



Concise Financial Statements

2014-2015



Shire of
Serpentine
Jarrahdale

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**SHIRE OF SERPENTINE JARRAHDALÉ
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Serpentine Jarrahdale being the concise annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire of Serpentine Jarrahdale at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the *13th* day of *October* 2015

R. M. Gorbunow
Richard Gorbunow
Chief Executive Officer

BASIS OF PREPARATION

The concise financial report has been prepared in accordance with AASB 1039 "Concise Financial Reports". The accounting policies adopted have been consistently applied to all financial periods presented unless otherwise stated. The concise financial report is an extract from the full financial report for the financial year ended 30 June 2015. The financial statements, specific disclosures, and other information included in the concise financial report are derived from and consistent with, the full financial report of the Shire of Serpentine Jarrahdale. The concise financial report cannot be expected to provide a full understanding of the financial performance, financial position, financing and investing activities of the Shire of Serpentine Jarrahdale as the full financial report.

A copy of the full financial report and auditors report can be obtained free of charge via the website: www.sjshire.wa.gov.au or upon request.

Statement of Comprehensive Income

By Nature or Type For the year ended 30th June 2015

	2015 \$	2015 Budget \$	2014 \$
Revenue			
Rates	16,389,803	15,824,649	14,492,919
Specified Area Rate			0
Operating Grants, Subsidies and Contributions	4,366,900	3,674,060	2,163,935
Fees and Charges	5,603,577	4,652,399	5,098,115
Interest Earnings	884,078	758,000	710,721
Other Revenue	1,137,016	156,368	1,024,524
	<u>28,381,374</u>	<u>25,065,476</u>	<u>23,490,214</u>
Expenses			
Employee Costs	(10,226,347)	(10,676,003)	(9,090,155)
Materials and Contracts	(11,082,585)	(11,065,099)	(10,559,039)
Utility Charges	(1,020,442)	(899,581)	(827,182)
Depreciation on Non-Current Assets	(2,942,932)	(2,924,679)	(2,889,431)
Interest Expenses	(151,690)	(141,766)	(269,466)
Insurance Expenses	(429,241)	(464,827)	(481,576)
Other Expenditure	(219,737)	(37,668)	(235,716)
	<u>(26,072,974)</u>	<u>(26,209,623)</u>	<u>(24,352,565)</u>
	2,308,400	(1,144,147)	(862,351)
Non-Operating Grants, Subsidies and Contributions	9,355,608	8,278,096	5,192,179
Profit on Asset Disposals	20,927	24,800	300,311
Loss on Asset Disposals	(131,826)	(21,700)	(527,938)
	<u>11,553,109</u>	<u>7,137,049</u>	<u>4,102,201</u>
NET RESULT	11,553,109	7,137,049	4,102,201
Other Comprehensive Income			
Changes on Revaluation of Non-Current Assets	149,950,591	0	19,194,718
	<u>149,950,591</u>	<u>0</u>	<u>19,194,718</u>
Total Other Comprehensive Income	149,950,591	0	19,194,718
	<u>161,503,700</u>	<u>7,137,049</u>	<u>23,296,919</u>
Total Comprehensive Income	161,503,700	7,137,049	23,296,919

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

Statement of Comprehensive Income

By Program For the year ended 30th June 2015

	2015 \$	2015 Budget \$	2014 \$
Revenue			
Governance	333,138	156,868	379,627
General Purpose Funding	21,512,214	19,335,737	16,870,499
Law, Order, Public Safety	583,037	505,720	581,727
Health	76,419	34,742	59,521
Education and Welfare	83,928	62,200	93,046
Community Amenities	3,668,802	3,396,882	3,439,030
Recreation and Culture	111,496	108,582	154,525
Transport	672,205	515,100	678,765
Economic Services	957,511	641,595	907,895
Other Property and Services	382,623	308,050	325,579
	<u>28,381,373</u>	<u>25,065,476</u>	<u>23,490,214</u>
Expenses			
Governance	(4,290,199)	(4,469,116)	(4,121,981)
General Purpose Funding	(608,919)	(545,992)	(471,483)
Law, Order, Public Safety	(1,838,371)	(1,873,795)	(1,769,486)
Health	(576,418)	(625,319)	(463,017)
Education and Welfare	(908,910)	(1,112,609)	(902,921)
Community Amenities	(5,775,754)	(5,772,419)	(5,522,832)
Recreation & Culture	(3,853,273)	(3,814,445)	(3,355,947)
Transport	(6,779,271)	(6,673,672)	(6,580,024)
Economic Services	(896,147)	(887,469)	(670,043)
Other Property and Services	(394,021)	(293,021)	(225,365)
	<u>(25,921,283)</u>	<u>(26,067,857)</u>	<u>(24,083,099)</u>
Financial Costs			
Community Amenities	(3,568)	(3,410)	(50,755)
Recreation & Culture	(148,123)	(138,356)	(163,078)
Transport	0	0	(55,633)
Economic Services	0	0	0
	<u>(151,691)</u>	<u>(141,766)</u>	<u>(269,466)</u>
Non-Operating Grants, Subsidies and Contributions			
Law, order, public safety	795,486	0	
Recreation & Culture	653,191	6,026,000	1,215,741
Transport	7,906,932	2,252,096	3,976,438
	<u>9,355,609</u>	<u>8,278,096</u>	<u>5,192,179</u>
Profit/(Loss) on Disposal of Assets			
Governance	(11,105)	2,000	(58,433)
General Purpose Funding	(59,192)	0	190,028
Law, Order, Public Safety	(17,325)	(1,500)	7,507
Health	(7,172)	(4,000)	(13,418)
Education and Welfare	0	(2,000)	(2,942)
Community Amenities	(9,065)	(5,000)	(8,505)
Recreation & Culture	(2,349)	(1,000)	(108,752)
Transport	(12,306)	21,800	(144,734)
Economic Services	0	(5,000)	(17,306)
Other Property and Services	7,615	(2,200)	(71,072)
	<u>(110,899)</u>	<u>3,100</u>	<u>(227,627)</u>
Net Result	11,553,109	7,137,049	4,102,201
Other Comprehensive Income			
Changes on revaluation of non-current assets	149,950,591	0	19,194,718
Total Other Comprehensive Income	149,950,591	0	19,194,718
Total Comprehensive Income	161,503,700	7,137,049	23,296,919

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

Statement Of Financial Position as at 30th June 2015

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents	1	18,698,498	12,727,267
Trade and Other Receivables	2	2,076,252	1,819,262
Inventories	3	20,076	22,847
TOTAL CURRENT ASSETS		<u>20,794,826</u>	<u>14,569,376</u>
NON-CURRENT ASSETS			
Investments		28,445	25,655
Other Receivables	2	148,275	132,305
Property, Plant and Equipment	4	39,343,132	38,111,214
Infrastructure	5	216,104,769	63,092,550
TOTAL NON-CURRENT ASSETS		<u>255,624,621</u>	<u>101,361,724</u>
TOTAL ASSETS		<u>276,419,447</u>	<u>115,931,100</u>
CURRENT LIABILITIES			
Trade and Other Payables	6	1,911,018	2,338,469
Current Portion of Long Term Borrowings	7	366,109	503,646
Provisions	8	1,526,178	1,333,521
TOTAL CURRENT LIABILITIES		<u>3,803,305</u>	<u>4,175,636</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	7	1,750,681	2,293,029
Provisions	8	219,388	322,852
TOTAL NON-CURRENT LIABILITIES		<u>1,970,069</u>	<u>2,615,881</u>
TOTAL LIABILITIES		<u>5,773,374</u>	<u>6,791,517</u>
		<u>270,646,073</u>	<u>109,139,583</u>
EQUITY			
Retained Surplus		95,477,688	84,944,355
Reserves - Cash/Investment Backed		5,860,863	4,841,087
Revaluation Surplus	9(a)	169,311,302	19,360,711
Reserves - Financial Asset Revaluation	9(b)	(3,780)	(6,570)
TOTAL EQUITY		<u>270,646,073</u>	<u>109,139,583</u>

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

Statement Of Changes In Equity For The Year Ended 30th June 2015

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	FINANCIAL ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2013		83,065,268	4,617,973	165,993	(7,920)	87,841,314
Comprehensive Income		4,102,201	0	0	0	4,102,201
Net Result		4,102,201	0	0	0	4,102,201
Changes on Revaluation of Non-Current Assets	9	0	0	19,194,718	1,350	19,196,068
Total Comprehensive Income		4,102,201	0	19,194,718	1,350	23,298,269
Transfers from/(to) Reserves		(2,223,114)	223,114	0	0	(2,000,000)
Balance as at 30 June 2014		84,944,355	4,841,087	19,360,711	(6,570)	109,139,583
Comprehensive Income		11,553,109	0	0	0	11,553,109
Net Result		11,553,109	0	0	0	11,553,109
Changes on Revaluation of Non-Current Assets	9	0	0	149,950,591	2,790	149,953,381
Total Comprehensive Income		11,553,109	0	149,950,591	2,790	161,506,490
Transfers from/(to) Reserves		(1,019,776)	1,019,776	0	0	0
Balance as at 30 June 2015		95,477,688	5,860,863	169,311,302	(3,780)	270,646,073

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

Statement of Cash Flows

For The Year Ended 30th June 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Cash Flows From Operating Activities				
Receipts				
Rates		16,300,442	15,814,961	14,510,483
Operating Grants, Subsidies and Contributions		4,200,803	3,659,060	2,390,650
Fees and Charges		5,603,577	4,652,401	5,098,115
Service Charges		0	0	0
Interest Earnings		884,078	758,000	710,721
Goods and Services Tax		44,396	0	1,039,310
Other Revenue		1,137,018	156,368	1,024,525
		<u>28,170,314</u>	<u>25,040,790</u>	<u>24,773,804</u>
Payments				
Employee Costs		(10,091,840)	(10,676,003)	(8,982,496)
Materials and Contracts		(11,552,346)	(11,035,411)	(10,009,636)
Utility Charges		(1,020,442)	(899,581)	(827,182)
Interest Expenses		(152,095)	(141,766)	(282,228)
Insurance Expenses		(429,241)	(464,827)	(481,576)
Goods and Services Tax		(61,726)	(16,000)	(1,002,726)
Other Expenditure		(219,737)	(37,668)	(235,716)
		<u>(23,527,427)</u>	<u>(23,271,256)</u>	<u>(21,821,560)</u>
Net Cash Provided By (Used In) Operating Activities	11(b)	<u>4,642,887</u>	<u>1,769,534</u>	<u>2,952,244</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(2,957,386)	(9,094,373)	(2,143,807)
Payments for Construction of Infrastructure		(5,123,989)	(5,407,846)	(4,289,271)
Non-Operating Grants, Subsidies and Contributions		9,355,608	8,278,096	5,192,179
Proceeds from Sale of Fixed Assets		733,996	768,000	1,197,627
Net Cash Provided by (Used in) Investment Activities		<u>2,008,229</u>	<u>(5,456,123)</u>	<u>(43,272)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(679,885)	(503,647)	(2,990,663)
Proceeds from Self Supporting Loans		0	0	7,205
Proceeds from New Debentures		0	1,016,924	0
Net Cash Provided By (Used In) Financing Activities		<u>(679,885)</u>	<u>513,277</u>	<u>(2,983,458)</u>
Net Increase (Decrease) in Cash Held		<u>5,971,231</u>	<u>(3,173,312)</u>	<u>(74,486)</u>
Cash at Beginning of Year		12,727,267	11,749,567	12,801,753
Cash and Cash Equivalents at the End of the Year	11(a)	<u><u>18,698,498</u></u>	<u><u>8,576,255</u></u>	<u><u>12,727,267</u></u>

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

Rate Setting Statement For The Year Ended 30th June 2015

	2015 Actual \$	2015 Budget \$	2014 Actual \$	
Revenue				
Governance	340,106	164,868	387,799	
General Purpose Funding	5,122,411	3,511,088	2,644,031	
Law, Order, Public Safety	1,378,523	505,720	593,725	
Health	76,419	34,742	59,521	
Education and Welfare	83,928	62,200	93,046	
Community Amenities	3,668,802	3,396,882	3,440,123	
Recreation and Culture	764,687	6,134,582	1,370,266	
Transport	8,579,137	2,793,996	4,667,804	
Economic Services	957,511	641,595	907,895	
Other Property and Services	396,582	308,050	325,575	
	<u>21,368,106</u>	<u>17,553,723</u>	<u>14,489,785</u>	
Expenses				
Governance	(4,308,272)	(4,475,116)	(4,188,586)	
General Purpose Funding	(668,111)	(545,992)	(547,902)	
Law, Order, Public Safety	(1,855,696)	(1,875,295)	(1,773,977)	
Health	(583,590)	(629,319)	(476,435)	
Education and Welfare	(908,910)	(1,114,609)	(905,863)	
Community Amenities	(5,788,387)	(5,780,829)	(5,583,185)	
Recreation and Culture	(4,003,745)	(3,953,801)	(3,627,777)	
Transport	(6,791,577)	(6,678,672)	(6,792,992)	
Economic Services	(896,147)	(892,469)	(687,349)	
Other Property and Services	(400,365)	(295,221)	(296,437)	
	<u>(26,204,800)</u>	<u>(26,241,323)</u>	<u>(24,880,503)</u>	
Net Result Excluding Rates	(4,836,694)	(8,687,600)	(10,390,718)	
Adjustments for Cash Budget Requirements:				
Initial Recognition of Assets Due to Change to Regulations				
- Land Under Control			0	
(Profit)/Loss on Asset Disposals	110,899	(3,100)	227,627	
Movement in Deferred Pensioner Rates (Non-Current)	(15,970)	0	(7,939)	
Fair Value Adjustments through Profit or Loss			0	
Movement in Employee Benefit Provisions (Non-current)	(103,464)	0	142,122	
Increase in Financial Asset - Investment	2,790	0	1,350	
Depreciation and Amortisation on Assets	2,942,932	2,924,679	2,889,431	
Capital Expenditure and Revenue				
Purchase Land and Buildings	(1,270,142)	(7,724,500)	(1,036,144)	
Purchase Plant and Equipment	(780,746)	(1,369,873)	(161,461)	
Purchase Motor Vehicles	(906,498)	0	(946,202)	
Purchase Roads	(4,080,520)	(5,407,846)	(3,621,175)	
Purchase Footpaths	(913,997)	0	(156,791)	
Purchase Parks & Ovals	(129,472)	0	(511,305)	
Proceeds from Disposal of Fixed Assets	733,996	768,000	1,197,627	
Repayment of Debentures	(679,885)	(503,647)	(2,990,663)	
Proceeds from New Debentures	0	0	0	
Proceeds from Self Supporting Loans	0	0	7,205	
Transfers to Restricted Assets	(1,969,894)	(1,158,481)	(5,462,532)	
Transfers from Restricted Assets	950,118	1,876,922	7,738,374	
Transfers to Reserves (Restricted Assets)	(7,360,170)	(28,000)	(2,881,945)	
Transfers from Reserves (Restricted Assets)	3,214,133	2,332,873	658,831	
ADD	Estimated Surplus/(Deficit) July 1 B/Fwd	1,159,771	139,000	1,971,159
LESS	Estimated Surplus/(Deficit) June 30 C/Fwd	2,456,991	0	1,159,771
Total Amount Raised from General Rate	<u>(16,389,803)</u>	<u>(15,824,649)</u>	<u>(14,492,919)</u>	

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

Notes to and Forming Part of the Financial Report For The Year Ended 30th June 2015

	2015 \$	2014 \$
1. CASH AND CASH EQUIVALENTS		
Unrestricted	3,797,859	2,989,651
Restricted	14,900,639	9,737,616
	<u>18,698,498</u>	<u>12,727,267</u>
2. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	999,484	926,093
Sundry Debtors	868,435	702,338
GST Receivable	203,233	185,903
Prepaid Expenses	5,100	4,928
	<u>2,076,252</u>	<u>1,819,262</u>
Non-Current		
Rates Outstanding - Pensioners	148,275	132,305
	<u>148,275</u>	<u>132,305</u>
3. INVENTORIES		
Current		
Fuel and Materials	13,608	14,489
History Books	6,468	8,358
	<u>20,076</u>	<u>22,847</u>

Notes to and Forming Part of the Financial Report For The Year Ended 30th June 2015

	2015 \$	2014 \$
4. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014 - level 2	<u>6,693,750</u>	<u>6,956,252</u>
	6,693,750	6,956,252
Land Vested In and Under the Control of Council at:		
- Independent Valuation 2014 - level 3	<u>907,628</u>	<u>907,628</u>
	907,628	907,628
Total Land	<u>7,601,378</u>	<u>7,863,880</u>
Specialised Buildings at:		
- Independent Valuation 2014 - level 3	26,723,809	26,723,809
- Additions after valuation - cost	1,270,142	0
Less: Accumulated Depreciation	<u>(353,445)</u>	<u>0</u>
	27,640,506	26,723,809
Total Buildings	<u>27,640,506</u>	<u>26,723,809</u>
Total Land and Buildings	<u>35,241,884</u>	<u>34,587,689</u>
Furniture and Equipment at:		
- Management Valuation 2013 - level 3	8,950	8,950
- Independent Valuation 2013 - level 3	23,787	23,787
Less Accumulated Depreciation	<u>(14,521)</u>	<u>(7,102)</u>
	18,216	25,635
Plant and Equipment at:		
- Independent Valuation 2013 - level 3	1,984,955	2,000,955
- Additions after Valuation - Cost	942,208	161,461
Less Accumulated Depreciation	<u>(449,015)</u>	<u>(187,909)</u>
	2,478,148	1,974,507
Motor Vehicles at:		
- Management Valuation 2013 - level 2	26,929	156,275
- Independent Valuation 2013 - level 2	534,943	534,943
- Additions after Valuation - Cost	1,286,663	946,202
Less Accumulated Depreciation	<u>(250,527)</u>	<u>(139,533)</u>
	1,598,008	1,497,887
Computer Equipment at:		
- Management Valuation 2013 - cost	33,949	33,949
- Independent Valuation 2013 - level 3	8,408	8,408
Less Accumulated Depreciation	<u>(35,481)</u>	<u>(16,861)</u>
	6,876	25,496
	<u>39,343,132</u>	<u>38,111,214</u>

Notes to and Forming Part of the Financial Report For The Year Ended 30th June 2015

5. INFRASTRUCTURE	2015	2014
	\$	\$
Roads		
- Management valuation 2015 - level 3	172,375,211	0
- Cost	0	97,027,876
Less Accumulated Depreciation	<u>0</u>	<u>(40,862,916)</u>
	<u>172,375,211</u>	<u>56,164,960</u>
Footpaths		
- Management valuation 2015 - level 3	10,593,448	0
- Cost	0	2,198,740
Less Accumulated Depreciation	<u>0</u>	<u>(568,010)</u>
	<u>10,593,448</u>	<u>1,630,730</u>
Drainage		
- Management valuation 2015 - level 3	18,751,878	0
- Cost	0	2,476,688
Less Accumulated Depreciation	<u>0</u>	<u>(726,786)</u>
	<u>18,751,878</u>	<u>1,749,902</u>
Parks & Ovals		
- Management valuation 2015 - level 3	14,384,232	0
- Cost	0	3,579,671
Less Accumulated Depreciation	<u>0</u>	<u>(32,713)</u>
	<u>14,384,232</u>	<u>3,546,958</u>
	<u>216,104,769</u>	<u>63,092,550</u>
6. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	1,680,592	2,049,467
Accrued Interest on Debentures	778	1,183
Accrued Salaries and Wages	229,648	184,334
Prepaid Revenue	<u>0</u>	<u>103,485</u>
	<u>1,911,018</u>	<u>2,338,469</u>
7. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge - Debentures	<u>366,109</u>	<u>503,646</u>
	<u>366,109</u>	<u>503,646</u>
Non-Current		
Secured by Floating Charge - Debentures	<u>1,750,681</u>	<u>2,293,029</u>
	<u>1,750,681</u>	<u>2,293,029</u>
8. PROVISIONS		
Analysis of Total Provisions		
Current	1,526,178	1,333,521
Non-Current	<u>219,388</u>	<u>322,852</u>
	<u>1,745,566</u>	<u>1,656,373</u>

Notes to and Forming Part of the Financial Report For The Year Ended 30th June 2015

9. (a) REVALUATION SURPLUS - ASSET REVALUATION	2015 \$	2014 \$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(i) Land		
Opening Balance	6,072,592	0
Revaluation Increment	0	6,072,592
Revaluation Decrement	0	0
	<u>6,072,592</u>	<u>6,072,592</u>
(ii) Buildings		
Opening Balance	13,122,126	0
Revaluation Increment	0	13,122,126
Revaluation Decrement	0	0
	<u>13,122,126</u>	<u>13,122,126</u>
(iii) Plant & Equipment		
Opening Balance	114,504	114,504
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>114,504</u>	<u>114,504</u>
(iv) Furniture & Equipment		
Opening Balance	45,243	45,243
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>45,243</u>	<u>45,243</u>
(v) Computer Equipment		
Opening Balance	6,246	6,246
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>6,246</u>	<u>6,246</u>
(vi) Roads		
Opening balance	0	0
Revaluation increment	114,062,446	0
Revaluation decrement	0	0
	<u>114,062,446</u>	<u>0</u>
(vii) Footpaths		
Opening balance	0	0
Revaluation increment	8,103,689	0
Revaluation decrement	0	0
	<u>8,103,689</u>	<u>0</u>
(viii) Drainage		
Opening balance	0	0
Revaluation increment	17,051,509	0
Revaluation decrement	0	0
	<u>17,051,509</u>	<u>0</u>
(ix) Parks & Ovals		
Opening balance	0	0
Revaluation increment	10,732,947	0
Revaluation decrement	0	0
	<u>10,732,947</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u>169,311,302</u>	<u>19,360,711</u>
9. (b) REVALUATION SURPLUS - FINANCIAL ASSETS		
Opening Balance	(6,570)	(7,920)
Revaluation Increment	2,790	1,350
Revaluation Decrement	0	0
	<u>(3,780)</u>	<u>(6,570)</u>

**Notes to and Forming Part of the Financial Report
For The Year Ended 30th June 2015**

10. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY	2015	2014
	\$	\$
Governance	273,232	267,805
General Purpose Funding	15,061,403	13,222,956
Law, Order, Public Safety	3,416,828	3,484,766
Health	525,000	580,873
Education	29,358	32,434
Community Amenities	524,531	540,985
Recreation and Culture	39,988,160	25,044,889
Transport	212,797,568	68,134,116
Economic Services	748,957	665,373
Other Property and Services	3,054,410	3,956,901
	<u>276,419,447</u>	<u>115,931,098</u>

Notes to and Forming Part of the Financial Report For The Year Ended 30th June 2015

11. 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:

	2015 \$	2015 Budget \$	2014 \$
Cash and Cash Equivalents	<u>18,698,498</u>	<u>8,576,255</u>	<u>12,727,267</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	11,553,109	7,137,049	4,102,201
Depreciation	2,942,932	2,924,679	2,889,431
(Profit)/Loss on Sale of Asset	110,899	(3,100)	227,627
(Increase)/Decrease in Receivables	(272,960)	(40,686)	280,905
(Increase)/Decrease in Inventories	2,771	4,000	(4,597)
(Increase)/Decrease in Prepaid Expenses	0	0	(46)
Increase/(Decrease) in Payables	(427,450)	25,688	554,000
Increase/(Decrease) in Accrued Interest	0	0	(12,762)
Increase/(Decrease) in Accrued Wages	0	0	31,143
Increase/(Decrease) in Employee Provisions	89,193	0	76,521
Grants Contributions for the Development of Assets	(9,355,608)	(8,278,096)	(5,192,179)
Loss on Revaluation of Fixed Assets	0	0	0
Non-Current Assets recognised due to changes in legislative requirements	0	0	0
Net Cash from Operating Activities	<u>4,642,886</u>	<u>1,769,534</u>	<u>2,952,244</u>
(c) Undrawn Borrowing Facilities			
	2015 \$		2014 \$
Credit Standby Arrangements			
Bank Overdraft limit	100,000		100,000
Bank Overdraft at Balance Date	0		0
Credit Card limit	29,000		29,000
Credit Card Balance at Balance Date	(8,812)		(9,550)
Total Amount of Credit Unused	<u>120,188</u>		<u>119,450</u>
Loan Facilities			
Loan Facilities - Current	366,109		503,646
Loan Facilities - Non-Current	1,750,681		2,293,029
Total Facilities in Use at Balance Date	<u>2,116,790</u>		<u>2,796,675</u>
Unused Loan Facilities at Balance Date	<u>NIL</u>		<u>NIL</u>

INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE SHIRE OF SERPENTINE JARRAHDAL

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REPORT ON THE CONCISE FINANCIAL REPORT

www.moorestephenswa.com.au

We have audited the accompanying concise financial report of the Shire of Serpentine Jarrahdale, which comprises the statement of financial position as at 30 June 2015, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and rate setting statement for the year then ended, and the statement by Chief Executive Officer. The concise financial report does not contain all disclosures required by Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Management's Responsibility for the Concise Financial Report

Management is responsible for the preparation of the concise financial report that gives a true and fair view in accordance with Standard AASB 1039: Concise Financial Reports, and for such internal control as management determines is necessary to enable the preparation of the concise financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures which are conducted in accordance with Auditing Standard ASA 810: Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the full financial report of the Shire of Serpentine Jarrahdale for the year ended 30 June 2015. We expressed an unmodified audit opinion on that financial report in our report dated 13 October 2015. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the concise financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the full financial report for the year, and examination on a test basis, of audit evidence supporting the amounts and other disclosures which were not directly derived from the full financial report for the year. These procedures have been undertaken to form an opinion on whether, in all material respects, the concise financial report complies with AASB 1039: Concise Financial Reports and whether the other disclosures complies with the requirements laid down in AASB 1039: Concise Financial Reports.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF SERPENTINE JARRAHDALE (CONTINUED)**

Opinion

In our opinion, the concise financial report of the Shire of Serpentine Jarrahdale for the year ended 30 June 2015 complies with Accounting Standard AASB 1039: Concise Financial Reports.

Report on Other Legal and Regulatory Requirements

Payments presented to Council

The monthly list of accounts paid in relation to the months of October 2014 to January 2015 (inclusive) were not prepared and presented to Council as required by Local Government (Financial Management) Regulation 13.

Monthly Statements of Financial Activity

The Monthly Statement of Financial Activity for the month of November 2014 was not presented to Council within the timeframe required by Local Government (Financial Management) Regulation 34(4)(a).

Annual Financial Report

The Annual Financial Report for the year ended 30 June 2014 was not submitted to the Director General of the Department within 30 days of the auditor's report becoming available as required by Financial Management Regulation 51 (2).

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as detailed above, no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



GREG GODWIN
PARTNER

Signed at Perth this 13th day of October 2015



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