note

SHIRE OF SERPENTINE JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

## 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.	Right-of-use assets - Furniture & Equipment		Right-of-use assets - plant and equipment	Right-of-use assets Total
	Note	\$	\$	\$
Balance at 1 July 2020		168,562	57,664	226,226
Additions		0	175,742	175,742
Depreciation		(114,988)	(104,542)	(219,530)
Balance at 30 June 2021		53,574	128,864	182,438
Depreciation	10(a)	(38,474)	(86,087)	(124,561)
Balance at 30 June 2022		15,100	42,777	57,877

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

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	10(a)	(124,561)	(219,530)
Interest expense on lease liabilities	29(b)	(3,440)	(5,212)
<b>Total amount recognised in the statement of comprehensive income</b>		<b>(128,001)</b>	<b>(224,742)</b>
Total cash outflow from leases		(126,418)	(228,976)

## (b) Lease Liabilities

Current		31,856	124,562
Non-current		27,604	57,876
	29(b)	59,460	182,438

## 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.

## SIGNIFICANT 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 asset 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 29(b).

## Right-of-use assets - valuation measurement

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included 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 significant 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 amortised over the useful life of the underlying asset.

## 11. LEASES (Continued)

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

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

Rental income	5,245	5,201
---------------	-------	-------

## Amounts recognised in profit or loss for investment properties

Rental income	5,245	5,201
Direct operating expenses from property that did not generate rental income	(224)	(220)

## 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	5,245	5,201
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	5,245	5,201

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 13 for details of leased investment property

## SIGNIFICANT 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.

A lessor shall disclose a maturity analysis of lease payments, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years.

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 to allocate the consideration under the contract to each component.

**SHIRE OF SERPENTINE JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**12. INTANGIBLE ASSETS**

Note	2022 Actual \$	2021 Actual \$
<b>Intangible assets</b>		
<b>Non-current</b>		
Intangible assets - Computer Software	3,135,203	3,135,203
Less: Accumulated amortisation	(607,953)	(338,784)
	2,527,250	2,796,419
 Movements in balances of intangible assets during the financial year are shown as follows:		
<b>Balance at 1 July</b>	2,796,419	2,338,059
Recognition of intangible assets - computer software	0	692,695
Amortisation of intangible assets - computer software	(269,169)	(234,335)
<b>Balance at 30 June</b>	2,527,250	2,796,419
<b>TOTAL INTANGIBLE ASSETS</b>	2,527,250	2,796,419

**SIGNIFICANT 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.



**SHIRE OF SERPENTINE JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**13. INVESTMENT PROPERTY**

**Non-current assets - at fair value**

Carrying balance at 1 July  
Closing balance at 30 June

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Carrying balance at 1 July	747,182	0	747,182
Closing balance at 30 June	747,182		747,182

**SIGNIFICANT ACCOUNTING POLICIES**

**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, terminal yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**14. TRADE AND OTHER PAYABLES**

**Current**

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

	2022	2021
	\$	\$
	56,536	41,113
	2,413,954	2,047,063
	351,106	226,133
	2,507,825	2,612,659
	20,577	23,551
	2,250,878	1,287,718
	<b>7,600,876</b>	<b>6,238,237</b>

**SIGNIFICANT 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 the fair value of the 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 revenue for the prepaid rates that have not been refunded.

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**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  
 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 to be satisfied within the next 12 months.

**Reconciliation of changes in capital grant/contribution liabilities**

Opening balance  
 Additions  
 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

	2022	2021
	\$	\$
Contract liabilities	364,050	112,607
Capital grant/contributions liabilities	2,496,231	2,549,150
	<u>2,860,281</u>	<u>2,661,757</u>
Capital grant/contributions liabilities	6,200,000	0
	<u>6,200,000</u>	<u>0</u>
Opening balance	112,607	208,053
Additions	364,050	(1,644,924)
Revenue from contracts with customers included as a contract liability at the start of the period	(112,607)	1,549,478
	<u>364,050</u>	<u>112,607</u>
Opening balance	2,549,150	0
Additions	8,696,231	2,549,150
Revenue from capital grant/contributions held as a liability at the start of the period	(2,549,150)	0
	<u>8,696,231</u>	<u>2,549,150</u>
Less than 1 year	3,149,231	0
1 to 2 years	3,666,500	2,549,150
2 to 3 years	1,880,500	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	<u>8,696,231</u>	<u>2,549,150</u>

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.

**SIGNIFICANT 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 the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values 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 25(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 2022**

**16. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Bank loans		1,253,756	4,020,904	5,274,660	3,414,998	2,826,753	6,241,751
<b>Total secured borrowings</b>	29(a)	1,253,756	4,020,904	5,274,660	3,414,998	2,826,753	6,241,751

**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.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

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 25(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 24.

Details of individual borrowings required by regulations are provided at Note 29(a).

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**17. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	2022	2021
	\$	\$
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual Leave	1,621,427	1,379,384
Long Service Leave	667,852	623,444
Other employee provisions	64,293	91,063
	<b>2,353,572</b>	<b>2,093,891</b>
<b>Non-current provisions</b>		
Long Service Leave	828,838	705,433
Other employee provisions	3,090	0
	<b>831,928</b>	<b>705,433</b>
	<b>3,185,500</b>	<b>2,799,324</b>

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	2022	2021
		\$	\$
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date		2,687,345	2,093,891
More than 12 months from reporting date		498,155	705,433
		<b>3,185,500</b>	<b>2,799,324</b>

**SIGNIFICANT 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 JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

18. REVALUATION SURPLUS

	2022		2022		2022		2022		2021		2021		2021		
	Opening Balance	Change in Accounting Policy	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation
Revaluation surplus - Land - freehold land	4,621,214	\$ 0	688,419	0	688,419	5,309,633	4,621,214	0	0	0	4,621,214	4,621,214	0	0	0
Revaluation surplus - Buildings - specialised	11,174,017	0	2,305,092	0	2,305,092	13,479,109	11,174,017	0	0	0	11,174,017	11,174,017	0	0	0
Revaluation surplus - Furniture and equipment	45,243	0	0	0	0	45,243	45,243	0	0	0	45,243	45,243	0	0	0
Revaluation surplus - Plant and equipment	17,648	0	0	0	0	17,648	17,648	0	0	0	17,648	17,648	0	0	0
Revaluation surplus - Computer Equipment	6,246	0	0	0	0	6,246	6,246	0	0	0	6,246	6,246	0	0	0
Revaluation surplus - Infrastructure - Roads	176,540,880	0	0	0	0	176,540,880	176,540,880	0	0	0	176,540,880	176,540,880	0	0	0
Revaluation surplus - Infrastructure - footpaths	16,746,136	0	0	0	0	16,746,136	16,746,136	0	0	0	16,746,136	16,746,136	0	0	0
Revaluation surplus - Infrastructure - drainage	67,928,039	0	0	0	0	67,928,039	67,928,039	0	0	0	67,928,039	67,928,039	0	0	0
Revaluation surplus - Infrastructure - parks & ovals	27,426,986	0	0	0	0	27,426,986	27,426,986	0	0	0	27,426,986	27,426,986	0	0	0
	304,506,409	0	2,993,511	0	2,993,511	307,499,920	304,506,409	0	0	0	304,506,409	304,506,409	0	0	0

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**19. 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	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	5,412,029	13,325,551	15,068,565
<b>Restrictions</b>				
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	0	(841,696)	1,743,919
- Financial assets at amortised cost	4	18,007,972	14,017,945	14,017,945
		18,007,972	13,176,249	15,761,864
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	30	18,007,972	12,033,769	15,761,864
Restricted non-current contract liabilities		0	0	0
Unspent loans	29(b)	0	1,142,480	0
<b>Total restricted financial assets</b>		18,007,972	13,176,249	15,761,864

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

Net result		21,602,621	13,675,884	11,661,923
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		0	0	(3,829)
Adjustments to fair value of investment property		0	0	0
Depreciation/amortisation		10,581,149	9,825,198	9,844,544
(Profit)/loss on sale of asset		(63,454)	(49,540)	5,157
Share of profits of associates		0	0	0
Loss on revaluation of fixed assets		0	0	0
Assets received for substantially less than fair value		(14,616,379)	0	0
Reversal of loss on revaluation of fixed assets		0	0	0
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		70,361	705,000	767,680
(Increase)/decrease in other assets		(5,778)	0	22,868
(Increase)/decrease in inventories		18,882	5,004	(16,058)
(Increase)/decrease in contract assets		0	0	211,048
Increase/(decrease) in trade and other payables		1,362,639	275,000	1,859,664
Increase/(decrease) in employee related provisions		467,785	400,000	203,048
Increase/(decrease) in other provisions		(0)	0	7,658
Increase/(decrease) in other liabilities		251,443	0	(2,057,196)
Increase/(decrease) in grant liabilities		6,147,081	0	0
Non-Cash Proceeds of Sale		(86,000)	0	0
Non-operating grants, subsidies and contributions		(17,128,673)	(17,541,797)	(13,142,526)
<b>Net cash provided by/(used in) operating activities</b>		<b>8,601,677</b>	<b>7,294,749</b>	<b>9,363,981</b>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	0	0
Credit card balance at balance date	0	0
<b>Total amount of credit unused</b>	<b>0</b>	<b>0</b>

**Loan facilities**

Loan facilities - current	1,253,756	3,414,998
Loan facilities - non-current	4,020,904	2,826,753
<b>Total facilities in use at balance date</b>	<b>5,274,660</b>	<b>6,241,751</b>

**Unused loan facilities at balance date**

	0	0
--	---	---

**SHIRE OF SERPENTINE JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**20 CONTINGENT LIABILITIES**

The Shire of Serpentine-Jarrahdale has not identified any contingent liabilities for the year ended 30 June 2022

**21 EVENTS OCCURRING AFTER BALANCE DATE**

The Shire of Serpentine-Jarrahdale has not identified any material subsequent events after the balance date requiring disclosure in this annual report.

**22 CAPITAL COMMITMENTS**

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	864,362	162,364
- plant & equipment purchases	257,470	102,430
	1,121,832	264,794
Payable:		
- not later than one year	1,121,832	264,794



**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**23. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Elected member M Rich</b>			
President's annual allowance	47,045	47,045	47,045
Meeting attendance fees	23,131	23,131	23,131
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	73,676	74,926	73,676
<b>Elected member D Atwell</b>			
Deputy President's annual allowance	11,761	11,761	11,761
Meeting attendance fees	17,250	17,250	17,250
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	32,511	33,761	32,511
<b>Elected member M Dagoitno</b>			
Meeting attendance fees	17,250	17,250	17,250
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	20,750	22,000	20,750
<b>Elected member C McConkey</b>			
Meeting attendance fees	5,069	17,250	17,250
Annual allowance for ICT expenses	1,028	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	6,097	22,000	20,750
<b>Elected member M Byas</b>			
Meeting attendance fees	17,250	17,250	17,250
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	20,750	22,000	20,750
<b>Elected member D Strautins</b>			
Meeting attendance fees	17,250	17,250	17,250
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	20,750	22,000	20,750
<b>Elected member L Strange</b>			
Meeting attendance fees	17,250	17,250	17,250
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	20,750	22,000	20,750
<b>Elected member R Coales</b>			
Meeting attendance fees	14,865	17,250	17,051
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	18,365	22,000	20,551
<b>Elected member W Denholm</b>			
Meeting attendance fees	5,069	17,250	17,250
Annual allowance for ICT expenses	1,028	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	6,097	22,000	20,750

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**23. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration (Continued)**

Note	2022 Actual	2022 Budget	2021 Actual
<b>Elected member G Singh</b>			
Meeting attendance fees	12,209	2,000	0
Annual allowance for ICT expenses	2,477	0	0
Travel and accommodation expenses	0	0	0
Training	0	0	0
	14,686	2,000	0
<b>Elected member T Duggin</b>			
Meeting attendance fees	12,209	2,000	0
Annual allowance for ICT expenses	2,477	0	0
Travel and accommodation expenses	0	0	0
Training	0	0	0
	14,686	2,000	0
	249,118	266,687	251,238
	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	\$	\$	\$
President's annual allowance	47,045	47,045	47,045
Deputy President's annual allowance	11,761	11,761	11,761
Meeting attendance fees	158,802	165,131	160,932
Annual allowance for ICT expenses	31,510	31,500	31,500
Travel and accommodation expenses	0	2,250	0
Training	0	9,000	0
23(b)	249,118	266,687	251,238

**(b) Key Management Personnel (KMP) Compensation**

	2022 Actual	2021 Actual
The total of compensation paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	1,114,951	1,084,213
Post-employment benefits	133,779	130,493
Employee - other long-term benefits	25,313	25,971
Council member costs	249,118	251,238
23(a)	1,523,161	1,491,915

**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 JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**23. RELATED PARTY TRANSACTIONS**

**(c) 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:

Sale of goods and services

	2022 Actual	2021 Actual
	\$	\$
	1,978	256

**(d) 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 entity, directly or indirectly, including any council member, are considered key management personnel.

*ii. Other Related Parties*

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

*iii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**24. 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.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk - interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	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 area under policies approved by the Council. The finance area 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.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	0.35%	5,412,029	0	5,412,029	0
Financial assets at amortised cost - term deposits	1.60%	35,018,647	35,018,647	0	0
<b>2021</b>					
Cash and cash equivalents	0.16%	15,068,565	7,495,362	7,573,203	0
Financial assets at amortised cost - term deposits	0.25%	14,017,945	14,017,945	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.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	54,120	75,732

\* 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 29(a).

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**24. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

The Shire's major receivables comprise rates annual charges and user fees and charges. 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. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 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 ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	1,803,375	537,043	184,582	105,689	2,630,689	5
Loss allowance	0	0	0	0	0	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	1,969,268	464,909	117,741	118,741	2,670,659	5
Loss allowance	0	0	0	0	0	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	Note
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	1.69%	1.24%	1.90%	1.11%		
Gross carrying amount	70,431	19,916	11,458	52,475	154,280	5
Loss allowance	8,418	5,869	5,953	19,760	40,000	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	2.01%	4.38%	6.15%	33.95%		
Gross carrying amount	52,762	25,467	557	111,308	190,094	5
Loss allowance	1,061	1,115	34	37,790	40,000	5

**SHIRE OF SERPENTINE JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**24. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	0	40,000	40,000	40,000	0	0
Increase in loss allowance recognised in profit or loss during the year	0	40,000	0	0	0	0
Unused amount reversed	0	(80,000)	0	0	0	0
<b>Closing loss allowance at 30 June</b>	<b>0</b>	<b>0</b>	<b>40,000</b>	<b>40,000</b>	<b>0</b>	<b>0</b>

Trade 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 trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Contract Assets**

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**24. 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 19(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 balances, 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 values
	\$	\$	\$	\$	\$
<b><u>2022</u></b>					
Trade and other payables	7,600,876	0	0	7,600,876	7,600,876
Borrowings	1,176,960	4,027,638	324,921	5,529,520	5,274,660
Lease liabilities	35,295	30,557	0	65,852	59,460
	<u>8,813,131</u>	<u>4,058,196</u>	<u>324,921</u>	<u>13,196,248</u>	<u>12,934,996</u>
<b><u>2021</u></b>					
Trade and other payables	6,238,237	0	0	6,238,237	6,238,237
Borrowings	3,497,474	2,387,107	649,842	6,534,423	6,241,751
Lease liabilities	128,001	60,543	0	188,544	182,438
	<u>9,863,712</u>	<u>2,447,650</u>	<u>649,842</u>	<u>12,961,204</u>	<u>12,662,426</u>

**SHIRE OF SERPENTINE JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**25. OTHER SIGNIFICANT 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 statements 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 earnings**

Interest income 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 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 cash generating non-specialised 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.

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) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

**k) Initial application of accounting standards**

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

**New accounting standards for application in future years**

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.



**SHIRE OF SERPENTINE JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**26. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

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

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**26. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>			
Governance	1,055	0	3,829
General purpose funding	26,134,929	26,855,421	25,407,787
Law, order, public safety	286,382	168,750	251,086
Health	239,668	203,462	217,563
Education and welfare	0	1,596	1,478
Housing	0	0	0
Community amenities	5,925,614	5,676,275	5,391,088
Recreation and culture	298,911	252,915	280,073
Transport	274,476	258,200	257,613
Economic services	954,116	872,436	934,264
Other property and services	80,014	28,746	48,634
	<b>34,195,165</b>	<b>34,317,801</b>	<b>32,793,415</b>
<b>Grants, subsidies and contributions</b>			
Governance	0	0	0
General purpose funding	3,319,668	2,667,000	3,266,760
Law, order, public safety	568,995	1,581,440	685,196
Health	11,364	12,500	0
Education and welfare	105,048	100,000	1,200
Housing	0	0	0
Community amenities	6,675,346	312,959	3,480,888
Recreation and culture	10,165,861	4,743,579	346,082
Transport	9,110,040	12,088,218	11,142,016
Economic services	4,136	3,000	63,212
Other property and services	0	0	0
	<b>29,960,458</b>	<b>21,508,696</b>	<b>18,985,354</b>
<b>Total Income</b>	<b>64,155,623</b>	<b>55,826,497</b>	<b>51,778,769</b>
<b>Expenses</b>			
Governance	(1,511,450)	(1,042,574)	(2,220,957)
General purpose funding	(867,996)	(1,616,214)	(833,595)
Law, order, public safety	(3,784,332)	(3,611,980)	(3,353,329)
Health	(951,285)	(975,211)	(824,504)
Education and welfare	(420,526)	(457,293)	(244,526)
Community amenities	(11,278,259)	(9,744,729)	(8,745,786)
Recreation and culture	(8,994,490)	(10,132,815)	(8,400,702)
Transport	(12,223,723)	(11,597,430)	(12,894,788)
Economic services	(1,848,840)	(2,004,440)	(1,674,655)
Other property and services	(672,100)	(967,927)	(924,004)
<b>Total expenses</b>	<b>(42,553,001)</b>	<b>(42,150,613)</b>	<b>(40,116,846)</b>
<b>Net result for the period</b>	<b>21,602,622</b>	<b>13,675,884</b>	<b>11,661,923</b>

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**26. FUNCTION AND ACTIVITY (Continued)**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(c) Fees and Charges</b>			
Governance	1,040	0	0
General purpose funding	163,711	139,000	203,405
Law, order, public safety	272,099	153,650	214,726
Health	86,242	73,982	87,499
Education and welfare	0	1,595	1,478
Community amenities	5,915,167	5,676,275	5,387,452
Recreation and culture	146,175	175,811	133,212
Transport	244,548	200,000	251,845
Economic services	871,531	855,828	914,950
Other property and services	12,727	8,197	5,200
	<b>7,713,240</b>	<b>7,284,338</b>	<b>7,199,767</b>
<b>(d) Total Assets</b>			
Governance	5,111,441	4,989,073	
General purpose funding	45,458,862	26,709,260	
Law, order, public safety	3,705,548	3,496,789	
Health	523,188	535,742	
Community amenities	617,269	159,214	
Recreation and culture	65,122,747	62,331,041	
Transport	376,296,792	367,172,017	
Economic services	649,950	568,634	
Other property and services	6,220,395	6,729,445	
Unallocated	638,425	0	
	<b>504,344,617</b>	<b>472,691,215</b>	

SHIRE OF SERPENTINE JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

27. RATING INFORMATION

(a) General Rates

RATE TYPE	Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual		2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue	
					Rateable Value *	Rate							
GRV Residential	Gross rental valuation		0.10332	7,619	125,104,972	12,925,970	141,739	0	12,925,970	0	13,852,970	13,051,973	
GRV Vacant	Gross rental valuation		0.1893	501	5,111,211	967,527	339,747	0	967,527	0	967,527	909,102	
GRV Commercial/Industrial	Gross rental valuation		0.11776	139	18,233,984	2,147,289	(23,917)	0	2,147,289	0	2,197,289	2,135,663	
UV General	Unimproved valuation		0.00414	823	792,515,094	3,275,667	1,255	0	3,277,050	0	3,277,050	6,958,722	
UV Rural Residential	Unimproved valuation		0.00434	1,319	622,095,000	2,702,886	(26,058)	0	2,701,136	0	2,701,136	0	
UV Commercial/Industrial	Unimproved valuation		0.0062	98	63,545,014	394,170	(16,517)	0	394,170	0	394,170	0	
UV Intensive Farming	Unimproved valuation		0.00827	17	13,025,000	107,717	(10,669)	0	107,717	0	107,717	100,414	
<b>Sub-Total</b>				10,516	1,639,630,275	22,521,226	405,580	0	22,520,859	0	23,497,859	23,155,874	
<b>Minimum payment</b>													
GRV Residential	Gross rental valuation		1.276	337	3,803,678	430,012	0	0	430,012	0	430,012	432,564	
GRV Vacant	Gross rental valuation		972	462	2,010,849	449,064	0	0	449,064	0	449,064	367,416	
GRV Commercial/Industrial	Gross rental valuation		1,434	13	139,157	18,642	0	0	18,642	0	18,642	20,076	
UV General	Unimproved valuation		1,383	126	23,636,360	174,258	0	0	174,258	0	174,258	5,532	
UV Rural Residential	Unimproved valuation		1,750	936	311,980,795	1,638,000	0	0	1,638,000	0	1,638,000	719,160	
UV Commercial/Industrial	Unimproved valuation		1,750	5	1,157,986	8,750	0	0	8,750	0	8,750	0	
UV Intensive Farming	Unimproved valuation		1,750	0	0	0	0	0	0	0	0	0	
<b>Sub-Total</b>				1,879	342,728,825	2,718,726	0	0	2,718,726	0	2,718,726	1,544,748	
					12,395	1,982,359,100	25,239,952	405,580	0	25,239,585	0	26,216,585	24,700,622
Discounts on general rates (Refer note 27(c))												0	
Concessions on general rates (Refer note 27(c))												0	
<b>Total amount raised from general rates</b>												24,700,622	
* Rateable value is based on the value of properties at the time the rate is raised.												0	
Discounts on specified area and ex gratia rates (Refer note 27(c))												(242,984)	
Concessions on specified area and ex gratia rates (Refer note 27(c))												(242,984)	
<b>Total amount raised from rates (excluding general rates)</b>												24,457,638	
<b>(b) Total Rates</b>												24,457,638	

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 Income for not-for-profit entities .

SHIRE OF SERPENTINE JARRAHDALÉ  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2022

27. RATING INFORMATION (Continued)

(c) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts										
Rate or Fee Discount Granted	Type	Discount %	Discount	Discount	2022		2022		2021	
					Actual	Budget	Actual	Budget	Actual	Budget
Circumstances in which Discount is Granted										
General Rates		0	\$	0	0	2,000	2,000	0	2,000	2,000
<b>Waivers or Concessions</b>										
Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/ Concession	Discount	Discount	2022 Actual	2022 Actual	2022 Budget	2022 Budget	2021 Actual	2021 Actual
UV Rural	Specified area	Concession	31.00%	\$	211,253	211,253	211,253	211,253	238,446	238,446
UV Rural	Specified area	Concession	50.00%	%	4,411	4,411	4,411	4,411	4,538	4,538
					215,664	215,664	215,664	215,664	242,984	242,984
Total discounts/concessions (Note 27)					215,664	215,664	217,664	217,664	244,984	244,984

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**27. RATING INFORMATION (Continued)**

**(d) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single full payment	13/09/2021	0.0	0.00%	0.00%
<b>Option Two</b>				
First instalment	13/09/2021	0.0	0.00%	0.00%
Second instalment	15/11/2021	0.0	2.00%	7.00%
<b>Option Three</b>				
First instalment	13/09/2021	0.0	0.00%	0.00%
Second instalment	15/11/2021	0.0	2.00%	7.00%
Third instalment	17/01/2022	0.0	2.00%	7.00%
Fourth instalment	21/03/2022	0.0	2.00%	7.00%

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	249,564	280,000	255,452
Interest on instalment plan	40,143	46,000	40,163
Charges on instalment plan	0	0	45,512
	<b>289,707</b>	<b>326,000</b>	<b>341,127</b>

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**28. RATE SETTING STATEMENT INFORMATION**

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	10(b) (63,454)	(53,800)	(2,714)
Less: Reversal of prior year loss on revaluation of fixed assets	0	0	0
Less: Fair value adjustments to financial assets at fair value through profit and loss	0	0	(3,829)
Add: Loss on disposal of assets	10(b) 0	4,260	7,871
Add: Depreciation	10(a) 10,581,149	9,825,198	9,844,544
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(23,513)	0	(6,004)
Employee benefit provisions	112,965	0	63,410
<b>Non-cash amounts excluded from operating activities</b>	<b>10,607,147</b>	<b>9,775,658</b>	<b>9,903,278</b>
<b>(b) Non-cash amounts excluded from investing activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to investing activities</b>			
Property, plant and equipment received for substantially less than fair value	8(a) 464,451	0	0
Infrastructure received for substantially less than fair value	9(a) 14,151,928	0	0
Non cash non-operating grants, subsidies and contributions	(14,616,379)	0	0
Non Cash Proceeds of Sale of Asset	86,000	0	0
Movement in non current liability from transfers to acquire or construct nonfinancial assets to be controlled by the entity	0	0	(2,961,422)
<b>Non-cash amounts excluded from investing activities</b>	<b>86,000</b>	<b>0</b>	<b>(2,961,422)</b>
<b>(c) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	30 (18,007,972)	(12,033,769)	(15,761,864)
Less: Current assets not expected to be received at end of year			
- Unspent Grants held in non-current liabilities	(6,200,000)	(1,142,480)	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16 1,253,756	2,033,000	3,414,998
- Current portion of lease liabilities	11(b) 31,856	61,069	124,562
<b>Total adjustments to net current assets</b>	<b>(22,922,360)</b>	<b>(11,082,180)</b>	<b>(12,222,304)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	43,418,594	17,953,729	32,181,406
Less: Total current liabilities	(14,100,341)	(6,871,549)	(14,533,445)
Less: Total adjustments to net current assets	(22,922,360)	(11,082,180)	(12,222,304)
<b>Net current assets used in the Rate Setting Statement</b>	<b>6,395,892</b>	<b>0</b>	<b>5,425,657</b>

SHIRE OF SERPENTINE JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

29 BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget									
		New Loans		Principal at 30 June 2021	Principal Repayments During		New Loans		Principal at 30 June 2022	Principal Repayments During					
		During 2020-21	During 2021-22		2020-21	2021-22	During 2021-22	During 2021-22		2021-22	2021-22				
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Council Chamber Refurbishment		401,252	0	273,227	0	(133,668)	139,559	273,252	0	(134,000)	139,252	2,028,369	0	(257,000)	1,771,369
Abernethy Road		2,277,369	0	2,023,307	0	(262,257)	1,761,050	2,028,369	0	(304,000)	1,724,369	1,230,000	0	(304,000)	926,000
Webb Road		1,532,000	0	1,230,217	0	(304,073)	926,144	1,230,000	0	(304,000)	926,000	1,117,404	0	(242,413)	874,991
Briggs Park Upgrade		1,224,000	0	1,117,404	0	(109,927)	1,007,477	1,117,404	0	(157,166)	950,311	1,597,596	0	(346,587)	1,251,009
Abernethy Road		1,750,000	0	1,597,596	0	(157,166)	1,440,430	1,597,596	0	(157,166)	1,440,430	0	0	0	0
Recreation Centre		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration Building		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Redevelopment		0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>7,184,621</b>	<b>0</b>	<b>6,241,751</b>	<b>0</b>	<b>(967,091)</b>	<b>5,274,660</b>	<b>6,246,621</b>	<b>0</b>	<b>(1,284,000)</b>	<b>4,962,621</b>	<b>6,246,621</b>	<b>0</b>	<b>(1,284,000)</b>	<b>5,962,621</b>
<b>Total Borrowings</b>	16	<b>7,184,621</b>	<b>0</b>	<b>6,241,751</b>	<b>0</b>	<b>(967,091)</b>	<b>5,274,660</b>	<b>6,246,621</b>	<b>0</b>	<b>(1,284,000)</b>	<b>4,962,621</b>	<b>6,246,621</b>	<b>0</b>	<b>(1,284,000)</b>	<b>5,962,621</b>

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022
Council Chamber Refurbishment		Governance	117	WATC*	4.36%	(11,413)	(9,842)
Briggs Park Upgrade		Recreation and culture	123	WATC*	0.73%	(7,728)	0
Abernethy Road		Transport	121	WATC*	3.20%	(69,122)	(80,054)
Webb Road		Transport	122	WATC*	0.76%	(13,599)	(16,996)
Abernethy Road		Transport	124	WATC*	0.73%	(11,049)	0
Briggs Park Upgrade		Recreation and culture	STL	WATC*	Variable	0	(61,281)
Recreation Centre		Recreation and culture	91	WATC*	6.02%	0	(376)
<b>Total</b>						<b>(112,911)</b>	<b>0</b>
<b>Total Interest Repayments</b>	2(b)					<b>(112,911)</b>	<b>(168,549)</b>

\* 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 JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2022

29 BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual					Budget				
		New Leases		Principal Repayments	Principal at 30 June 2021	Principal at 30 June 2022	New Leases		Principal Repayments	Principal at 30 June 2022	
		During 2020-21	During 2021-22				During 2021-22	During 2021-22			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
ICT Equipment (1)		16,377	0	(16,377)	0	0	0	0	0	0	
ICT Equipment (2)		0	0	0	0	0	0	0	0	0	
Photocopiers - Admin		52,103	0	(22,941)	29,162	(22,941)	0	29,246	(23,336)	5,910	
Photocopiers - Emerg. Services		29,918	0	(9,020)	20,898	(9,020)	0	20,928	(9,179)	11,749	
Ford Ranger - CESH		0	77,384	(14,259)	63,125	(17,428)	0	62,302	(18,892)	43,410	
Gymnasium Equip (1)		16,238	0	(16,238)	0	0	0	0	0	0	
Gymnasium Equip (2)		55,422	0	(51,499)	3,923	(12,875)	0	4,306	(4,306)	0	
Scania Tip Truck with Crane		0	0	0	0	0	0	0	0	0	
Patching Truck		0	0	0	0	0	0	0	0	0	
Patching Truck		60,402	0	(44,373)	16,029	(11,657)	0	11,714	(11,714)	0	
Scania Tip Truck with Crane		0	98,358	(49,057)	49,301	(49,057)	0	49,663	(49,663)	0	
<b>Total Lease Liabilities</b>	11(b)	230,460	175,742	(223,764)	182,438	(122,978)	0	178,159	(117,090)	61,069	

Lease Interest Repayments

Purpose	Note	Function and activity	Institution	Lease Number	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term - (Months)
ICT Equipment (1)		Governance	MAIA	E6N0160563	2.00%	0	0	(62)	36
ICT Equipment (2)		Governance	MAIA	E6N0160676	2.00%	0	0	0	36
Photocopiers - Admin		Governance	Canon	IW85510127001	2.10%	(783)	(388)	(892)	60
Photocopiers - Emerg. Services		Law, order, public safety	Canon	IW85510204001	2.10%	(508)	(349)	(553)	60
Ford Ranger - CESH		Law, order, public safety	Fleetcare	FMOLT Q21451	2.00%	(846)	(694)	(736)	48
Gymnasium Equip (1)		Recreation and culture	MAIA	E6N0158736	2.00%	(64)	(7)	(71)	60
Gymnasium Equip (2)		Recreation and culture	MAIA	E6N0160210	2.00%	0	0	(661)	48
Scania Tip Truck with Crane		Transport	MAIA	E6N0159380	2.00%	0	0	0	24
Patching Truck		Transport	MAIA	E6N0155211	2.00%	0	0	0	24
Patching Truck		Transport	MAIA	E6R0162595	2.00%	(96)	(39)	(732)	24
Scania Tip Truck with Crane		Transport	MAIA	E6R0162897	2.00%	(1,143)	(537)	(1,505)	24
<b>Total Interest Repayments</b>	2(b)					(3,440)	(2,014)	(5,212)	

SHIRE OF SERPENTINE JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

30 RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
<b>Restricted by legislation/agreement</b>												
(a) Administration Building	1,596,355	2,961	(261,652)	1,337,664	1,601,660	9,696	(1,295,000)	316,356	491,839	1,104,516	0	1,596,355
(b) Briggs Park	95,337	192	0	95,529	97,928	645	0	98,573	94,822	515	0	95,337
(c) Buildings Asset Management	1,216,366	2,308	(139,680)	1,078,994	1,234,347	7,683	(374,025)	868,005	768,391	506,329	(58,354)	1,216,366
(d) Byford BMX Track	270,961	332	(67,746)	203,547	278,176	1,840	0	280,016	269,498	1,463	0	270,961
(e) Byford Developer Contribution Fund	4,554,140	2,594,593	(2,744,530)	4,404,203	3,499,247	23,135	0	3,522,382	2,400,759	2,380,331	(226,950)	4,554,140
(f) Car Parking	91,125	184	0	91,309	93,550	618	0	94,168	90,633	492	0	91,125
(g) Committed Works	0	0	0	0	0	0	0	0	2	(2)	0	0
(h) Community Facilities	528	150,304	0	150,832	779	150,996	0	151,775	525	3	0	528
(i) Community Grants	158,020	90,465	(36,843)	211,642	123,231	91,042	(208,100)	6,173	250,054	1,260	(93,294)	158,020
(j) Community Infrastructure	1,598,320	1,854,068	(392,910)	3,059,478	1,608,803	544,139	0	2,152,942	1,039,124	613,685	(54,489)	1,598,320
(k) Drainage Asset Management	161,296	325	0	161,621	163,476	1,080	0	164,556	160,425	871	0	161,296
(l) Emergency Management	239,722	483	0	240,205	211,358	1,396	0	212,754	255,079	1,358	(16,715)	239,722
(m) Fire Asset Management	6,634	13	0	6,647	7,965	50	0	8,015	6,598	36	0	6,634
(n) Footpaths Asset Management	243,004	490	0	243,494	242,664	1,602	0	244,266	42,453	200,551	0	243,004
(o) Investment	693,476	1,398	0	694,874	707,111	4,676	0	711,787	689,701	3,775	0	693,476
(p) Jarrahdale Communications Tower	214,787	70,201	(20,252)	264,736	230,083	69,932	(21,971)	278,044	200,678	39,609	(25,500)	214,787
(q) Jarrahdale Community Infrastructure	52,207	105	0	52,312	53,596	352	0	53,948	51,925	282	0	52,207
(r) Light Fleet & Plant Acquisition	944,045	976,846	(615,318)	1,305,573	809,428	955,484	(1,764,200)	712	570,630	756,095	(382,680)	944,045
(s) Local Government Election	45,045	41,028	(85,000)	1,073	46,116	41,191	(85,000)	2,307	4,823	40,222	0	45,045
(t) Miscellaneous Developer Contribution	549,871	1,109	0	550,980	548,989	3,630	0	552,619	546,902	2,969	0	549,871
(u) Multi Use Trails	18,549	37	0	18,586	19,043	123	0	19,166	18,449	100	0	18,549
(v) Mundijong Whitby Shire Contribution	208,590	421	0	209,011	216,335	1,430	0	217,765	209,586	1,137	(2,133)	208,590
(w) Parks & Gardens Asset Management	154,563	312	0	154,875	158,676	1,051	0	159,727	153,728	835	0	154,563
(x) Public Art	119,124	240	(13)	119,351	81,728	518	(35,000)	47,246	78,832	40,292	0	119,124
(y) Rates Revaluation	29,019	24,107	0	53,126	29,624	24,352	0	53,976	5,875	23,144	0	29,019
(z) Renewable Energy	34,613	70	0	34,683	35,535	232	0	35,767	34,426	187	0	34,613
(f) Road Asset Management	150,009	983,789	(823,509)	310,289	152,047	1,006	0	153,053	149,199	810	0	150,009
(f) Serpentine Jarrahdale Locality Funding	28,602	58	0	28,660	29,238	194	0	29,432	28,325	277	0	28,602
(f) Serpentine Jarrahdale Sporting Precinct	327,756	661	0	328,417	336,484	2,225	0	338,709	325,987	1,769	0	327,756
(~) Tourism	13,012	26	0	13,038	13,394	86	0	13,480	12,946	66	0	13,012
(*) Unspent Grants & Contributions	38	0	0	38	0	0	0	0	0	38	0	38
(€) Waste	1,747,367	3,443	(102,441)	1,648,369	1,768,237	11,334	(535,000)	1,244,571	2,200,636	11,132	(464,401)	1,747,367
(†) W. Mundijong Industrial DCP	149,383	36,600	(185,000)	983	0	0	0	0	0	205,265	(55,882)	149,383
(.) Oakford Fire Station	50,000	300,643	(7,200)	343,443	50,000	201,479	(250,000)	1,479	0	50,000	0	50,000
(f) ICT Reserve	0	530,878	0	530,878	0	0	0	0	0	0	0	0
(c) Public Open Space	0	59,512	0	59,512	0	0	0	0	0	0	0	0
	15,761,864	7,728,202	(5,482,094)	18,007,972	14,448,848	2,153,217	(4,568,296)	12,033,769	11,152,850	5,989,412	(1,380,398)	15,761,864

## SHIRE OF SERPENTINE JARRAHDALE NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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	Anticipated date of use	Purpose of the reserve
(a) Administration Building	Ongoing	To provide for the employee accommodation requirements.
(b) Briggs Park	Future Date	To provide for the future Briggs Park development.
(c) Buildings Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire facilities.
(d) Byford BMX Track	Future Date	To provide for the future Byford BMX track.
(e) Byford Developer Contribution Fund	Ongoing	To provide for future community infrastructure funded from the Byford Developer Contribution Plan.
(f) Car Parking	Future Date	To provide for future public car parking infrastructure funded from Developer contributions for cash-in-lieu of car parking.
(g) Committed Works	Completed	To transfer unspent municipal funded expenditure on specific projects, to enable identification of carryover expenditure into the next financial year.
(h) Community Facilities	Ongoing	This reserve is for the establishment of additional facilities in the community.
(i) Community Grants	Ongoing	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.
(j) Community Infrastructure	Future Date	To provide for future community infrastructure, matching funds from the Community Infrastructure Developer Contribution Plan.
(k) Drainage Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire drainage.
(l) Emergency Management	Ongoing	To provide for unanticipated significant emergency services events or plant repairs.
(m) Fire Asset Management	Ongoing	To provide for the future additions and maintenance required for fire fighting assets and mitigation strategies.
(n) Footpaths Asset Management	As required	To provide funds for the upgrade, renewal, replacement and creation of new Shire footpaths.
(o) Investment	Ongoing	To support economic, subdivision and tourism development opportunities for the Shire.
(p) Jarrahdale Communications Tower	Ongoing	To provide for the upgrades and maintenance of the tower when required.
(q) Jarrahdale Community Infrastructure	Ongoing	To provide funds for the upgrade, renewal or replacement of community assets in the Jarrahdale locality.
(r) Light Fleet & Plant Acquisition	Ongoing	To provide for new and renewal of Light Fleet, Plant and Equipment as required under the replacement and acquisition program.
(s) Local Government Election	Ongoing	To provide for Bi-Annual, and other interim local government election expenses.
(t) Miscellaneous Developer Contribution	Ongoing	To be used to fund capital works and administration as per each agreement.
(u) Multi Use Trails	Ongoing	To allow for the construction of Multi Use Trails.
(v) Mundijong Whitby Shire Contribution	Future date	To provide towards the future contribution requirements of the Mundijong Whitby Community Development Contribution Scheme.
(w) Parks & Gardens Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire parks, gardens and natural reserves.
(x) Public Art	Ongoing	To provide for public art development and creation.
(y) Rates Revaluation	Ongoing	To provide for the tri-ennial Gross Rental Valuation (GRV).
(z) Renewable Energy	Ongoing	This reserve is to allow Council to undertake renewable energy projects.
(l) Road Asset Management	Future date	To provide funds for the upgrade, renewal, replacement and creation of new Shire road infrastructure.
(l) Serpentine Jarrahdale Locality Funding	Ongoing	Council initiated townscape related projects in the Serpentine Jarrahdale Shire.
(l) Serpentine Jarrahdale Sporting Precinct	Future date	To provide funds for the Serpentine Jarrahdale Regional Sporting Precinct when grant applications require contribution funding.
(~) Tourism	Future date	To fund the implementation of the tourism strategy and development of tourism throughout the district and region.
(c) Unspent Grants & Contributions	Future date	To provide for waste management requirements and future waste infrastructure.
(€) Waste	Future date	To provide for future community infrastructure funded from the West Mundijong Developer Contribution Plan.
(t) W. Mundijong Industrial DCP	Future date	To provide funding the construction of the new Oakford Fire Station.
(c) Oakford Fire Station	Future date	To provide for the Shire's ICT requirements
(f) ICT Reserve	Future date	To provide for future public open space funded from Developer contributions for cash-in-lieu of public open space.
(a) Public Open Space	Future date	

**SHIRE OF SERPENTINE JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**31. 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 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Cash in Lieu of Public Open Space	304,222	0	0	304,222
	304,222	0	0	304,222