



Financial Report For The Year Ended 30 June 2014



Shire of
Serpentine
Jarrahdale

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**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 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of Serpentine Jarrahdale at 30th June 2014 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 *24th* day of *November* 2014

R. G. 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 2014. 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 30 June 2014

	2014 \$	2014 Budget \$	2013 \$
Revenue			
Rates	14,492,919	14,413,560	12,976,751
Specified Area Rate	0	0	50,597
Operating Grants, Subsidies and Contributions	2,163,935	1,767,792	2,958,255
Fees and Charges	5,098,115	4,153,715	3,905,183
Interest Earnings	710,721	905,294	903,730
Other Revenue	1,024,524	1,282,661	2,734,741
	<u>23,490,214</u>	<u>22,523,022</u>	<u>23,529,257</u>
Expenses			
Employee Costs	(9,090,155)	(10,056,957)	(8,890,810)
Materials and Contracts	(10,559,039)	(9,750,435)	(8,984,476)
Utility Charges	(827,182)	(904,570)	(853,838)
Depreciation on Non-Current Assets	(2,889,431)	(2,622,641)	(2,720,018)
Interest Expenses	(269,466)	(273,365)	(234,500)
Insurance Expenses	(481,576)	(483,588)	(388,727)
Other Expenditure	(235,716)	(166,451)	(388,188)
	<u>(24,352,565)</u>	<u>(24,258,007)</u>	<u>(22,460,557)</u>
	(862,351)	(1,734,985)	1,068,700
Non-Operating Grants, Subsidies and Contributions	5,192,179	4,215,725	3,954,915
Profit on Asset Disposals	300,311	74,247	114,646
Loss on Asset Disposals	(527,938)	(90,169)	(102,220)
	<u>(527,938)</u>	<u>(90,169)</u>	<u>(102,220)</u>
NET RESULT	4,102,201	2,464,818	5,036,041
Other Comprehensive Income			
Changes on Revaluation of Non-Current Assets	19,194,718	0	165,993
Total Other Comprehensive Income	19,194,718	0	165,993
Total Comprehensive Income	<u>23,296,919</u>	<u>2,464,818</u>	<u>5,202,034</u>

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

Statement of Comprehensive Income by program for the year ended 30 June 2014

	2014 \$	2014 Budget \$	2013 \$
Revenue			
Governance	379,627	327,975	346,361
General Purpose Funding	16,870,499	16,642,182	16,849,513
Law, Order, Public Safety	581,727	521,220	487,527
Health	59,521	35,092	42,455
Education and Welfare	93,046	48,700	191
Community Amenities	3,439,030	3,154,517	2,823,529
Recreation and Culture	154,525	108,356	1,066,406
Transport	678,765	424,830	554,082
Economic Services	907,895	493,250	573,052
Other Property and Services	325,579	766,900	786,141
	<u>23,490,214</u>	<u>22,523,022</u>	<u>23,529,257</u>
Expenses			
Governance	(4,121,981)	(4,425,992)	(4,916,786)
General Purpose Funding	(471,483)	(511,680)	(316,813)
Law, Order, Public Safety	(1,769,486)	(1,908,978)	(1,669,327)
Health	(463,017)	(473,176)	(434,386)
Education and Welfare	(902,921)	(939,668)	(17,155)
Community Amenities	(5,522,832)	(5,045,545)	(5,069,986)
Recreation & Culture	(3,355,947)	(3,479,280)	(3,088,027)
Transport	(6,580,024)	(5,715,334)	(5,281,681)
Economic Services	(670,043)	(744,061)	(592,501)
Other Property and Services	(225,365)	(740,928)	(839,395)
	<u>(24,083,099)</u>	<u>(23,984,642)</u>	<u>(22,226,057)</u>
Financial Costs			
Community Amenities	(50,755)	(48,528)	(67,623)
Recreation & Culture	(163,078)	(172,257)	(127,147)
Transport	(55,633)	(52,580)	(38,409)
Economic Services	0	0	(1,321)
	<u>(269,466)</u>	<u>(273,365)</u>	<u>(234,500)</u>
Non-Operating Grants, Subsidies and Contributions			
Recreation & Culture	1,215,741	1,720,056	546,997
Transport	3,976,438	2,495,669	3,407,918
	<u>5,192,179</u>	<u>4,215,725</u>	<u>3,954,915</u>
Profit/(Loss) on Disposal of Assets			
Governance	(58,433)	(7,800)	(45,504)
General Purpose Funding	190,028	56,047	(7,540)
Law, Order, Public Safety	7,507	(2,290)	66,556
Health	(13,418)	(5,254)	(4,793)
Education and Welfare	(2,942)	(5,883)	0
Community Amenities	(8,505)	(17,612)	(10,960)
Recreation & Culture	(108,752)	0	0
Transport	(144,734)	(28,500)	12,544
Economic Services	(17,306)	(2,200)	(3,621)
Other Property and Services	(71,072)	(2,430)	5,744
	<u>(227,627)</u>	<u>(15,922)</u>	<u>12,426</u>
Net Result	4,102,201	2,464,818	5,036,041
Other Comprehensive Income			
Changes on revaluation of non-current assets	19,194,718	0	165,993
Total Other Comprehensive Income	19,194,718	0	165,993
Total Comprehensive Income	23,296,919	2,464,818	5,202,034

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

Statement of Financial Position as at 30 June 2014

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	1	12,727,267	12,801,753
Trade and Other Receivables	2	1,819,262	2,115,263
Inventories	3	22,847	18,250
TOTAL CURRENT ASSETS		<u>14,569,376</u>	<u>14,935,266</u>
NON-CURRENT ASSETS			
Investments		25,655	24,305
Other Receivables	2	132,305	124,366
Inventories	3	0	143,345
Property, Plant and Equipment	4	38,111,214	19,908,782
Infrastructure	5	63,092,550	59,838,525
TOTAL NON-CURRENT ASSETS		<u>101,361,724</u>	<u>80,039,323</u>
TOTAL ASSETS		<u>115,931,100</u>	<u>94,974,589</u>
CURRENT LIABILITIES			
Trade and Other Payables	6	2,338,469	1,766,086
Current Portion of Long Term Borrowings	7	503,646	1,256,240
Provisions	8	1,333,521	1,399,122
TOTAL CURRENT LIABILITIES		<u>4,175,636</u>	<u>4,421,448</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	7	2,293,029	4,531,097
Provisions	8	322,852	180,730
TOTAL NON-CURRENT LIABILITIES		<u>2,615,881</u>	<u>4,711,827</u>
TOTAL LIABILITIES		<u>6,791,517</u>	<u>9,133,275</u>
		<u>109,139,583</u>	<u>85,841,314</u>
EQUITY			
Retained Surplus		84,944,355	83,065,268
Reserves - Cash/Investment Backed		4,841,087	2,617,973
Revaluation Surplus	9(a)	19,360,711	165,993
Reserves - Financial Asset Revaluation	9(b)	(6,570)	(7,920)
TOTAL EQUITY		<u>109,139,583</u>	<u>85,841,314</u>

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

Statement of Changes in Equity for the year ended 30 June 2014

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	FINANCIAL ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2012		78,524,924	2,122,276	0	(11,130)	80,636,070
Comprehensive Income Net Result		5,036,041	0	0	0	5,036,041
Changes on Revaluation of Non-Current Assets Total Comprehensive Income	9	<u>0</u> 5,036,041	<u>0</u> 0	<u>165,993</u> 165,993	<u>3,210</u> 3,210	<u>169,203</u> 5,205,244
Transfers from/(to) Reserves		(495,697)	495,697	0	0	0
Balance as at 30 June 2013		<u>83,065,268</u>	<u>2,617,973</u>	<u>165,993</u>	<u>(7,920)</u>	<u>85,841,314</u>
Comprehensive Income Net Result		4,102,201	0	0	0	4,102,201
Changes on Revaluation of Non-Current Assets Total Comprehensive Income	9	<u>0</u> 4,102,201	<u>0</u> 0	<u>19,194,718</u> 19,194,718	<u>1,350</u> 1,350	<u>19,196,068</u> 23,298,269
Transfers from/(to) Reserves		(2,223,114)	2,223,114	0	0	0
Balance as at 30 June 2014		<u>84,944,355</u>	<u>4,841,087</u>	<u>19,360,711</u>	<u>(6,570)</u>	<u>109,139,583</u>

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

Statement of Cash Flows for the year ended 30 June 2014

	NOTE	2014 \$	2014 Budget \$	2013 \$
Cash Flows From Operating Activities				
Receipts				
Rates		14,510,483	14,013,361	12,875,491
Operating Grants, Subsidies and Contributions		2,390,650	1,767,792	2,958,255
Fees and Charges		5,098,115	4,268,715	1,346,966
Service Charges		0	0	3,365,579
Interest Earnings		710,721	905,294	903,730
Goods and Services Tax		1,039,310	210,000	1,150,924
Other Revenue		1,024,525	1,282,661	491,351
		<u>24,773,804</u>	<u>22,447,823</u>	<u>23,092,296</u>
Payments				
Employee Costs		(8,982,496)	(10,056,957)	(8,747,588)
Materials and Contracts		(10,009,636)	(8,663,371)	(8,984,474)
Utility Charges		(827,182)	(904,570)	(272,917)
Interest Expenses		(282,228)	(483,588)	(388,727)
Insurance Expenses		(481,576)	(273,365)	(224,658)
Goods and Services Tax		(1,002,726)	0	(1,248,859)
Other Expenditure		(235,716)	(166,451)	(148,346)
		<u>(21,821,560)</u>	<u>(20,548,302)</u>	<u>(20,015,569)</u>
Net Cash Provided By (Used In) Operating Activities	11(b)	<u>2,952,244</u>	<u>1,899,521</u>	<u>3,076,727</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(2,143,807)	(2,994,521)	(3,719,023)
Payments for Construction of Infrastructure		(4,289,271)	(4,666,406)	(5,400,828)
Non-Operating Grants, Subsidies and Contributions		5,192,179	4,215,725	3,954,915
Proceeds from Sale of Fixed Assets		1,197,627	889,200	676,663
		<u>1,197,627</u>	<u>889,200</u>	<u>676,663</u>
Net Cash Provided by (Used in) Investment Activities		<u>(43,272)</u>	<u>(2,556,002)</u>	<u>(4,488,273)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(2,990,663)	(1,225,421)	(1,083,079)
Proceeds from Self Supporting Loans		7,205	7,203	6,816
Proceeds from New Debentures		0	564,389	2,384,124
		<u>7,205</u>	<u>571,592</u>	<u>2,390,939</u>
Net Cash Provided By (Used In) Financing Activities		<u>(2,983,458)</u>	<u>(653,829)</u>	<u>1,307,861</u>
Net Increase (Decrease) in Cash Held		<u>(74,486)</u>	<u>(1,310,310)</u>	<u>(103,685)</u>
Cash at Beginning of Year		12,801,753	10,036,156	12,905,438
Cash and Cash Equivalents at the End of the Year	11(a)	<u><u>12,727,267</u></u>	<u><u>8,725,846</u></u>	<u><u>12,801,753</u></u>

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

Rate Setting Statement for the year ended 30 June 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Revenue			
Governance	387,799	329,975	350,272
General Purpose Funding	2,644,031	2,279,669	3,872,762
Law, Order, Public Safety	593,725	522,920	555,118
Health	59,521	35,092	42,555
Education and Welfare	93,046	48,700	191
Community Amenities	3,440,123	3,154,517	2,823,960
Recreation and Culture	1,370,266	1,828,412	1,613,403
Transport	4,667,804	2,926,499	3,994,379
Economic Services	907,895	493,250	573,052
Other Property and Services	325,575	775,400	796,375
	<u>14,489,785</u>	<u>12,394,434</u>	<u>14,622,067</u>
Expenses			
Governance	(4,188,586)	(4,435,792)	(4,966,201)
General Purpose Funding	(547,902)	(511,680)	(324,353)
Law, Order, Public Safety	(1,773,977)	(1,912,968)	(1,670,362)
Health	(476,435)	(478,430)	(439,279)
Education and Welfare	(905,863)	(945,551)	(17,155)
Community Amenities	(5,583,185)	(5,111,685)	(5,149,000)
Recreation and Culture	(3,627,777)	(3,651,537)	(3,215,174)
Transport	(6,792,992)	(5,802,414)	(5,339,925)
Economic Services	(687,349)	(746,261)	(597,443)
Other Property and Services	(296,437)	(751,858)	(843,885)
	<u>(24,880,503)</u>	<u>(24,348,176)</u>	<u>(22,562,777)</u>
Net Result Excluding Rates	(10,390,718)	(11,953,742)	(7,940,710)
Adjustments for Cash Budget Requirements:			
Initial Recognition of Assets Due to Change to Regulations			
- Land Under Control	0	0	(896,424)
(Profit)/Loss on Asset Disposals	227,627	15,922	(12,426)
Movement in Deferred Pensioner Rates (Non-Current)	(7,939)	0	(20,624)
Fair Value Adjustments through Profit or Loss	0	0	239,842
Movement in Employee Benefit Provisions (Non-current)	142,122	0	(7,549)
Increase in Financial Asset - Investment	1,350	0	3,210
Depreciation and Amortisation on Assets	2,889,431	2,622,641	2,720,018
Capital Expenditure and Revenue			
Purchase Land and Buildings	(1,036,144)	(1,624,921)	(2,634,654)
Purchase Plant and Equipment	(161,461)	(1,369,600)	(1,084,369)
Purchase Motor Vehicles	(946,202)	0	0
Purchase Roads	(3,621,175)	(4,666,406)	(4,884,089)
Purchase Footpaths	(156,791)	0	(6,931)
Purchase Parks & Ovals	(511,305)	0	(509,808)
Proceeds from Disposal of Fixed Assets	1,197,627	889,200	676,663
Repayment of Debentures	(2,990,663)	(1,225,421)	(1,083,079)
Proceeds from New Debentures	0	564,389	2,384,124
Proceeds from Self Supporting Loans	7,205	7,203	6,816
Transfers to Restricted Assets	(5,462,532)	(428,000)	(1,797,556)
Transfers from Restricted Assets	7,738,374	1,538,600	2,562,327
Transfers to Reserves (Restricted Assets)	(2,881,945)	(1,565,742)	(1,225,084)
Transfers from Reserves (Restricted Assets)	658,831	1,415,572	729,387
ADD	Estimated Surplus/(Deficit) July 1 B/Fwd	1,971,159	1,775,324
LESS	Estimated Surplus/(Deficit) June 30 C/Fwd	1,159,771	1,971,159
Total Amount Raised from General Rate	<u>(14,492,919)</u>	<u>(14,413,560)</u>	<u>(12,976,751)</u>

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

	Note	2014 \$	2013 \$
1. CASH AND CASH EQUIVALENTS			
Unrestricted		2,989,651	3,010,059
Restricted		9,737,616	9,791,694
		<u>12,727,267</u>	<u>12,801,753</u>
2. TRADE AND OTHER RECEIVABLES			
Current			
Rates Outstanding		926,093	951,594
Sundry Debtors		702,338	929,095
GST Receivable		185,903	222,487
Loans - Clubs/Institutions		0	7,205
Prepaid Expenses		4,928	4,882
		<u>1,819,262</u>	<u>2,115,263</u>
Non-Current			
Rates Outstanding - Pensioners		132,305	124,366
		<u>132,305</u>	<u>124,366</u>
3. INVENTORIES			
Current			
Fuel and Materials		14,489	8,741
History Books		8,358	9,509
		<u>22,847</u>	<u>18,250</u>
Non-Current			
Land Held for Resale - Cost			
Cost of Acquisition		0	143,345
		<u>0</u>	<u>143,345</u>

Notes to and forming part of the financial report for the year ended 30 June 2014

	2014 \$	2013 \$
4. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014	6,956,252	0
- Cost	<u>0</u>	<u>1,741,457</u>
	6,956,252	1,741,457
Land Vested In and Under the Control of Council at:		
- Independent Valuation 2014	907,628	0
- Cost	<u>0</u>	<u>896,424</u>
	907,628	896,424
Total Land	<u>7,863,880</u>	<u>2,637,881</u>
Specialised Buildings at:		
- Independent Valuation 2014	26,723,809	0
- Cost	0	16,777,773
Less: Accumulated Depreciation	<u>0</u>	<u>(3,566,611)</u>
	26,723,809	13,211,162
Total Buildings	<u>26,723,809</u>	<u>13,211,162</u>
Total Land and Buildings	<u>34,587,689</u>	<u>15,849,043</u>
Furniture and Equipment at:		
- Management Valuation 2013	8,950	9,580
- Independent Valuation 2013	23,787	132,927
Less Accumulated Depreciation	<u>(7,102)</u>	<u>0</u>
	25,635	142,507
Plant and Equipment at:		
- Independent Valuation 2013	2,000,955	2,339,384
- Additions after Valuation - Cost	161,461	0
Less Accumulated Depreciation	<u>(187,909)</u>	<u>0</u>
	1,974,507	2,339,384
Motor Vehicles at:		
- Management Valuation 2013	156,275	977,366
- Independent Valuation 2013	534,943	559,325
- Additions after Valuation - Cost	946,202	0
Less Accumulated Depreciation	<u>(139,533)</u>	<u>0</u>
	1,497,887	1,536,691
Computer Equipment at:		
- Management Valuation 2013	33,949	33,949
- Independent Valuation 2013	8,408	7,208
Less Accumulated Depreciation	<u>(16,861)</u>	<u>0</u>
	25,496	41,157
	<u>38,111,214</u>	<u>19,908,782</u>

	2014 \$	2013 \$
5. INFRASTRUCTURE		
Roads		
- Cost	97,027,876	93,406,702
Less Accumulated Depreciation	<u>(40,862,916)</u>	<u>(39,013,511)</u>
	56,164,960	54,393,191
Footpaths		
- Cost	2,198,740	2,041,949
Less Accumulated Depreciation	<u>(568,010)</u>	<u>(516,962)</u>
	1,630,730	1,524,987
Drainage		
- Cost	2,476,688	2,476,688
Less Accumulated Depreciation	<u>(726,786)</u>	<u>(677,252)</u>
	1,749,902	1,799,436
Parks & Ovals		
- Cost	3,579,671	2,131,906
Less Accumulated Depreciation	<u>(32,713)</u>	<u>(10,995)</u>
	3,546,958	2,120,911
	<u>63,092,550</u>	<u>59,838,525</u>
6. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	2,049,467	1,576,312
Accrued Interest on Debentures	1,183	13,945
Accrued Salaries and Wages	184,334	153,191
Accrued Expenses	0	22,638
Prepaid Revenue	103,485	0
	<u>2,338,469</u>	<u>1,766,086</u>
7. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge Debentures	<u>503,646</u>	<u>1,256,240</u>
	503,646	1,256,240
Non-Current		
Secured by Floating Charge Debentures	<u>2,293,029</u>	<u>4,531,097</u>
	2,293,029	4,531,097
8. PROVISIONS		
Analysis of Total Provisions		
Current	1,333,521	1,399,122
Non-Current	<u>322,852</u>	<u>180,730</u>
	1,656,373	1,579,852

Notes to and forming part of the financial report for the year ended 30 June 2014

	2014 \$	2013 \$
9. (a) REVALUATION SURPLUS - ASSET REVALUATION		
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(i) Land		
Opening Balance	0	0
Revaluation Increment	6,072,592	0
Revaluation Decrement	<u>0</u>	<u>0</u>
	<u>6,072,592</u>	<u>0</u>
Buildings		
(ii) Opening Balance	0	0
Revaluation Increment	13,122,126	0
Revaluation Decrement	<u>0</u>	<u>0</u>
	<u>13,122,126</u>	<u>0</u>
Plant & Equipment		
Opening Balance	114,504	0
(iii) Revaluation Increment	0	114,504
Revaluation Decrement	<u>0</u>	<u>0</u>
	<u>114,504</u>	<u>114,504</u>
Furniture & Equipment		
Opening Balance	6,246	0
Revaluation Increment	0	6,246
(iv) Revaluation Decrement	<u>0</u>	<u>0</u>
	<u>6,246</u>	<u>6,246</u>
Computer Equipment		
Opening Balance	45,243	0
Revaluation Increment	0	45,243
Revaluation Decrement	<u>0</u>	<u>0</u>
	<u>45,243</u>	<u>45,243</u>
9. (b) TOTAL ASSET REVALUATION SURPLUS	<u>19,360,711</u>	<u>165,993</u>
REVALUATION SURPLUS - FINANCIAL ASSETS		
Opening Balance	(7,920)	(11,130)
Revaluation Increment	1,350	3,210
Revaluation Decrement	<u>0</u>	<u>0</u>
	<u>(6,570)</u>	<u>(7,920)</u>
10. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY		
Governance	267,805	1,937,192
General Purpose Funding	13,222,958	9,147,611
Law, Order, Public Safety	3,484,766	1,943,746
Health	580,873	26,502
Education	32,434	0
Community Amenities	540,985	1,055,930
Recreation and Culture	25,044,889	10,059,328
Transport	68,134,116	69,191,072
Economic Services	665,373	277,348
Other Property and Services	3,956,901	1,335,860
	<u>115,931,100</u>	<u>94,974,589</u>

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:

	2014 \$	2014 Budget \$	2013 \$
Cash and Cash Equivalents	<u>12,727,267</u>	<u>8,725,846</u>	<u>12,801,753</u>

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

Net Result	4,102,201	2,464,818	5,036,041
Depreciation	2,889,431	2,622,641	2,720,018
(Profit)/Loss on Sale of Asset	227,627	15,922	(12,426)
(Increase)/Decrease in Receivables	280,905	(285,199)	(784,798)
(Increase)/Decrease in Inventories	(4,597)	6,032	6,839
(Increase)/Decrease in Prepaid Expenses	(46)	0	21,994
Increase/(Decrease) in Payables	554,002	1,291,032	552,088
Increase/(Decrease) in Accrued Interest	(12,762)	0	9,842
Increase/(Decrease) in Accrued Wages	31,143	0	33,634
Increase/(Decrease) in Employee Provisions	76,521	0	109,588
Increase/(Decrease) in Provision for Doubtful Debts	0	0	(4,596)
Grants Contributions for the Development of Assets	(5,192,179)	(4,215,725)	(3,954,915)
Loss on Revaluation of Fixed Assets	0	0	239,842
Non-Current Assets recognised due to changes in legislative requirements	0	0	(896,424)
Net Cash from Operating Activities	<u>2,952,246</u>	<u>1,899,521</u>	<u>3,076,727</u>

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

	2014 \$	2013 \$
Bank Overdraft limit	100,000	100,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	29,000	21,500
Credit Card Balance at Balance Date	(9,550)	(8,820)
Total Amount of Credit Unused	<u>119,450</u>	<u>112,680</u>

Loan Facilities

Loan Facilities - Current	503,646	1,256,240
Loan Facilities - Non-Current	2,293,029	4,531,097
Total Facilities in Use at Balance Date	<u>2,796,675</u>	<u>5,787,337</u>

Unused Loan Facilities at Balance Date

NIL	NIL
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**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE SHIRE OF SERPENTINE JARRAHDALÉ**

REPORT ON THE CONCISE FINANCIAL REPORT

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 2014, 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 2014. We expressed an unmodified audit opinion on that financial report in our report dated 24 November 2014. 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.

- a. 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 JARRAHDAL (CONTINUED)**

AUDITOR'S OPINION

In our opinion, the concise financial report of the Shire of Serpentine Jarrahdale for the year ended 30 June 2014 complies with Accounting Standard AASB 1039: Concise Financial Reports.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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) No 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.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



Date: 24 November 2014
Perth, WA

GREG GODWIN
PARTNER





Shire of
Serpentine
Jarrahdale

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