

# **ANNUAL REPORT**

# FOR THE YEAR ENDED 30TH JUNE 2014

# **MISSION STATEMENT**

To build on our history to create our future

# **SHIRE OF YORK**

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#### **Introduction**



The Annual Report of the Council is produced in accordance with the requirements of the Local Government Act 1995 and provides a valuable record of the work of the Local Government over the reporting period.

The format of the Annual Report seeks to provide information in a way that is easy to read, interesting and informative.

As a part of our history it is designed to record the successes and challenges the Shire faced and to demonstrate how the community, the Council and

administration met those challenges.

The second part of the report provides the statement by the Auditor and the financial reports showing the statutory information in the format required by the Local Government Act.

Graeme Simpson

GRAEME K SIMPSON ACTING CHIEF EXECUTIVE OFFICER

#### **Commissioner's Introduction**



The Shire of York presents the 2013/14 Shire of York Annual Report to the community documenting the journey of York as a liveable and sustainable entity.

Building on our past and creating our future, Council proudly supports events and our many community groups and this financial year funded projects to the value of about \$90,000; and this figure does not include the many in-kind contributions provided to the community groups and towards the upkeep and development of Council owned facilities.

The exceptional contribution by the Residency Museum in relation to heritage preservation and presentation was

rewarded in the 2014 State Heritage Awards, where the Museum gained Highly Commended status for 'outstanding contribution to heritage by a community based organisation. The award describes the Residency Museum as an organisation which is polished, professional and achieving significant outcomes. The York Community should be very proud of their heritage and the way it is presented by the Residency Museum team.

Recreational Facilities upgraded this year included the playground at Forrest Oval Sports Precinct which was co-funded by the sporting clubs, shade shelter and seating at Candice Bateman Park and paving, painting and patio at the York Swimming Pool. The establishment of the Early Childhood Hub near the recreation centre is a great asset, and provides an opportunity to further develop early childhood facilities in our community.

Law, order and public safety remained as strong priorities in 2013/14 and close liaison with York Police is a focus for Council. Special thanks are extended to Sergeant Gubanyi and his team for their efforts in keeping York safe.

I also take this opportunity to express sincere thanks and appreciation to the staff for the loyalty and commitment to York and for their service delivery to the community to make York an even better place to live.

JAMES BEST

COMMISSIONER FOR THE SHIRE OF YORK

awes Best

# To build on our history to create our future

#### **Our Vision – The Rural Gateway**

#### Our Shire will be:

- A place to visit, work, play and rest;
- ❖ A place of vibrancy and energy, but one of tranquillity and safety;
- ❖ A place of growth, find opportunities and thrive;
- ❖ A place of history, and cultural interests, where past history is valued, building a sense of permanency and pride;
- ❖ A place of community, where lifestyle choices are important and where community matters.

#### Our Aim

To manage growth economically and socially in supporting a progressive vibrant community.

#### Our Goals

#### Social

- Manage population growth through planned provision of services and infrastructure;
- Strengthen community interactions and a sense of a united, cohesive and safe community;
- Build and strengthen community, culture, vibrancy and energy.

#### **Environmental**

- Maintain and preserve the natural environment during growth, enhancing the 'rural' nature of York, and ensuring a sustainable environment for the future;
- Support sustainable energy and renewable resource choices.

#### **Economic**

- Build population base through economic prosperity;
- ❖ Value, protect and preserve our heritage past;
- Grow the economic base and actively support local businesses and service provision.

#### **Governance**

# **Strengthen Shire Leadership**

#### **Our Vision**

- We will ensure our sustainability through our leadership, our regional and government partnerships and ensure we make informed resource decisions for our community good.
- We will engage and listen to our community, advocate on behalf of our community, be accountable and manage within our governance and legislative framework.
- Our objectives and priorities are built from our shared outcomes.

# **Senior Staff**

#### **Chief Executive Officer**

Mr Ray Hooper – to 14 April 2014 Mr Michael Keeble – commenced 16 April 2014

# **Deputy Chief Executive Officer**

Mrs Tyhscha Cochrane

# Manager of Works

Mr Graham Lantzke

# Manager Administration & Technical Services

Vacant

# Manager Environmental Health and Building Services

Mr Gordon Tester

# Manager Planning Services

Mrs Jacky Jurmann

#### **Human Resources**

The organisation would be unable to function without the support of its administration staff and I would like to pay tribute to the following staff and identify their role in our operations:

Kathryn Brown Recreation & Convention Centre Manager

Anneke Birleson Customer Services Officer

Carol Littlefair Museum Curator

Cindy Keeble Customer Service Officer

Daniel Birleson \* Ranger Services

Gail Maziuk Senior Administration Officer / Projects George Johnson \* Compliance Officer Building/Planning

Hayley McNamara \* Customer Service Officer
Helen Darcy-Walker Executive Support Officer
John Coles Environmental Health Officer

John Goward Ranger Services

Katrina Parsons Casual Swimming Pool Attendant

Kira Strange Planning Officer

Kiriana Carroll \* Administration Support Officer
Leonie Kempin Depot Administration Officer
Lindy Dewar Customer Services Officer
Matthew Davies Payroll/Finance Officer

Matthew Sharp \* Ranger

Natasha Brennan Casual Project Officer

Nicole Fleay Casual Records/Administration Support Officer

Nicole McNamara \* Casual Administration Support Officer

Nick Russo Catering Manager YRCC

Pamela Law Rates Officer

Patricia Mogridge Information Services Officer

Patrick (Pat) Flynn \* Bar Manager YRCC

Samantha Good Residency Museum Relief Curator

Sharla Fythe Technical Services Officer

Susan Johns Records/Administration Support Officer

Tabitha Bateman Senior Finance Officer

Tamara Hooper Casual Administration Support Officer

Timothy Jurmann Building Surveyor

Vicki Robinson Information Services Officer

William (Bill) Livingstone Pool Manager

<sup>\*</sup> denotes the staff member left the employ of the Shire of York in this financial year

# ADMINISTRATION AND CORPORATE SERVICES SECTOR

The 2013/2014 Financial Year has again proved to be an extremely busy period for Council staff, with many challenges and opportunities to explore.

Administration staff levels remained stable during 2013/14. New administration staff members employed in 2013/14 to fill vacancies are:

John Coles Environmental Health Officer

John Goward Shire Ranger

### **Elections**

Local Government Elections were held on Saturday 19th October 2013.

Three (3) positions were vacant and the following candidates were successfully elected:

CouncillorsExpiry of TermMatthew Reid - Shire PresidentOctober 2017David WallaceOctober 2017Tony Boyle - re-electedOctober 2017

Matthew Reid was appointed by Council and elected as Shire President.

The York Shire Councillors duly elected in 2011 remained the same:

Mark Duperouzel – Deputy President October 2015
Pat Hooper October 2015
Denese Smythe October 2015

# **End of Year Financial Situation**

The York Shire Council recorded a surplus of \$1,337,699 for the 2013/2014 Financial Year. Contributors to the surplus include incomplete road and footpath construction works, grant funds received for bridge upgrades not completed and unspent SEARTG funds. Most of the non-completed works have been included in the 2014/2015 budget.

# **Valuations**

Rural land was re-valued during the period in accordance with the requirements of the Regional Developments and Land information to value rural land on an annual basis.

The Department of Land Information have now changed the time frame between GRV re-valuations from five years to four years, next re-valuation will be for financial year 2015/2016.

# **Revenue and Expenditure**

#### Operating Expenditure

Employee Costs	\$3,180,371	35.30%
Materials & Contracts	\$2,876,699	31.93%
Depreciation	\$1,975,192	21.92%
Utilities	\$342,754	3.80%
Insurance	\$292,367	3.24%
Interest Expenses	\$125,049	1.39%
Loss on Sale of Assets	\$48,049	0.53%
Other Expenditure	\$170,297	1.89%
TOTAL	\$9,010,778	100.00%

#### Operating Income

Rates	\$3,983,247	52.72%
Operating Grants, Subsidies & Contributions	\$1,421,363	18.81%
Fees & Charges	\$1,593,851	21.09%
Interest Earned	\$253,009	3.35%
Other Revenue	\$95,268	1.26%
Profit on Sale of Assets	209,346	2.77%
TOTAL	\$7,556,084	100.00%

# SHIRE OF YORK RATES INCENTIVE PRIZES WINNERS

#### FIRST PRIZE — Mrs Yvonne Kenneison

The Shire of York, in conjunction with the York & Districts Community Bank Branch of Bendigo Bank, a \$1,000 bank account

#### **SECOND PRIZE— Mrs Helen Johns**

Two night's accommodation to the value of \$400 supplied by Accor

#### **THIRD PRIZE— Mrs Yvonne Dols**

Four tickets to the Western Australian Symphony Orchestra donated by WASO

#### **FOURTH PRIZE— Mr Stephen Midgley**

\$200 worth of Unleaded Petrol donated by Fuel Distributors of WA Pty Ltd.







# Fuel Distributors of Western Australia Pty Ltd

The Shire of York gratefully acknowledges the support of the York & Districts Community Bank Branch of Bendigo Bank, Fuel Distributors of Western Australia Pty Ltd, West Australian Symphony Orchestra and Aspen Parks for their contributions to the 2013/2014 rates incentive prizes.

These prize winners were drawn by random computer selection.

# **Community Assistance & Support**

Once again community organisations were provided with financial assistance through direct sponsorship and donations. Community Sponsorships for 2013/2014 were as follows:

Name	Purpose	Funds
Cycle Events	Event funding including in-kind	\$2,500
Australia Day	Australia Day Breakfast incl. labour	\$2,227
York Town Hall	Town Hall Usage Free Various Events (4 throughout year)	\$2,464
Recognition of Achievers	Various	\$500
York Youthcare	Chaplain at York District High School	\$3,000
York Children's Christmas Street Party	Christmas Street party and late night trading for event	\$4,000
Talbot Brook Land Management Association	Travel reimbursement	\$500
Talbot Brook Community Group	Improvements and maintenance of Talbot Hall	\$4,200
York Seniors Mobility Group	Stay on Your Feet	\$1,250
York Community Resource Centre	York Business Directory	\$1,200
York Agricultural Society	Staging of the York Agricultural Show including in- kind support	\$8,528
Avon Tourism Inc	Regional area promotion and marketing for the Avon Valley	\$10,000
York District High School P & C Association	Hall Hire for Art Exhibition including setup and pack up. Use of Pavilion for committee / fundraising	\$475
York District High School	2013 Presentation Night – Book Awards and Sashes \$1,500, Hall Hire \$640	\$2,140
York District High School	National Tree Day	\$500
Seniors Appreciation Day 2013/14	Senior Citizens Appreciation Day \$1,700 cash (hold money on their behalf), in-kind hall hire and set-up donation \$616	\$2,316
York Society	Archives and Historical Research	\$750
York Society – Arts & Crafts	Use of Town Hall, Set-up and Pack-up	\$5,346
York Society	New Residents Pack	\$600
York Society	Photographic Awards	\$500
Greenhill's Progress Association	Improvements and maintenance of Hall	\$4,200
Motor Cycle Events	Event funding including in-kind	\$5,000
York Easter Fair	Event funding including in-kind	\$4,844
Friendship Club	Community usage of the Community Centre	\$270
Toy Library	Community usage of the Community Centre	\$270
Playgroup	Community usage of the Community Centre	\$270
Community Bus Hire for Companion Time Committee & Other Community Groups	Community Bus Hire for Seniors and Youth Outings	\$2,500
York Pony Club	Hot water system, electrical work	\$900
York Swimming club	March 2014 Country Pennants	\$8,200
York Men's Shed	Toilet Block and Solar Panels	\$4,750
CWA	State Conference	\$750
Bicycling Western Australia	Event – free use of town hall and mobile toilets in- kind & portion of cash \$2,000	\$2,000
Total Sponsorship		\$86,950

It should be noted that the above contributions do not include all the in-kind assistance provided to many community organisations and contributions paid to organisations towards the development of Council owned facilities.

#### Library

The York Library continues to expand both in stock and demand. The library is still involved in the State Library Webselect process which has been used to expand our DVD, Large Print and Audio book selection. Webselect means that local staff are in involved in purchasing reading materials which suit local demand/ interest. The library has experienced increased demand from our borrowers especially for Audio, large print and DVD's. We have been receiving over 100 new items every month through both the Webselect and exchange process through the State Library system

Our local stock has also increased by 975 new items resulting in the need for extra new shelving. This increase in stock has been attributed to donations from the generous members of our community and the York Shire Council funds.

The York Library is in the process of offering more online services to our borrowers. In addition to offering e-books we will soon be offering e-audiobooks and e-magazines through a joint program with the State Library.

We have a very valued volunteer, Cathie Stark, who continues to provide time and support to our wonderful library. We would also like to welcome the York Writers Group who use the library facilities once a week.

Our annual statistic show an increase in borrowings particularly in the Junior area which is reflected in the increase in family memberships. Requests for items by other libraries has doubled this year with a slight decrease in items requested from other libraries indicating that the stock in the York library is meeting most of the needs in the York community. This also means that our stock is appreciated / valued by other libraries.

Items Issued	Adult Non Fiction	4,739
	Adult Fiction	13,964
	Junior Library	5,651
	Paperbacks, Magazines	264
		Total 24,618
Membership	Adults	937
	Family	287
	Junior	82
		Total 1,306
General Statistics	Library was opened for	2,003
	Books issued per hour	12.29
	Items requested by other libraries	448
	Items requested from other libraries	1,000
	Requests for information	746
Local Stock On Hand	Adult Non Fiction	3,836
	Adult Fiction	3,478
	Junior	1,664
		Total 8,978
State Library Stock	Adult Non Fiction	1,476
	Adult Fiction	1,961
	Junior	1,086
		Total 4,523





#### **Residency Museum**

# Promotional Stand At Avon Valley Vintage Festival 1-2 March 2014

The Residency Museum was kindly offered free stall space for a promotional stand at this event run by Avon Events & Marketing and held in Northam Recreation Centre.

Despite the hot weather, the Curator and several volunteers donned Edwardian costumes – winning the prize for the best dressed stallholders! – and promoted the Museum through a mini-exhibition in a showcase, the Town Hall exhibition banners, leaflets and promotional material.



Volunteer Kerry Feeney promotes the museum to Mia Davies MLA

# National Trust WA Heritage Festival 18 April – 18 May 2014

Again the Museum took the lead role in organising and co-ordinating heritage-related events in York during May and put on a special exhibition:

Hatches Matches and Despatches - Exhibition 1 April to 31 May as part of the Western Australian Heritage Festival.

The Museum showed a ground-breaking new style of 'Integrated Exhibition' which builds on and links to the existing permanent displays, taking the WAHF theme of 'journeys' to create a fascinating journey through the lives of past characters of York, through their hatches, matches and despatches – ie, focussing on the themes of births, marriages and deaths.

As last year, over fifty guests enjoyed an Open Evening with a Curator's Guided Tour for National Museums Day, the event being run by the hardworking Museum Committee and volunteers and supported by gold coin donations from guests.

# York Residency Museum Highly Commended In State Heritage Awards

The prestigious 2014 State Heritage Awards were held at His Majesty's Theatre on Thursday 4 April the **Residency Museum** gained a Highly Commended as 'outstanding contribution to heritage by a community-based organization and **Samantha Good**, Museum volunteer and Relief Curator was a finalist in the category 'outstanding voluntary contribution to heritage by an individual'.

The award certificate describes the Residency Museum as "An organisation which is polished, professional and achieving good outcomes. This group successfully engages with, and is keenly supported by its local community including the Aboriginal community. It is a role model for regional museums in returning social benefits to the town".

Further details are on the Heritage Council website.





http://awards.stateheritage.wa.gov.au/WAH2014/finalist\_list.asp



Article published in Sept 14 issue of Heritage Matters



# **New Banners In Avon Terrace And Panmure Road**

Three banners for Avon Terrace and two for Panmure Road were produced to promote the Museum, which lacks directional signage to guide visitors to its somewhat out-of-the-way location. The banners in Avon Terrace also promote the new Shire of York Tours and Trails App, these double sided banners give a new look to the street as they can be placed in three ways to give a fresh appearance every time. One banner features a photograph taken of a child trying on our dress-up hats at the Avon Valley Vintage Fair, thanks to kind permission from her parents this stunning image is now being used for promoting the Museum.

# Melbourne Cup Visits The Residency Museum

The Emirates Melbourne Cup Tour team were welcomed on July 21 and there was a real buzz in the air as the burly security guard unsnapped the case to reveal the Cup in all its glory. There was an opportunity for everyone to hold the Cup. "Surprisingly heavy" remarked several

people – and plenty of questions kept the Emirates representatives busy.

The day, which was themed around the Melbourne Cup of 100 years ago had a real "Melbourne Cup atmosphere'. A fun quiz to find out how many horses were depicted in the Museum displays added to the enjoyment of the most famous object ever housed by the Museum – albeit temporarily!



Local York residents Leone and Ian Parker holding the Melbourne Cup.

### **Spooky Tour Trial**

The Museum took part in a 'test run' Spooky Tour of York organised by Cr. Denese Smythe as a promotional event to encourage tourism business to the town. A pilot project group of guests stayed at the Castle Hotel and on the evening of 3 October visited the Museum, the National Trust Courthouse Complex and had a walk through the cemetery. They were greeted by lantern-light at the doors of the Museum by two

Nineteenth Century Widows in Mourning – aka Curator Carol Littlefair and Volunteer Cathy Clarke. Their tour included spooky sights such as a Pensioner Guard's wooden grave marker and stories like that of little Jessie Bryce who died at a picnic by being scalded with coffee urns. The evening was declared a resounding success – one visitor wrote in the comments book 'Great tour – be scared, be very scared!!!"

### **New Staff**

Glenys Rae and Lorraine Denton have joined the staff as Casual Museum Assistants at weekends. Sam Good, who already works as Relief Curator during the Curator's leave, will also be a Casual Museum Assistant at weekends.

This will enable the Museum to reliably guarantee opening at the weekends and Public Holidays and as York's keystone heritage facility, this should be of immense benefit to the town.

They will also assist with some administrative support at the York Residency Museum, which will allow Carol, the Curator to focus on collections management and interpretation.



Glenys and Lorraine outside the Museum

# A Few Of The Significant Acquisitions During 2014

# **Security Loan Honour Pennants**

Kindly donated by the Shire of York.

A series of 29 felt pennants which range from one 'Liberty Loan' in 1943, through 'Victory Loan' pennants in 1944/45 and 'Commonwealth Security Loan' pennants from 1946-62 awarded to the town of York when the population had reached its 'quota' of fundraising.

#### The Cowan Family Bible

Kindly donated by Mrs Diana Cowan.

This magnificent leatherbound C19th Bible has State significance for its association with York Resident Magistrate Walkinshaw Cowan, his son James, his wife Edith Cowan, and family.

#### **Architect's drawings of Avon Terrace**

Kindly donated by Alan Dodds.

On white paper - black ink line drawings of buildings on east elevation and west elevation along Avon Terrace. York. Originally used as part of a community campaign to plant street trees.

#### Memorial card - Leta Gray Wansbrough

Kindly donated by Bruce Wansbrough.

Memorial card to Leta Gray Wansbrough, died November 24th 1907 from tuberculosis aged 21 years. On dark brown/black card with gold print and border.

#### **Increase Revenue And School Visits**

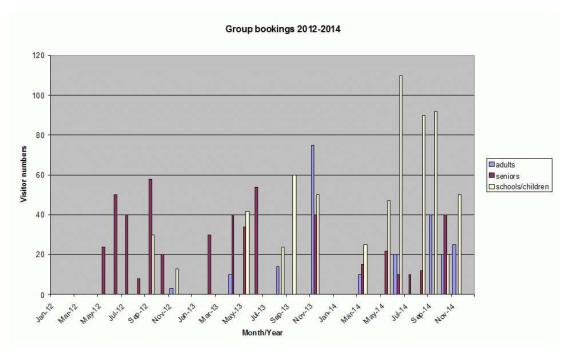
Visitor data collated shows visitor numbers steady according to season throughout 2013 – 14 with an increase of gift shop sales from an average monthly income of \$81.60 in 2013 to \$141.55 in 2014.

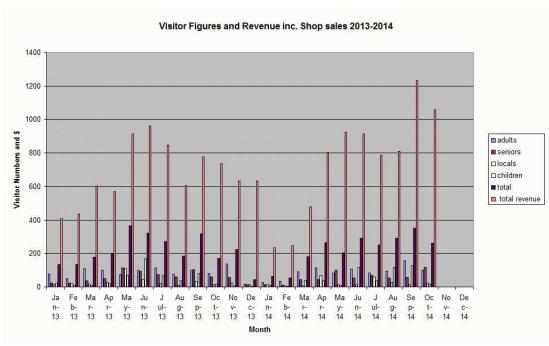
A meeting with the Education staff of the National Trust has resulted in a cross-promotion of the Museum and Courthouse to schools with the National Trust. We have also recommended the York Society's Tipperary School, the Trails App and use of the worksheets about Avon Terrace provided on the Residency Museum website to encourage whole day history curriculum school outings, this often being more viable for non-local schools.

#### **Red Tardis Update**

York Men's Shed have completed refurbishing and painting telephone box no.1, doing a magnificent job and are currently working on no.2.

# **Residency Museum Statistics 2013/14**





# **Record Keeping**

A complete review of the Shire of York's Record Keeping Plan was carried out in early 2010.

The Shire of York, which is renowned for its heritage values and its commitment to preserving local history, supports the principles of the State Records Act and recognises the importance of establishing and maintaining a reliable and credible Record Keeping System.

In accordance with section 28 of the *State Records Act 2000*, the Plan for the Shire is to be reviewed within five years of its approval date. Once completed, a report of the review must be submitted to the State Records Office by **18 June 2015**.

The required five year review of the Record Keeping Plan has commenced.

The Plan indicates a strong commitment to address certain matters within specific timeframes and we continue to work hard to meet all timeframes.

# **Freedom of Information**

The Shire of York has a Freedom of Information Statement prepared in accordance with the Freedom of Information Act 1992. This Statement was reviewed in August 2014 and is available on our Website. It outlines the Shire's functions, the kind of documents held and how the documents can be accessed.

A total of sixteen (16) Freedom of Information Applications were received during this reporting period.

#### Planning for the Future

#### **Integrated Planning and Reporting Framework**

#### **Components of the Integrated Planning and Reporting Framework include:**

- Workforce Planning
- Community Strategic Plan
- Asset Management Plan
- Corporate Business Plan
- Long Term Financial Planning

The Shire's planning framework aligns with the DLG's framework as outlined below and comprises of the following plans and activities (refer Diagram 1).

Strategic Community Plan (SCP) – identifies the community's main aspirations and priorities for the future and outlines strategies for achieving these goals

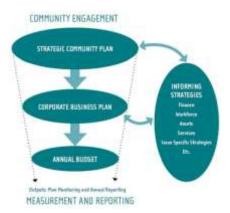
Corporate Business Plan (CBP) – describes the activities that will be undertaken over the next four years to achieve the agreed short and long term goals and outcomes.

Divisional Operational Plans (DOP) – outlines the details of the specific projects and activities that will achieve the commitments documented in the Corporate Business Plan.

Long Term Financial Plan (LTFP) – details the financial resources needed to enact the CBP in the first four years and potential revenues and expenses for the next six years of the plan. This plan serves to inform and resource all aspects of the integrated planning activities as appropriate.

Asset Management Plan (AMP) – This plan identifies and records the asset register, service levels, activities and strategies to ensure the physical assets and infrastructure are appropriately managed and maintained over their lifecycle, and disposed of or replaced at the end of that lifecycle.

Integrated Workforce Plan (IWP) – This plan identifies and reports on the internal capacity to meet current and future needs of the goals and objectives of the Shire / Community, both in capacity and capability. It identifies the gaps in human resources, assets or financial resources and strategies to mitigate them.



# **Workforce Planning**

The Shire of York has a current Workforce Plan.

The Workforce Plan identifies gaps between the current workforce profile and the organisational structure.

The Workforce Plan identifies organisational activities to foster and develop the workforce.

The Workforce Plan implementation is budgeted for in the Corporate Business Plan and the Long term Financial Plan.

### **Purpose**

The purpose of Workforce Planning is to develop and implement a structure, systems and processes for workforce planning that will be implemented across all aspects of the Shire's planning, operations and services. This integrated approach to workforce planning will ensure that the Shire of York recruits, retains and manages the human resource requirements needed to meet the strategic and operational objectives of the Shire, its community and the organisation.

#### **Integrated Workforce Planning**

The workforce plan has been developed to address the requirements of the Local Government Act 1995 section S5.56 (1) A "plan for the future" and S5.56(2): That Local Governments develop a Strategic Community Plan that links community aspirations with the Council's long term strategy. That the Local Government has a corporate business plan linking to long term financial planning that integrates asset management, workforce planning and specific council plans (informing strategies) with the strategic plan.

#### Strategic Community Plan- 2012 to the Future

The Strategic Community Plan (SCP) is a Council visionary document for the next ten years, based on community input and our research (Reference: Community Plan), to ensure our future is sustainable.

Whilst it is recognised that not all outcomes can be delivered immediately, the Plan will guide our decisions over the next ten years.

The Corporate Business Plan identifies what we will achieve in the shorter term, and the steps we will take to reach our long term vision, and will enable us and the community to review and monitor our progress towards achieving our aspirations.

Implementing this Plan will demand that the Shire not only continues to deliver and represent the community, but recognises that we can't deliver alone. We will work in partnership with other Shires, State and Federal Governments, and the private sector, to advocate delivery of our Plan.

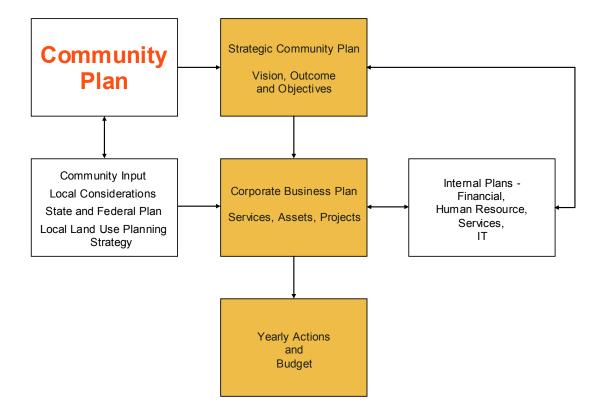
The Strategic Community Plan will undergo an internal review in 2014 and a formal review in 2016.

# **Our Planning Framework**

The Shire, in partnership with community and stakeholders, has developed a shared strategic vision, goals and outcomes.

In the initial stages of development, research was undertaken across the quadruple bottom line to ensure our community and Council were able to make informed and appropriate priority decisions for our local community.

This included a review of the external Federal and State Government plans, and long term demographic changes, impacts, risks, and the challenges facing our community, to ensure we are a sustainable and growing community.



# **Complaints about Conduct of Members**

Council is required to report on official complaints that result in action under section 5.110 6 (b) or (c) of the Local Government Act 1995. During the 2012/13 year one breach resulting in action under this section required public censure which was carried out in the 2013/14 Financial Year.

# **Development Services**

The Development Services Section of the Council consists of:

- Mrs Jacky Jurmann Manager Planning Services Town Planning and Heritage
- Mr Gordon Tester Manager Health & Building Environmental Health, Building Control, Building Maintenance and Ranger Services

# <u>Health, Building, Town Planning, Fire Prevention & Regulatory Services Sector</u>

# **Town Planning**

Land use planning in York is guided by two main documents – the Local Planning Strategy and the Town Planning Scheme No. 2 (known as TPS 2).

The Town Planner responds to many enquiries relating to planning related issues, both in person and in writing. Enquiries can range from rezoning and subdivision, restoration and development of heritage properties, to the keeping of sea containers, varying the provisions of the Residential Design Codes and conducting home businesses.

It is the aim of the planning section to provide an efficient and effective service to landowners, residents, developers and the community.

#### **Scheme Amendments**

Since the gazettal of TPS 2 in 1996, there have been 53 scheme amendments initiated, including three 'omnibus' amendments (description of an amendment that contains a number of proposals).

Scheme Amendment 50, a significant 'omnibus', represents a significant review of the Scheme and will introduce new land use definitions and an expanded land use table to represent today's needs. It will also provide guidance on the development and use of reserved land. Once gazetted the Scheme will be an easier to use document that provides better guidance and more certainty for all users, including landowners, developers and planners through better defined land uses and reduced reliance on the 'use not listed' provisions. The amendment is currently with the Minister for Planning for final approval.

#### **Structure Plans**

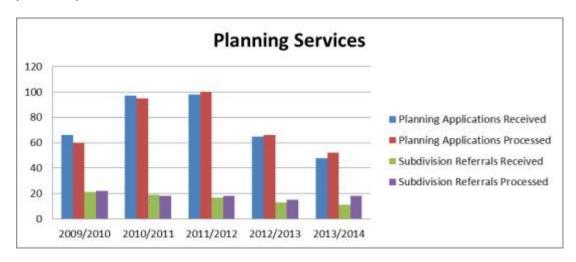
Structure Plans (formerly known as Outline Development Plans or ODPs) are required to guide larger developments.

A Structure Plan has been submitted for the Daliak Precinct and is currently being finalised to guide orderly development in that precinct. The Plan will outline staging, infrastructure requirements and land uses. Once Council has approved the Plan, it will be submitted to the WAPC for approval.

#### **Planning Applications**

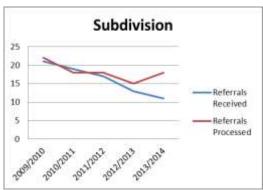
Planning applications are submitted to Council for construction of dwellings and ancillary residential development, works to heritage buildings and within heritage precincts, change of use of shops and other commercial premises, display advertising signage, and for construction of commercial and industrial developments.

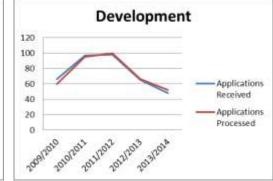
In the 2013/2014 financial year, 48 planning applications received, 17 less than in the previous period.



Similarly, the number of subdivision applications received by the WAPC for the York Shire decreased and in this period 11 subdivision referrals were received by Council, compared to 13 in the previous period.

The following graph depicts the number of planning and subdivision applications for the York local government area:





#### **Heritage and Culture**

Council has employed a Heritage Consultant to review the Local Planning Policy for Heritage Precincts and Places and the Municipal Heritage Inventory. The first stage of the review has commenced and in the near future be the subject of community and landowner consultation.

The development of a Heritage Committee has resulted in regular meeting regarding heritage and culture within the Shire.

A consultant has been engaged to create a Cultural Interpretation Plan (CIP) for the Shire of York. Community consultation has begun and will continue throughout the development of this plan. It is expected that the CIP will be completed by early 2015.

#### **Health**

Council's Environmental Health Officer Mr John Coles is responsible for monitoring various aspects of public health within the Shire. This includes the inspection of food premises, public buildings, lodging houses, caravan park, mosquito monitoring, public swimming pools, septic/ATU installations and offensive trade monitoring.

Activities also include the licensing of stall holder applications and the approval of public events and trading in public places.

Council continued to monitor the structural and operational aspects of all premises to ensure compliance with the requirements of relevant legislation.

#### **Effluent Disposal Systems**

Thirty two effluent disposal systems were approved for installation in 2013/2014.

Several existing effluent disposal systems failed and were required to have rectification works.

The progressive installation of reticulated sewer within the town site is required to overcome these problems and to facilitate the development of unit development and smaller residential blocks.

# **Registered and Licensed Premises**

The following premises are currently operating in the Shire:

Offensive Trades	1
Public Buildings	19
Food Premises	46
Licensed Hotels	4
Lodging Houses	17

Additionally there are 8 Bed and Breakfast businesses that are not required to be registered under the Health Act 1911.

#### Forrest Oval Wastewater Recycling Scheme

A hydro-met chlorine treatment facility was installed at the Forrest Oval Sporting Complex to provide an additional treatment facility for the treatment of effluent wastewater from the Water Corporation sewerage ponds for irrigation of Forrest Oval.

The Shire is responsible for conducting monthly samples of recycled wastewater to ensure that the microbiological count remains within safe levels.

#### **Food Safety**

The Shire of York offers a free Online Food Safety Training course to assist food businesses to meet their food safety training requirements under the *Food Act 2008*.

The Online Food Safety Training was developed by Environmental Health Australia and is being used extensively throughout Australia.

# **Swimming Pools**

#### York War Memorial Public Swimming Pool

The York War Memorial Public Swimming Pool was inspected and sampled monthly over the swimming pool season for November to April.

Samples of the swimming pool water are sent for analysis to a Perth laboratory to ensure they meet the required microbiological and bacteria standards.

Swimming pool manager Bill Livingstone continues to do an excellent job managing and maintaining the pool.

Work for the Dole recipients were contracted to paint the ablution block and upgrade shade shelters and other structures.



#### **Privately Owned Public Pools**

The Department of Health conducted an audit of all privately owned public swimming pools in the Shire resulting in several premises choosing to close their pools to members of the public pending future upgrading of their facilities.

The Shire of York currently has one Department of Health approved privately owned public pool.

# **Private Swimming Pools**

The Shire of York is required to inspect all private swimming pools within its District at least once in every 4 year period. All inspections were carried out in the 2012 / 2013 period.

#### **Waste Collection & Disposal**

The Council again participated in the "drum MUSTER" program. This nationwide program provides for the collection and disposal of used farm chemical containers. A new collection yard was located adjacent to the transfer station and collections are received regularly. A total of 2463 drums were collected under the program this year slightly lower than the amount collected last year.

Council continued with its participation in the Mobile Muster program. This program was initiated to ensure that mobile phones and their accessories are recycled. Collection points for mobiles are located at the Shire Administration Office and the waste transfer station. Approximately 15 kg of disused mobile phones were collected.

A total of 1100.8 tonnes of waste were transported to the Shire of Northam landfill site for the 2013/14 financial year. This is 97.2 Tonnes less waste than the 2012/13 financial year.

A total of 388.5 tonnes of recyclable material recycled during the 2013/14 financial year. This is 27.5 tonnes more material than the 2012/13 financial year.

The skip bin service offered to residents with a bin service continues to be popular.

The bulk waste pick-ups which were introduced in 2007 continue to be well received.

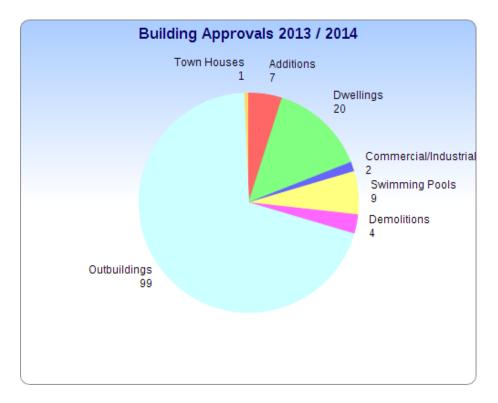
Council has extended the bulk pick up service twice yearly to the Greenhills and Kauring Townsites.

### **Building**

Council's Officers audit building works to ensure compliance with the approved plans and to ensure that all work is carried out to the necessary standard.

In 2013/2014 the Building Section of the Council processed 138 building applications and 4 demolition applications.

These applications were split into the following categories:



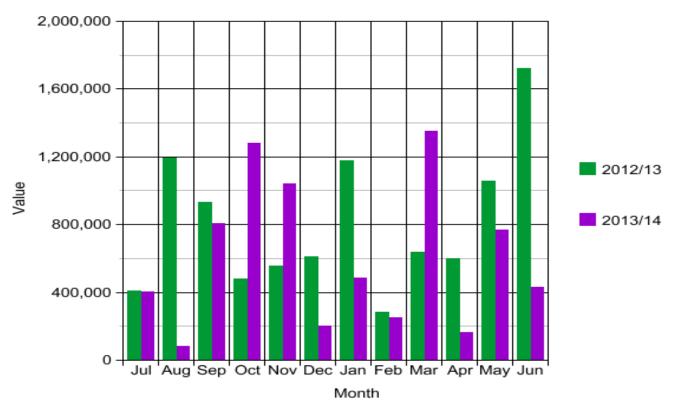
The percentage split is similar to previous years with a slight increase in outbuilding applications.

### Comparison table for previous years are as follows:

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
Dwellings	21	30	21	30	16	22	46
Additions	7	10	12	50	22	23	30
Outbuildings	99	95	89	97	77	78	124
S/Pools	9	16	7	13	2	10	8
Commercial	2	8	10	7	2	7	10
Total	138	159	139	197	119	140	218

The number of Building Permits issued in 2013 / 2014 area slightly down on the previous 3 years.





The approximate value of building works in the Shire was \$7.26 million, a decrease of 28.37% in value, from \$9.66 million in 2012/13 and up 3.36% in value from \$7.02 million in 2011/12.

The value of the total amount of construction decreased by approximately 13.21%. This is a small decrease over the previous financial year. It can be seen that there was an increase in the number of outbuildings approved which increased by 4.21%.

The introduction of Privately Certified applications has not impacted on the workloads within the Shire of York.

The increase in the requirement for Continued Professional Development Points (CPD), by the Building Commission will place an additional load on existing resources. It is estimated that CPD will require training of the equivalent of 1-1.5 days per month.

# **Disability Access and Inclusion Plan**

Council continues to make progress on the Disability Access and Inclusion Plan (DAIP) which was adopted by Council on 16<sup>th</sup> July 2007. A series of objectives and strategies were included in the DAIP along with a list of 10 recommendations for the delivery and monitoring of initiatives and strategies included in the plan. Council staff will work on an ongoing basis over the coming years to implement those recommendations.

A full review of Council's Disability Access Plan has been undertaken with community consultation in 2012 and a revised plan was submitted for approval to the Disability Services Commission and approved.

This plan is available for perusal on Council's website.

# **Ranger Services**

The Council Ranger has continued to provide an efficient service to the Shire of York. Regular patrols in the town site and rural areas are conducted. The Ranger is responsible for responsible dog ownership, stock control, and animal welfare, litter/illegal dumping control, illegal camping, illegal off-road usage, snake removal and fire control.

Ranger Services are responsible for the compliance of the legislation relating to the Bush Fire Act 1954, Regulations and Local Laws. An advertising campaign was launched this year promoting the fire break and hazard reduction requirements and compliance dates. These requirements were broadcast twice daily on York FM Community Radio, displayed for three weeks on the Shires Transportable Speed display trailer, advertised in local newspapers and displayed at prominent locations around town. As usual the Shire of York sent out Firebreak Notices and a Community Information Brochures to all rate payers outlining the firebreak and hazard reduction requirements. After the compliance date the Council Ranger conducted firebreak and hazard reduction property inspections throughout York issuing Notices to Comply and infringement notices for non-compliance.

The issuing of fire permits during the restricted burning period and the management of the permits in relation to who was burning and when was also completed by the Ranger. This resulted in the number of permit burns getting away reduced to zero and less incidents of the fire brigade having to turn out unnecessarily.

Animal Control has also been a priority with educating people on the responsibilities of animal ownership. The incidents of dogs attacking have been dealt with swiftly with numerous infringement notices being issued and several dogs declared as dangerous. As a duty of care to the community strict control provisions are imposed on dangerous dogs such as the erection of suitable fencing, the dogs to muzzled in public and be under effective control of a person capable of controlling the dog. A dangerous dog must also wear a distinctive yellow and red collar at all times. As in previous years numerous infringement notices have been issued for failure to register dogs.

It is now compulsory that all new dogs have to be micro chipped for the purpose of identification and registration. Registered dogs that are transferred to new owners now need to be micro chipped before they are sold or transferred. Dogs that are already owned must be micro chipped by 1 November 2015. Micro chipping helps the shire to readily identify lost and stray dogs and to quickly reunite them with their owners, thereby reducing the period of impoundment and overall costs and inconvenience to owners.

The Shire of York has established a fully equipped cat pound. The full Cat Act 2011 took effect from 1 November 2013 and required all cats to be micro chipped, sterilized and registered. Impounded cats are kept for seven working days if the owner can be identified and three days if the owner cannot be identified, before either being rehomed or euthanized. Shire records indicate that 62 cats and 315 dogs have been registered with the shire this year.

The Shire of York has entered into an agreement with an animal welfare group who have rehomed 31 cats and 23 dogs which were impounded and due for euthanizing. Additionally, the Shire has entered into an agreement with the Heartlands Veterinary Hospital who have agreed to perform euthanasia on any stray or surrendered animal that can be lawfully euthanized after being impounded for the necessary time required by law.

Parking in no parking areas has been closely monitored by the Ranger paying particular attention to the disabled parking bays on Avon Terrace and York District High School "children's drop off zone", vehicles parked within 6 meters of intersections, on footpaths and so as to face oncoming traffic.

Straying stock on the roads has also been a contentious issue with owners needing to ensure their fencing is adequate to keep their stock within.

Council has a number of security cameras placed at various locations around the town site. The implementation of these cameras has seen the cost to Council for damage, vandalism and illegal dumping decrease dramatically.

# **WORKS & SERVICES SECTOR**

# **Staff**

The Council's works staff continues to undertake various work activities ranging from mowing grassed areas to constructing and sealing regional roads.

The Depot Workforce for 2013/2014 was:

Peter Atkins
Les Burrow
Robert Mackenzie
Michael Ashworth \*
Neil Thomas
Richard Smith
Robbie Windsor
Trevor Barratt
Clint Strickland
Glen Plaisted
Christian Chadwick
Ricky Thompson

Leigh Tait

Richard Holmes \*
Peter Murray

Alexander Beard

Christopher Adams

# **Plant**

The Council purchased/replaced the following plant items in this reporting period.

- Volvo Smooth Drum Vibrating Roller
- ➤ Volvo G930 Grader
- Toyota Hilux 4x2 Utility

# **Capital Works**

# Roads to Recovery

2013/14 was the final year of Stage 3 of the federally funded Roads to Recovery Programmes.

Specific road works undertaken through Roads to Recovery Funding in 2013/14 included the following:

Greenhills South Road \$ 70,566
 Talbot Road \$160,253
 Quellington Road \$ 95,206

# **Regional Roads**

The Western Australian Government provided \$183,376 for works on designated regional roads and Council provided an additional contribution of \$34,774.

Works were undertaken on:

- ➤ York-Tammin (Goldfields) Road Reconstruct, widen and seal various sections \$175,754.
- Spencers Brook Road Widen and seal various sections \$42,396

<sup>\*</sup> denotes the staff member left the employ of the Shire of York in this financial year

#### **Black Spots**

Major works to the following intersections were completed in 2013/14 as part of the Blackspot Funding from the Western Australian Government.

- ➤ Spencers Brook Road/Wilberforce Road Intersection Stage 1 \$29,643
- Quellington Road/Mannavale Road Intersection \$41,371
- Ovens Road/Northam-Cranbrook Road Intersection \$8,483

# **Municipal Fund**

In addition to the works mentioned above Council expended a further \$1,161,425 on transport based maintenance works and services which included street cleaning, tree lopping, road & bridge maintenance, gravel purchases, sealing & re-sealing, culverts & drainage and car park maintenance. Further construction works were undertaken utilising \$518,895 of Municipal funds.

Major works included;

Road Maintenance	\$ 999,972
Quellington Road	\$ 22,167
Mokine Road	\$ 100,467
Newcastle Street	\$ 20,263
Morse Street	\$ 38,719
Knotts Roads Bridge	\$ 112,017
Hamersley Siding Road	\$ 17,101

Over the past few years the Council has significantly increased its expenditure on asset preservation for roads and this preservation effort must be continued if the road network is to be sustainable.

# **Private Works**

Private works income generated in response to works requests amounted to \$38,145. The Council is conscious that its involvement in private works will not be at a detriment to its own works program and of our local contractors.

#### **Recreation Facilities**

Recreational facility upgrades include;

•	Candice Bateman Park - Shade shelter and seating	\$ 24,762
•	York Recreation and Convention Centre – Playground	\$ 48,091
	(\$18,000 of which was contributed by the Sporting Clubs)	
•	Swimming Pool – Paving and Patio	\$ 30,767
•	Swimming Pool – Painting	\$ 36,450

### **COMMUNITY**

#### **Australia Day Breakfast**

This year's Australia Day celebration saw a large crowd of more than 400 enjoyed a great Aussie breakfast in the park and to celebrate being Australian.

The York Volunteer Workers and York Men's Shed, assisted by many wonderful volunteers, cooked and served bacon, eggs and sausages from 7.30am whilst the Salvation Army provided tea, coffee and cold drinks.

#### A very large thank you is extended to the following people:

- York District High School 2014 Head Boy Daniel Faulkner and Head Girl Amber Goward-Bell for performing their first official duties in raising the flags at the beginning of the ceremony.
- York & Districts Community Bank Branch of the Bendigo Bank for their continued support and the donation of the financial rewards for the winners of the Sports Awards.
- York IGA for providing all the food, plates, cutlery, bread and drinks for the breakfast.
- York Volunteer Workers for assisting with breakfast.
- York Men's Shed for their support with the breakfast.
- Frank Dols for providing the music and sound system.
- Salvation Army for their provision of hot and cold beverages.
- York Honours Committee Tim Hooper, Wayne Collins, Pat Hooper, John Weeks, Gail Maziuk; Del Sherry and Margaret Wallace
- Nice & Easy Singers for the national anthem and entertainment.
- Individuals clubs and organisations who nominated people for the awards.
- The Community of York for attending.
- York Shire Council for ongoing commitment to the Australia Day event.
- Avon Waste for their provision of clean wheelie bins for the kid's games and extra bins for rubbish.
- York Shire Works staff for the high level of presentation of the park and for their involvement.



# **Australia Day Awards**

The York Shire Council congratulates the winners and all nominees for the following awards.

# **Junior Citizen of the Year**

#### Nominees:

Rachael Mason and Emily Sherry

Winners: Rachael Mason and Emily Sherry

# **Community Group or Event**

#### Nominees:

2013 Art & Craft Awards and York Community Resource Centre Inc

Winner: 2013 Art & Craft Awards – The York Society Inc

# Citizen of the Year

#### Nominees:

Margaret Collins, Janny Harris, Patricia McGregor, Yvonne Dols, Karen Henderson, Julie Rae, Linda Lowe

Winner: Patricia McGregor

# **Junior Sports Star of the Year**

#### Nominees:

Daniel Khan and Chloe Fleay

Winner: Chloe Fleay

# **Sports Star of the Year**

#### Nominees:

Tom Atkinson and Mari Boultbee

Winner: Marj Boultbee



#### **Appreciation**

I would like to thank all staff (including those who left mid-term) of the Shire of York for their loyal and dedicated service during the period under review. I believe the Shire and its residents are well served by their employees many of who go to great lengths to provide services to the public in their role as a Shire employee.

GRAEME K SIMPSON ACTING CHIEF EXECUTIVE OFFICER



# **SHIRE OF YORK**

# **ANNUAL FINANCIAL REPORT**

2013-14



# SHIRE OF YORK ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

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### **FINANCIAL REPORT**

### FOR THE YEAR ENDED 30th JUNE 2014

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

#### STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of York being the annual financial report and supporting notes and other information for the financial year ended 30th June 2014 are in my opinion properly drawn up to present fairly the financial position of the Shire of York 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 3rd day of December 2014.

Graeme Simpson
Acting Chief Executive Office



# SHIRE OF YORK STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM FOR THE YEAR ENDED 30 JUNE 2014

2012/13 ACTUAL		NOTES	2013/14 BUDGET	2013/14 ACTUAL
\$	EXPENSES EXCLUDING FINANCE COSTS		\$	\$
(174,155)	General Purpose Funding		(239,556)	(147,028)
(828,073)	Governance		(2,683,675)	(1,133,014)
(446,219)	Law, Order, Public Safety		(592,362)	(491,649)
(260,780)	Health		(310,678)	(284,779)
(100,150)	Education and Welfare		(86,122)	(67,754)
(1,024,343)	Community Amenities		(1,297,043)	(1,053,300)
(2,161,414)	Recreation and Culture		(2,300,489)	(2,118,564)
(3,041,301)	Transport		(3,222,405)	(2,618,133)
(495,080)	Economic Services		(759,360)	(579,318)
(293,051)	Other Property and Services		(200,863)	(344,141)
(8,824,566)			(11,692,553)	(8,837,680)
	REVENUE			
5,382,343	General Purpose Funding		4,985,487	5,003,792
203,126	Governance		2,012,937	478,867
571,941	Law, Order, Public Safety		216,780	139,162
74,027	Health		100,800	62,585
65,410	Education and Welfare		631,787	39,249
685,052	Community Amenities		829,898	
746,040	Recreation and Culture		3,094,481	490,201
1,306,815	Transport		2,846,291	903,987
142,959	Economic Services		224,803	163,998
76,899	Other Property & Services		98,490	
9,254,612			15,041,754	8,169,950
	FINANCE COSTS			
(2,386)	Community Amenities		(1,880)	(1,622)
(128,271)	Recreation and Culture	_	(124,008)	(123,427)
(130,657)		6	(125,888)	(125,049)
(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	ASSET DISPOSALS			
(10,307)	Governance		24,000	6,727
(3,097)	Law, Order, Public Safety		0	(4.050)
(9,864)	Health		28,000	(4,050)
(8,593)	Community Amenities		8,000	974
(285)	Recreation and Culture		96 300 0	(29.470)
0	Transport Economic Services		86,300 34,000	(38,176)
0 14,721	Other Property & Services		1,008,000	3,509 192,314
(17,425)	Other Property & Services	5	1,188,300	161,298
281,964	NET RESULT		4,411,613	(631,481)
			.,,	(331,131)
0.070.00	Other Comprehensive Income			04.0== 45=
6,050,831	Changes on Revaluation of Non-Current Assets	7.31	0	21,357,135
6,050,831	Total Other Comprehensive Income		0	21,357,135
6,332,795	TOTAL COMPREHENSIVE INCOME		4,411,613	20,725,654



# SHIRE OF YORK STATEMENT OF COMPREHENSIVE INCOME BY NATURE/TYPE FOR THE YEAR ENDED 30 JUNE 2014

2012/13 ACTUAL		NOTES	2013/14 BUDGET	2013/14 ACTUAL
\$	REVENUE		\$	\$
3,753,025	Rates		3,999,532	3,983,247
1,589,644	Operating Grants & Subsidies	32	2,814,192	1,252,106
710,843	Contributions		0	169,257
1,248,821	Fees and Charges		1,736,222	1,593,851
268,732	9		201,000	253,009
95,666	Other Revenue		201,019	95,268
7,666,731			8,951,965	7,346,737
	EXPENSES			
(2,832,982)			(3,622,114)	(3,180,371)
(2,795,719)			(5,596,375)	(2,876,699)
(2,454,547)		18	(1,685,255)	(1,975,192)
(316,571)	Utility Charges		(357,341)	(342,754)
(283,955)	Insurance Expenses		(295,435)	(292,367)
(130,656)	Interest Expenses		(125,889)	(125,049)
(147,732)	Other Expenditure		(136,033)	(170,297)
(8,962,162)			(11,818,442)	(8,962,730)
(1,295,431)			(2,866,477)	(1,615,993)
1,594,820	Non-Operating Grants, Subsidies and Contributions	32	6,089,789	823,213
19,779	Profit on Asset Disposals	5.1	1,188,300	209,346
(37,205)	Loss on Asset Disposals	5.1	0	(48,049)
281,963	NET RESULT		4,411,612	(624 492)
201,903	NEI RESULI		4,411,012	(631,482)
	Other Comprehensive Income			
6,050,831	Changes on Revaluation of Non-Current Assets	7.31	0	21,357,135
6,050,832	Total Other Comprehensive Income		0	21,357,136
6,332,795	TOTAL COMPREHENSIVE INCOME		4,411,612	20,725,654



# SHIRE OF YORK STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Notes	Actual 2012/13 \$	Actual 2013/14 \$
Current assets			
Cash and cash equivalents	4	3,455,777	2,246,268
Trade and other receivables	27	1,463,404	1,302,915
Inventories	28	11,285	3,869
Total current assets		4,930,466	3,553,051
Non-current assets			
Trade and other receivables	27	57,662	53,949
Property, plant and equipment	5	7,396,691	12,088,932
Infrastructure	5	83,126,785	100,091,137
Total non-current assets		90,581,138	
Total assets		95,511,604	115,787,070
Current liabilities Trade and other payables Borrowings Provisions Total current liabilities	29 6 30	726,394 99,845 634,125 <b>1,460,364</b>	356,998 105,730 640,469 <b>1,103,197</b>
Non-current liabilities			
Borrowings	6	2,065,410	1,959,680
Provisions	30	20,178	32,889
Total non-current liabilities		2,085,588	
Total liabilities		3,545,952	3,095,766
Net assets		91,965,652	112,691,303
Equity Retained surplus Asset revaluation surplus	7.31	31,657,898 58,702,393	30,785,281 80,059,528
Reserves	7.30	1,605,361	1,846,494
Total equity		91,965,652	112,691,303



# SHIRE OF YORK STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	RETAINED SURPLUS	RESERVES	ASSET REVALUATION SURPLUS	TOTAL EQUITY
Balance as at 30 June 2012	7.31	<b>\$</b> 31,676,961	<b>\$</b> 1,304,333	<b>\$</b> 52,651,562	<b>\$</b> 85,632,856
Correction of Errors	35	(194,524)	0	0	(194,524)
Net Result		476,487	0	0	476,487
Correction of Errors	35	0	0	194,524	194,524
Total Other Comprehensive Income		0	0	5,856,308	5,856,308
Reserve Transfers		(301,028)	301,028	0	0
Balance as at 30 June 2013		31,657,896	1,605,361	58,702,394	91,965,651
Net Result		(631,482)	0	0	(631,482)
Total Other Comprehensive Income		0	0	21,357,135	21,357,135
Reserve Transfers		(241,133)	241,133	0	0
Balance as at 30 June 2014		30,785,281	1,846,494	80,059,529	112,691,304



# SHIRE OF YORK STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

2012/13 ACTUAL		NOTES	2013/14 BUDGET	2013/14 ACTUAL
\$			S S	S S
<b>"</b>	Cash Flows from Operating Activities		Ψ	Ψ
	EXPENDITURE			
(2,840,709)			(3,600,082)	(3,126,923)
(3,141,471)			(5,649,295)	(3,826,620)
(316,571)			(357,341)	(342,754)
(283,955)	Insurance		(295,435)	(292,367)
(131,440)	Interest Expenses		(125,889)	(125,887)
(147,722)	Other Expenditure		(136,033)	(170,297)
(6,861,868)			(10,164,075)	(7,884,849)
0.050.040	REVENUE		0 000 500	0.007.040
3,659,846			3,999,532	3,937,346
1,589,644 724,054	,		2,420,919 393,273	1,252,106 374,208
1,504,813			1,767,753	1,593,851
268,732			201,000	253,009
250,875			0	543,342
95,666			201,019	100,403
8,093,630			8,983,496	8,054,265
1,231,762	Net Cash flows from Operating Activities	8.2	(1,180,579)	169,417
	Cash flows from investing activities			
	Payments			
(137,624)			(3,517,660)	(570,819)
(1,395,379)		l tion	(2,658,458)	(1,142,566)
(278,197)	Purchase Infrastructure Assets - Recreational Facili Purchase Infrastructure Assets - Other	ties I	(433,645) (61,000)	(31,540) (4,199)
(509,893)	Purchase Plant and Equipment		(1,177,227)	(790,736)
(64,474)	Purchase Furniture and Equipment		(129,600)	(76,934)
(2,385,567)			(7,977,590)	(2,616,794)
	Receipts		, , , , , , , , , , , , , , , , , , , ,	, , , , ,
0	Proceeds from Sale of Land	5.1	1,030,000	204,418
155,215		5.1	551,500	299,022
1,594,820	' ~		6,089,789	823,213
1,750,035			7,671,289	1,326,653
(635,532)	Net cash flows from investing activities		(306,301)	(1,290,141)
	Cook flows from financias and distant			
(94,293)	Cash flows from financing activities Loan Repayments - Principal	6.3	(99,847)	(99,845)
10,313		0.3	(99,847)	(99,845)
	Net cash flows from financing activities		(88,787)	(88,785)
(55,500)	and the second s		(55,767)	(55,766)
512,250	Net (decrease)/increase in cash held		(1,575,667)	(1,209,509)
2,943,525	Cash at the Beginning of Reporting Period		3,455,777	3,455,777
	Cash at the End of Reporting Period	8.1	1,880,110	2,246,268



# SHIRE OF YORK RATE SETTING STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

2012/13 ACTUAL		NOTES	2013/14 BUDGET	2013/14 ACTUAL
\$	REVENUE		\$	\$
1,629,318	General Purpose Funding		985,955	1,020,546
203,126	Governance		2,012,937	478,867
571,941	Law,Order Public Safety		216,780	139,162
74,027	Health		100,800	62,585
65,410	Education and Welfare		631,787	39,249
685,052	Community Amenities		829,898	790,157
746,040	Recreation and Culture		3,094,481	490,201
1,306,815	Transport		2,846,291	903,987
142,959	Economic Services		224,803	163,998
76,899	Other Property and Services		98,490	97,952
5,501,587			11,042,222	4,186,704
	EXPENSES			
(174,155)	General Purpose Funding		(239,556)	(147,028)
(828,073)	Governance		(2,683,675)	(1,133,014)
(446,219)	Law, Order, Public Safety		(592,362)	(491,649)
(260,780)	Health		(310,678)	
(100,150)	Education and Welfare		(86,122)	
(1,026,729)	Community Amenities		(1,298,923)	(1,054,922)
(2,289,685)	Recreation and Culture		(2,424,497)	(2,241,991)
(3,041,301)	Transport		(3,222,405)	(2,618,133)
(495,080)	Economic Services		(759,360)	(579,319)
(293,050)	Other Property & Services		(200,863)	(344,140)
(8,955,222)	1 ,		(11,818,441)	(8,962,729)
(3,259,112)	Net Operating Result Excluding Rat	es	(776,219)	(4,776,025)
	Adjustments for Cash Budget Requirements			
10,313	Principal Repayment Received - Loans		11,060	11,060
(17,426)	(Profit)/Loss on the disposal of assets		1,188,300	161,298
81,639	Increase/(Decrease) in LSL - Cash at Bank		0	361,367
(7,774)	Increase/(Decrease) in Accrued Leave Provisions		0	12,712
2,400	(Increase)/Decrease in Non-Current Debtors		0	(8,147)
2,454,547	Depreciation Written Back		1,685,255	1,975,192
172,640	Book Value of Assets Sold/Written Back		393,200	342,142
2,501,817			3,277,815	2,855,624
(757,295)	Sub To	tal	2,501,596	(1,920,401)
	LESS CAPITAL EXPENDITURE AND REVENUE			
(137,624)	Purchase Land & Buildings		(3,517,660)	(570,819)
(1,395,379)	Infrastructure Assets - Roads		(2,658,458)	(1,142,566)
(278,197)	Infrastructure Assets - Recreation Facilities		(433,645)	(31,540)
0	Infrastructure Assets - Other		(61,000)	(4,199)
(509,893)	Purchase Plant and Equipment		(1,177,227)	(790,736)
(64,474)	Purchase Furniture and Equipment		(129,600)	(76,933)
(94,293)	Repayment of Debt - Loan Principal	6.3	(99,847)	(99,845)
(409,773)	Transfer to Reserves (Restricted Assets)		(1,705,480)	(909,634)
108,745	Transfer from Reserves (Restricted Assets)		1,054,563	668,501
(2,780,887)			(8,728,354)	(2,957,771)
(3,538,183)	Sub To	tal	(6,226,758)	(4,878,172)
2,017,785	ADD: Opening Funds Surplus/(Deficit)		2,227,226	2,232,626
(2,232,626)	LESS: Closing Funds (Surplus)/Deficit		0	(1,337,699)
(3,753,025)	Amount Required to be Raised from Rates	10	(3,999,532)	(3,983,246)



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

#### **Critical Accounting Estimates**

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.

#### 1.2 The Local Government Reporting Entity

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

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 9 to these financial statements.

### 1.3 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.



### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.4 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

#### 1.5 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 goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

### 1.6 Inventories

#### 1.6.1 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.

#### 1.6.2 Land Held for Sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.7 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.

#### 1.7.1 Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
  - (i) that are plant and equipment; and
  - (ii) that are -
    - (I) land and buildings; or-
    - (II) infrastructure; and-
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

#### 1.7.2 Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but will be revalued along with other items of Land and Buildings at 30 June 2015.



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.7 Fixed Assets (Continued)

#### 1.7.3 Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration. The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are continuous in their entirety and a description of the valuation technique(s) and inputs used:

proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in There has been no change in the valuation techniques used to calculate the fair values disclosed in the notes to the financial statements.

revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

### 1.7.4 Revaluation

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 asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

#### 1.7.5 Transitional Arrangements

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the *Initial Recognition* section as detailed above.

Those assets carried at fair value will be carried in accordance with the *Revaluation* Methodology section as detailed above.

### 1.7.6 Early Adoption of AASB 13 - Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 – Fair Value Measurement only becomes applicable for the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology in the previous reporting period (year ended 30 June 2013) the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in AASB 13 - Fair Value Measurement have been applied to the previous reporting period (year ended 30 June 2013).



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.7 Fixed Assets (Continued)

#### 1.7.7 Land Under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.7 Fixed Assets (Continued)

#### 1.7.8 Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, 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.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or

Major depreciation periods used for each class of depreciable asset are:

Buildings 40 years
Furniture and Equipment 8 years
Plant and Equipment 8 years

Infrastructure

Sealed Roads, Streets and Carparks

Condition Rated Annually
Unsealed Roads

Condition Rated Annually

1.3% Bridges, Drainage Concrete Footpaths, Cycleways, Walkways and Skate Park 50 Years **Brick Footpaths** 25 Years Effluent Systems 20 Years Sewerage Parks 75 - 80 Years Water Pipes and Hydrants 20 Years **Bus Shelters** 20 Years Parks Furniture and Equipment 5 - 20 Years

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.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

#### 1.7.9 Capitalisation Threshold

For reasons of practicality, the following thresholds have been applied, below which any expenditure on assets need not be capitalised:

### Land

Expenses totalling less than \$1,000 on any one item in any year need not be capitalised.

#### **Buildings**

Expenses totalling less than \$1,000 on any one item in any year need not be capitalised.

### **Furniture and Equipment**

Expenses totalling less than \$1,000 on any one item in any year need not be capitalised.

#### **Plant and Equipment**

Expenses totalling less than \$1,000 on any one item in any year need not be capitalised.



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.8 Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council 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. 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 (i.e. the market with the greatest volume and level of activity for the asset 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.

### 1.8.1 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.

#### 1.8.2 Valuation techniques

The Council 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 Council are consistent with one or more of the following valuation approaches:

### 1.8.3 Market approach

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



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.8 Fair Value of Assets and Liabilities (Continued)

#### 1.8.4 Income approach

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

#### 1.8.5 Cost approach

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

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 Council 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 and 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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

#### 1.9 Financial Instruments

#### 1.9.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

### 1.9.2 Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.9 Financial Instruments (Continued)

#### 1.9.2 Classification and Subsequent Measurement (Continued)

#### (i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

#### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

#### (v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.9 Financial Instruments (Continued)

#### 1.9.3 Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

#### 1.9.4 Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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.

### 1.10 Impairment of Assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

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 assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

#### 1.11 Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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 normally paid within 30 days of recognition.



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.12 Employee Benefits

#### 1.12.1 Short-Term Employee Benefits

Provision is made for the Council'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 Council'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. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

#### 1.12.2 Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits 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 or 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 Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council 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.

# 1.13 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.



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.14 Provisions

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

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

#### 1.15 Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

#### 1.16 Investment in Associates

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.



#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1.17 Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 21.

#### 1.18 Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to 'those undischarged conditions are disclosed in Note 4.2. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

#### 1.19 Superannuation

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

### 1.20 Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Council's intentions to release for sale.

### 1.21 Rounding Off Figures

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



### 1. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 1.22 Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, 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.

#### 1.23 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.



### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 1.24 New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

	Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(i)	AASB 9 – Financial Instruments	December 2013	1 January 2017	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 2010 -7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	December 2013	1 January 2017	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]

#### Notes:

<sup>&</sup>lt;sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.



## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

# 1.24 New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iii)	AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128.
	Standards [Not-For-Profit entities]			It is not expected to have a significant impact on Council.
	[AASB 1, 3, 5, 7, 9, 2009-11, 101, 107, 112 118, 121, 124, 131, 132, 133, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]			
(iv)	AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally
	[AASB 132]			enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.
				This Standard is not expected to significantly impact the Council's financial statements.

#### Notes:

<sup>&</sup>lt;sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.



## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

# 1.24 New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(v)	AASB 2013 - 3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non- Financial Assets	June 2013	1 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.
				It is not expected to have a significant impact on Council.
(vi)	AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities	October 2013	1 January 2014	This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities.
	[AASB 10, 12 & 1049]			It is not expected to have a significant impact on Council.
(vii)	AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial	December 2013	Refer Title column	Part A of this standard makes various editorial corrections to Australian Accounting Standards.
	Instruments			Part B of this standard deletes references to AASB 1031 in
	[Operative dates: Part A Conceptual Framework – 20 December 2013; Part B			various Australian Accounting Standards in advance of the withdrawal of AASB 1031.
	Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]			Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.
	Notes:			As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.

#### Notes:

<sup>&</sup>lt;sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.



### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 1.25 Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 - 2
AASB 11	AASB 2011 - 7	AASB 2012 - 3
AASB 12	AASB 2011 - 9	AASB 2012 - 5
AASB 119	AASB 2011 - 10	AASB 2012 - 10
AASB 127		

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.



#### 2. REVENUES AND EXPENSES

The Operating Revenue and Expenses as reported in the Financial Report includes:

Actual 2012/13		Actual 2013/14
\$	Charging as Expenses	\$
194,523	Impairment of Assets	0
2,260,024	•	1,975,192
2,454,547		1,975,192
	•	
4500	Acquittal Audits	6500
9117	Interim and Annual Audits	21060
13,617	Auditors Remuneration	27,560
	Crediting as Revenue	
	Profit (Loss) on Sale of Non-Current Assets	
0	Land	194,338
(14,359)	Plant and Equipment	(33,040)
(3,066)	Furniture and Equipment	, , ,
(17,425)		161,298

#### 3. DESCRIPTION OF FUNCTIONS/ACTIVITIES

#### **Description of Programs**

### **GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

#### GOVERNANCE

Members expenses and the costs associated with meetings of Council, policy determination and public ceremonies and presentations and administration allocations.

### LAW, ORDER AND PUBLIC SAFETY

Supervision of local laws, fire prevention including the provision of volunteer fire brigades, animal control and the support of local emergency and public safety organisations.

#### **HEALTH**

Food quality control, immunisation, environmental health and support to the medical practice and practitioners.

#### **EDUCATION & WELFARE**

Building maintenance of Pioneer Memorial Lodge (leased Aged Care facility) and Centennial Units which are a joint venture with Homeswest providing self contained units to over 55's. Support to youth based initiatives.

### HOUSING

Maintenance of staff and rental housing.

#### **COMMUNITY AMENITIES**

Rubbish collection services, management of waste facilities, noise control, administration of the Town Planning Scheme, maintenance of cemeteries and storm water drainage maintenance.

#### **RECREATION AND CULTURE**

Maintenance of halls, aquatic centre, recreation centre and various reserves. Operation of the library and support to and maintenance of the Residency Museum.

#### TRANSPORT

Construction and maintenance of roads, bridges, footpaths, drainage works, lighting and cleaning of streets and depot maintenance.

#### **ECONOMIC SERVICES**

Area promotion, support to tourism, building control, the community bus, the Community Resource Centre and standpipes.

#### OTHER PROPERTY AND SERVICES

Private works carried out by Council, public works overhead allocations, plant operation cost allocations and stock.



## 4. CASH AND CASH EQUIVALENTS

l.1	Actual 2012/13		Actual 2013/14
_	\$		\$
	2,550	Cash on Hand	3,800
	496,318	Cash at Bank	395,974
	2,956,909	Investments	1,846,494
_	3,455,777	Total Cash	2,246,268
		Represented by:-	
	2,776,075	Restricted Cash*	2,062,076
	679,702	Unrestricted Cash	184,192
_	3,455,777		2,246,268
	1,170,714	Unspent Grants	215,582
	1,605,361	Cash backed Reserve Funds	1,846,494
	2,776,075	*Restricted Cash - Sub Total	2,062,076

#### 4.2 Conditions over contributions

Contributions and Grants recognised as revenues during the financial year which had not yet been fully expended in the manner specified by the contributor:

	Opening Bal	Received	Expended	Closing Bal
	1-Jul-13	2013/14	2013/14	30-Jun-14
WALGGC General Purpose Grant Advance Payments	383,635		(383,635)	0
WALGGC Roads Grant Advance Payments	316,921		(316,921)	0
DLG Long Term Financial Plan Funding	74,615		(74,615)	0
DLG/ Member Local Government Connecting Local Governments Funding	71,736	50	(11,557)	60,229
DLG Workforce Plan Funding	37,028	6,304	(25,146)	18,186
DLG Regional Cat Pound	149,210		(134, 199)	15,011
DLG Cat Sterilisation Program	0	15,000	(1,464)	13,536
RRG (Unspent York - Tammin Road C/fwd)	18,709		(18,709)	0
RRG Spencers-Brook Road	0	78,447	(28,264)	50,183
WALGGC Talbot West Bridge	-	60,000	(14,681)	45,319
MRWA Bridge Grant (Warding \$72,000 and York /Tammin \$22,000)	94,000		(94,000)	0
Wheatbelt Development Commission - Business Case Grant Funds	24,860		(11,742)	13,118
	1,170,714	159,801	(1,114,933)	215,582



#### 5. FIXED ASSETS

#### 5.1 Disposal of Asset by Class

In accordance with Financial Management Regulation 36(1)(e), the following information is provided in relation to the disposal of Assets by Asset Class:

13/14
13/14
ctual
\$
(33,040)
194,338
161,298

### 5.2 Disposal of Assets by Program

	Proceeds Sale of Assets		Written Down	Written Down Value		Gain/(Loss) on Disposal	
	2013/14	2013/14	2013/14	2013/14	2013/14	2013/14	
	Budget	Actual	Budget	Actual	Budget	Actual	
	\$	\$	\$	\$	\$	\$	
Governance	120,000	76,386	96,000	69,659	24,000	6,727	
Law, Order & Public Safety	0	0	0	0	0	0	
Health	60,000	34,273	32,000	38,323	28,000	(4,050)	
Education & Welfare	0	0	0	0	0	0	
Housing	0	0	0	0	0	0	
Community Amenities	40,000	18,636	32,000	17,662	8,000	974	
Recreation & Culture	0	0	0	0	0	0	
Transport	271,500	137,227	185,200	175,404	86,300	(38,177)	
Economic Services	50,000	20,000	16,000	16,491	34,000	3,509	
Other Property & Services	1,040,000	216,918	32,000	24,603	1,008,000	192,315	
TOTAL BY PROGRAM	1,581,500	503,440	393,200	342,142	1,188,300	161,298	

### 5.3 Fixed Assets according to Class

Act: 2012			Act 201	
\$	\$	Property, Plant & Equipment	\$	\$
774,041	774,041	Land (at cost)	819,987	819,987
6,634,174		Buildings (at cost)	11,524,684	
(2,167,573)	4,466,601	Less Accumulated Depreciation	(2,609,425)	8,915,259
919,127		Furniture and Fittings (at management valuation)	996,060	
(617,387)	301,740	Less Accumulated Depreciation	(680,780)	315,280
2,332,921		Plant and Equipment (at management valuation)	2,768,811	
(478,612)	1,854,309	Less Accumulated Depreciation	(730,406)	2,038,405
=	7,396,691	Total Property, Plant & Equipment	-	12,088,931
		Infrastructure Assets		
91,746,872		Roads (at independent valuation 2014)	97,895,797	
(18,718,179)	73,028,693	Less Accumulated Depreciation	(16,256,780)	81,639,017
617,989		Drainage (at management valuation)	617,989	
(89,569)	528,420	Less Accumulated Depreciation	(97,197)	520,792
825,988		Parks/Reserves (at management valuation)	825,988	
(517,825)	308,163	Less Accumulated Depreciation	(541,573)	284,415
2,499,290		Bridges (at independent valuation 2014)	31,782,000	
(203,814)	2,295,476	Less Accumulated Depreciation	(17,820,500)	13,961,500
592,672		Footpaths (at independent valuation 2014)	2,027,982	
(78,064)	514,608	Less Accumulated Depreciation	(787,806)	1,240,176
7,028,982		Other Structures (at independent/management valuation)	2,980,313	
(577,557)	6,451,425	Less Accumulated Depreciation	(535,075)	2,445,238
-	83,126,785	Total Infrastructure	-	100,091,138



# 5.4 Movements in Carrying Amounts

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

			Furniture and	Plant and	
Property, Plant & Equipment	Land	Buildings	Equipment	Equipment	Total
	Level 2	Level 2	Level 3	Level 3	
	\$	\$	\$	\$	\$
Asset Balance at the beginning of the year	774,041	6,634,174	919,127	2,332,921	10,660,263
Transfer Between Asset Classes during the year	0	4,361,187	0	0	4,361,187
Assets Acquired during the year	45,946	545,811	76,933	790,735	1,459,425
Assets Disposed during the year	0	(16,488)	0	(354,845)	(371,333)
Asset Balance at the end of the year	819,987	11,524,684	996,060	2,768,811	16,109,542
Depreciation at the beginning of the year	0	(2,167,573)	(617,387)	(478,611)	(3,263,571)
Depreciation Expense Raised	0	(217,378)	(63,393)	(274,578)	(555,349)
Depreciation Expense Written Back on Disposals	0	6,408	0	22,783	29,191
Transfer Between Asset Classes during the year	0	(230,882)	0	0	(230,882)
Depreciation at the End of Year	0	(2,609,425)	(680,780)	(730,406)	(4,020,611)
Net Asset Values at the end of year	819,987	8,915,259	315,280	2,038,405	12,088,931



# 5.4 Movements in Carrying Amounts

Infrastructure	Drainage	Parks/Reserves	Bridges	Footpaths	Other Items	Roads	Total
_	\$	\$	\$	\$	\$	\$	\$
Asset Balance at the beginning of the year	617,989	825,988	2,499,290	592,672	7,028,982	91,746,873	103,311,793
Transfer Between Asset Classes during the year	0	0	0	0	(4,361,187)	0	(4,361,187)
Assets Acquired during the year	0	0	231,434	10,433	4,199	911,300	1,157,365
Revaluation Increments/(Decrements)	0	0	29,051,276	1,424,877	308,319	5,237,625	36,022,097
Asset Balance at the end of the year	617,989	825,988	31,782,000	2,027,982	2,980,313	97,895,797	136,130,068
Depreciation at the beginning of the year	(89,569)	(517,825)	(203,814)	(78,064)	(346,675)	(18,718,180)	(19,954,125)
Depreciation Expense Raised	(7,628)	(23,749)	(33,523)	(12,528)	(188,400)	(1,154,015)	(1,419,842)
Revaluation Increments/(Decrements)	0	0	(17,583,164)	(697,214)	0	3,615,415	(14,664,963)
Depreciation at the End of Year	(97,197)	(541,573)	(17,820,500)	(787,806)	(535,075)	(16,256,780)	(36,038,931)
Net Asset Values at the end of year	520,792	284,414	13,961,500	1,240,176	2,445,238	81,639,017	100,091,138



### 6. BORROWINGS INFORMATION

#### 6.1 Loan Borrowings

Actual 2012/2013 \$		Actual 2013/2014 \$
	Current Borrowings	
99,845	Loan Debentures	105,730
99,845	BALANCE AS AT 30TH JUNE	105,730
2,065,410	Non Current Borrowings Loan Debentures	1,959,680
2,065,410	BALANCE AS AT 30TH JUNE	1,959,680
2,165,255	TOTAL BORROWINGS AS AT 30TH JUNE	2,065,410

# 6.2 Loans Raised during the Financial Year

No new loans were raised during the 2013/2014 Financial Year

## 6.3 Loan Repayments

Council's Loan Liability is summarised as:

Program	Principal	Loans Raised	Inter	est	Loan Rep	ayment	Principal
	30/06/2013	2013/14	Budget 2013/14	Actual 2013/14	Budget 2013/14	Actual 2013/14	30/06/2014
	\$	\$	\$	\$	\$	\$	\$
Community Amenities							
(*) Water Supply - Loan 60	29,168	0	1,880	1,622	11,060	11,060	18,108
Recreation & Culture							
Archive Facility - Loan 65	104,806	0	5,001	4,963	9,853	9,852	94,954
Forrest Oval - Loan 62	1,258,993	0	79,525	79,283	39,221	39,220	1,219,773
Forrest Oval - Loan 63	301,691	0	15,424	15,309	15,514	15,514	286,177
Forrest Oval - Loan 64	470,597	0	24,059	23,873	24,199	24,199	446,398
PLUS Change in Net Accrual				837			
TOTAL	2,165,255	0	125,889	125,887	99,847	99,845	2,065,410
Loan Repayments to be							
financed by Council			124,009	124,265	88,787	88,785	
Loan Repayments reimbursed from external sources			1,880	1,622	11,060	11,060	
TOTAL			125,889	125,887	99,847	99,845	

(\*) Self Supporting Loan financed by payments from third parties. All other loan repayments were financed by general purpose income.

Council does not hold any unspent loan funds as detailed in Financial Management Regulation 48.



#### 7.

**RESERVES**The transactions of the Reserve Funds are summarised as follows:

	Actual 2012/13		Budget 2013/14	Actual 2013/14
	\$		\$	\$
7.1		Reserve (Cash Backed) equisition of plant and major capital repairs for plant		
	128,411	quisition of prant and major capital repairs for prant Balance brought forward 1st July Plus Transfer from Accumulated Surplus	338,002	338,002
	6,657	- Interest Received	13,196	13,633
	261,072	- Other	270,007	245,249
		Less Transfer To Accumulated Surplus		
	(58,138)	- Other Plant Purchases	(453,000)	(477,144)
	338,002	BALANCE AS AT 30th JUNE	168,205	119,740
		(2 . 5)		
7.2	Avon River Reserve	(Cash Backed) aintain and protect Avon River and its environs		
	Fulpose - Ma	anitalii and protect Avon River and its environs		
	21,876	Balance brought forward 1st July	23,009	23,009
	,	Plus Transfer from Accumulated Surplus	-,	-,
	1,133	- Interest Received	898	928
		Less Transfer To Accumulated Surplus		
	0	- Other swing bridge entrance	(23,340)	(10,600)
	23,009	BALANCE AS AT 30th JUNE	567	13,337
7.3		Reserve (Cash backed)  rovide for multi-purpose community centre and ongoing develo	pment of recreation facilities	
	596	Balance brought forward 1st July	2,916	2916
		Plus Transfer from Accumulated Surplus		
	31	- Interest Received	114	118
	2,289	- Other YRCC membership fees	14,000	1,186
	0	- Other land sales proceeds	500,000	0
		Less Transfer To Accumulated Surplus		
	0	Other function centre IT and kitchen utensils	(35,000)	0
	0	- Other outdoor gym equipment	(5,000)	0
	2,916	BALANCE AS AT 30th JUNE	477,030	4,220
7.4	Town Planning Rese	erve (Cash backed)		
		evelop and review York Town Planning Schemes and amendme	ents	
	14,159	Balance brought forward 1st July	14,892	14,892
		Plus Transfer from Accumulated Surplus		
	733	- Interest Received	581	601
	44.000	Less Transfer To Accumulated Surplus	45.470	45.400
	14,892	BALANCE AS AT 30th JUNE	15,473	15,493
7.5	Befuse Site Develor	ment Becomy (Cook Booked)		
7.3		ment Reserve (Cash Backed)  going maintenance and development of Council's waste mana	gement facilities	
	. u.poco	gong mamorance and development of equilibrie fracte mana	gement talling	
	181,091	Balance brought forward 1st July	185,524	185,524
	,	Plus Transfer from Accumulated Surplus	•	,
	9,377	- Interest Received	9,000	7,483
	0	- Other	7,243	0
		Less Transfer To Accumulated Surplus		
	0	- Other - Operating Loss	0	(20,214)
	(4,944)	- Other - Fencing to transfer station	(27,118)	0
	185,524	BALANCE AS AT 30th JUNE	174,649	172,793
7.6	Industrial Land Rese			
	Purpose - De	evelopment and expansion of an industrial subdivision within the	e Shire	
	40= 0	Delever have also for condition to	444.004	
	105,882	Balance brought forward 1st July	111,364	111,364
	F 400	Plus Transfer from Accumulated Surplus	4.240	4 400
	5,482	- Interest Received	4,348	4,492
	111,364	Less Transfer To Accumulated Surplus  BALANCE AS AT 30th JUNE	115 712	115,856
	111,304	DALANCE AS AT SUIT SUITE	<u>115,712</u>	113,030



#### 7. RESERVES... Continued

	Actual 2012/13		Budget 2013/14	Actual 2013/14
	\$		\$	\$
7.7		Reserve (Cash Backed) nd capital expenditure and maintenance of the historical mus	eum	
	10,313	Balance brought forward 1st July	10,847	10,847
	534	Plus Transfer from Accumulated Surplus - Interest Received Less Transfer To Accumulated Surplus	423	437
	10,847	BALANCE AS AT 30th JUNE	11,270	11,284
7.8		odge Reserve (Cash Backed) nance capital improvements and extensions to seniors village	(from operational surpluses of the Lodg	ge)
	133,207	Balance brought forward 1st July	117,800	117,800
	6,897	Plus Transfer from Accumulated Surplus - Interest Received	4,599	4,751
	(21,704)	Less Transfer To Accumulated Surplus - Other - Storm water sump pit	0	0
	(600)	- Other - Sewer Connection and operating loss	0	0
	117,800	BALANCE AS AT 30th JUNE	122,399	122,551
7.9		Reserve (Cash Backed) pansion and development of passive recreation areas within	the Shire	
	360	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	378	378
	19	- Interest Received	15	15
	379	Less Transfer To Accumulated Surplus  BALANCE AS AT 30th JUNE	393	393
7.10	Community Bus Res Purpose - Fin	erve (Cash Backed) nance the changeover of the Community Bus (funded from op	erational surpluses of the Community B	us)
	55,278	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	62,298	62,298
	2,862	- Interest Received	2,432	2,513
	4,158	Other Less Transfer To Accumulated Surplus	1,300	4,230
	62,298	- Other BALANCE AS AT 30th JUNE	(50,000) <b>16,030</b>	<u>0</u> <b>69,041</b>
7.11		Reserve (Cash Backed) rther expansion and capital repairs of the existing units		
	103,423	Balance brought forward 1st July	100,814	100,814
	5,355	Plus Transfer from Accumulated Surplus - Interest Received	3,936	4,066
	1,976	- Other	5,000	13,003
	(9,940)	Less Transfer To Accumulated Surplus - Other - operating loss	(11,000)	0
	100,814	BALANCE AS AT 30th JUNE	98,750	117,883
7.12	Car Parking Reserve Purpose - The	(Cash Backed) e Management and control of parking facilities in accordance	with Council's Parking Plan	
	14,714	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	15,476	15,476
	762	- Interest Received	604	624
	0	Other Less Transfer To Accumulated Surplus	218,580	0
	0	- Other	(50,000)	0
	15,476	BALANCE AS AT 30th JUNE	184,660	16,100
7.13	Archives Reserve (C	ash Backed)		
	Purpose - To	provide a secure building for the safe storage of Council's ar	chival records	
	18,216	Balance brought forward 1st July	19,159	19,159
	The following table p in their entirety and a	Plus Transfer from Accumulated Surplus - Interest Received	748	773
	0	Less Transfer To Accumulated Surplus - Other compactus and safe	(10,000)	0
	18,216	BALANCE AS AT 30th JUNE	9,907	19,932



# ere has been no change in the valuation techniques used to calculate the fair values disclosed in the notes to the financial statements. FOR THE YEAR ENDED 30TH JUNE 2014

#### RESERVES... Continued

	Actual 2012/13		Budget 2013/14	Actual 2013/14
	\$		\$	\$
7.14	Disaster Reserve (Ca	ash Racked)		
7.14		help fund recover from a natural disaster		
	27,390	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	28,808	28,808
	1,418	- Interest Received Less Transfer To Accumulated Surplus	1,124	1,162
	28,808	BALANCE AS AT 30th JUNE	29,932	29,970
7.15		ve (Cash Backed) hold funds raised through water supply charge until loan repaymenty	y is due	
	6,778	Balance brought forward 1st July	6,778	6,778
	6,778	BALANCE AS AT 30th JUNE	6,778	6,778
7.16		Reserve (Cash Backed) segregate grant funds provided for specific projects until those proje	ects are carried out	
	72,064	Balance brought forward 1st July Less Transfer To Accumulated Surplus	61,689	61,689
	(4,375)	- Other SEAVROC	(11,374)	0
	(6,000)	- Other Regional Waste Management Strategy	0	0
	0	- Other You're Welcome	(11,866)	(264)
	0	Other YAC leadership program     Other Mannavale, Qualan, West and Spencers Brook Bridges	(1,500) (30,830)	0
	61,689	BALANCE AS AT 30th JUNE	6,119	61,425
7.17	Staff Leave Reserve	· ·		
	Purpose - To	fund annual and long service leave requirements		
	197,463	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	279,102	279,102
	10,225	- Interest Received	10,896	11,257
	71,414	- Other	63,993	350,110
		Less Transfer To Accumulated Surplus		
	279,102	BALANCE AS AT 30th JUNE	<u>353,991</u>	640,469
7.18		nct) Upgrade Reserve (Cash Backed) provide funds for the upgrade of Main Street and development of a t	town precinct	
	42,019	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	44,194	44,194
	2,176	Interest Received     Less Transfer To Accumulated Surplus	1,725	1,783
	0	- Other	(44,000)	0
	44,195	BALANCE AS AT 30th JUNE	1,919	45,977
7.19		Cash Backed) provide for the construction and major capital improvements to all C	ouncil buildings	
	3,010	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	975	975
	156	- Interest Received	38	40
	(2,191)	Less Transfer To Accumulated Surplus - Other Town Hall Plans	0	0
	975	BALANCE AS AT 30th JUNE	1,013	1,015
7.20		teserve (Cash Backed) ovide for the preparation, ongoing replacement, amendment & printir	ng costs associated with the Str	ategic Plan
	13,343	Balance brought forward 1st July	14,034	14,034
	691	Plus Transfer from Accumulated Surplus - Interest Received	548	EGG
	691	Less Transfer To Accumulated Surplus	<del>34</del> 0	566
	0 14,034	- Other BALANCE AS AT 30th JUNE	0 14,582	(7,244) <b>7,356</b>



### 7. RESERVES... Continued

	Actual 2012/13		Budget 2013/14	Actual 2013/14
	\$		\$	\$
7.21	Cemetery Reserve (C Purpose - To	Cash Backed) provide for ongoing development of the York Cemetery or dev	velopment of a new cemetery site	
	22,172	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	23,320	23,320
	1,148	- Interest Received Less Transfer To Accumulated Surplus	910	941
	23,320	- Other Cemetery Upgrades  BALANCE AS AT 30th JUNE	<u>(21,800)</u> <b>2,430</b>	<u>0</u> <b>24,261</b>
			<del></del>	
7.22	York Town Hall Rese Purpose - To	erve (Cash Backed) provide for the ongoing development of York Town Hall recog	gnising its significant heritage value to r	esidents
	26,617	Balance brought forward 1st July	27,995	27,995
	1,378	Plus Transfer from Accumulated Surplus - Interest Received	1,093	1,129
	1,570	Less Transfer To Accumulated Surplus	1,093	1,129
		- Other Town Hall Lift Awning	(10,000)	(10,000)
	27,995	BALANCE AS AT 30th JUNE	19,088	19,124
7.23		Reserve (Cash Backed) provide for youth related infrastructure		
	812	Balance brought forward 1st July	0	0
	42	Plus Transfer from Accumulated Surplus - Interest Received	0	0
		Less Transfer To Accumulated Surplus	Ç	· ·
	(854) <b>0</b>	Other BALANCE AS AT 30th JUNE	<u>0</u>	<u>0</u>
7.24	Roads Reserve (Cas Purpose - To	sh Backed) provide for future road resealing requirements		
	68,454	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	71,999	71,999
	3,544	- Interest Received	2,811	2,904
		Less Transfer To Accumulated Surplus	<u></u>	
	71,998	BALANCE AS AT 30th JUNE	74,810	74,903
7.25		e Development Reserve (Cash Backed) provide for the purchase of land and/or buildings or the constr	ruction of buildings	
	627	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	660	660
	33	- Interest Received	26	27
	0	- Other Muni Contribution	25,000	25,000
	0	- Other land sales	530,000	204,418
	0	Less Transfer To Accumulated Surplus - Admin Air Conditioning Units	(132,235)	(132,235)
	0	- Admin Solar Panels	(8,000)	(7,264)
	0	- Admin Air Conditioning Enclosure	(15,000)	(3,537)
	0	- Relocate Talbot Fire Shed	(20,000)	0
	0	Cemetery Infrastructure     Purchase Easement Lot 51	(30,000) (25,000)	0
	0	- Car Park Upgrade	(6,000)	0
	660	BALANCE AS AT 30th JUNE	319,451	87,069
7.26	Purpose - To	Development Reserve (Cash Backed) provide for the enhancement of the amenity and economic po	stential of the townsite in consultation w	ith the Greenhills
	Progress Ass			
	24,891	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	26,180	26,180
	1,289	- Interest Received	1,022	1,056
	•	Less Transfer To Accumulated Surplus	(22.522)	•
	26,180	- Other BALANCE AS AT 30th JUNE	(22,500) <b>4,702</b>	27,236
	20,100	DALANGE AS AT SUIT JUNE	4,702	21,230



#### 7. RESERVES... Continued

	Actual 2012/13		Budget 2013/14	Actual 2013/14
<b>-</b> 0-	\$	(Oash Bashall)	\$	\$
7.27	RSL Memorial Reserve (Cash Backed)  Purpose - To provide for the upgrading of the RSL memorial			
	i alpose to provide for the apgrauling of the NOL memorial			
	10,833	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	11,394	11,393
	561	- Interest Received Less Transfer To Accumulated Surplus	445	460
	11,394	BALANCE AS AT 30th JUNE	11,839	11,853
7.28	Forrest Oval Rowling	n Greens Reserve (Cash Racked)		
7.20	Forrest Oval Bowling Greens Reserve (Cash Backed) Purpose - to provide for the replacement of bowling rink synthetic surfaces			
	0	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	4,003	4,002
	0	- Interest Received	156	161
	4,003	- Other	4,270	3,234
		Less Transfer To Accumulated Surplus		
	4,003	BALANCE AS AT 30th JUNE	8,429	7,397
7.29		Greens Reserve (Cash Backed) provide for the future of tennis synthetic surface  Balance brought forward 1st July Plus Transfer from Accumulated Surplus - Interest Received - Other Less Transfer To Accumulated Surplus BALANCE AS AT 30th JUNE	477 19 2,230 <b>2,726</b>	476 20 544 1,040
7.30	Forrest Oval Lights Reserve (Cash Backed) Purpose - to provide for the replacement and upgrading of the Oval Lights			
	333	Balance brought forward 1st July Plus Transfer from Accumulated Surplus	1,274	1,274
	17	- Interest Received	50	51
	924	- Other	2,000	673
		Less Transfer To Accumulated Surplus		
	1,274	BALANCE AS AT 30th JUNE	3,324	1,998
	1,604,418	TOTAL RESERVES - CASH BACKED	2,256,178	1,846,494
7.30	Cash Backed Reserv	ve Summary		
	1,304,333	Balance brought forward 1st July	1,605,261	1,605,361
	409,773	Plus Transfer from Accumulated Surplus	1,705,480	909,634
	(108,745)	Less Transfer To Accumulated Surplus	(1,054,563)	(668,501)
	1,605,361	BALANCE AS AT 30th JUNE	2,256,178	1,846,494

All of the above Reserve Accounts are Cash Backed and are disclosed as Restricted Cash Assets in Note 4 of the Annual Financial Statements. Its anticipated that the Reserves will be utilised over the next 1 to 10 years. Council would expect further transfers to be made to some of the Reserves as funds are utilised.



	Actual 2012/13		Budget 2013/14	Actual 2013/14
	\$		\$	\$
7.31	Asset Revaluation			
	The Asset Revalua Accounting Policy.	ion Surplus is not Cash Backed and future transactions will be in	accordance with the Shire of York	
		Asset Revaluation Surplus (Roads)		
	52,651,562	Balance brought forward 1st July	58,702,393	58,702,393
	6,050,831	Revaluation Increment	0	8,853,040
	0	Revaluation Decrement	0	
	58,702,393	BALANCE AS AT 30th JUNE	58,702,393	67,555,433
		Asset Revaluation Surplus (Bridges)		
	0		0	0
	0	Balance brought forward 1st July Revaluation Increment	0	0
	-			29,051,276
	0	Revaluation Decrement	0	(17,583,164)
		BALANCE AS AT 30th JUNE	0	11,468,112
		Asset Revaluation Surplus (Footpaths)		
	0	Balance brought forward 1st July	0	0
	0	Revaluation Increment	0	1,424,877
	0	Revaluation Decrement	0	(697,214)
	0	BALANCE AS AT 30th JUNE	0	727,663
		Asset Revaluation Surplus (Other Items)		
	0	Balance brought forward 1st July	0	0
	0	Revaluation Increment	0	308,319
	0	Revaluation Decrement	0	0
	0	BALANCE AS AT 30th JUNE	<u> </u>	308,319
		Asset Revaluation Surplus (Plant and Equipment)		
	0	Balance brought forward 1st July	0	0
	v	Revaluation Increment	0	0
		Revaluation Decrement	0	0
		BALANCE AS AT 30th JUNE	<u> </u>	0
		DALANCE AC AT SUIT VONE		
		Asset Revaluation Surplus (Furniture and Equipment)		
	0		0	0
		Revaluation Increment	0	0
	-	Revaluation Decrement	0	0
	0	BALANCE AS AT 30th JUNE	0	0
	58 702 202	TOTAL ASSET REVALUATION SURPLUS	58,702,393	80,059,527
	30,102,393	TOTAL AGGLT REVALUATION SURFLUG	30,702,393	00,009,027



#### 8. CASH FLOW INFORMATION

Reconciliation of cash flows from operations with change in net equity resulting from operations.

For the purpose of the Statement of Cash Flows, cash includes cash on hand and deposits with Banks or Financial Institutions.

8.1	Actual 2012/13	RECONCILIATION OF CASH	Budget 2013/14 \$	Actual 2013/14
	Φ		Ф	Ф
	679,702	Cash at Bank - Operating	(733,668)	184,192
	2,776,075	Restricted Cash	2,613,778	2,062,076
	3,455,777	TOTAL CASH	1,880,110	2,246,268
	5,100,111			_,_ :0,_00
8.2		Non cash flows in change in Net Equity		
	281,963	Net Result	4,411,612	(631,481)
	2,454,547	Depreciation	1,685,255	1,975,192
	17,425	Profit/(loss) on sale of Fixed Assets	(1,188,300)	(161,298)
	(1,594,820)	Contributions for Development of Assets	(6,089,789)	(823,213)
	Ó	Movement in Non - Current Debtors	0	(7,346)
		Change in Assets and Liabilities		
	(3,632)	(Increase)/Decrease in Inventory	(3,000)	7,416
	(106,068)	(Increase)/Decrease in Accounts Receivables	31,531	160,489
	12,508	(Increase)/Decrease in Provisions	22,032	19,055
	169,838	Increase/(Decrease) in Accounts Payables	(49,920)	(369,396)
	1,231,761	Cash flows from Operations	(1,180,579)	169,418
8.3		Credit stand by arrangement and loan facilities Council has a Credit Card facility of :-		
	10,000	Credit Card Limit	10,000	10,000
	(3,487)	Amount Utilised	0	333
	, ,	Council has Bank Overdraft facilities of:-		
	200,000	Credit Facility	200,000	200,000
	0	Amount Utilised	0	0
	206,513	Unused Facility available	210,000	210,333



#### 9. TRUST FUND INFORMATION

Funds held at balance date over which the Council has no control and which are not included in the Financial Statements are:

PARTICULARS	OPENING BALANCE 1/07/2013	RECEIPTS ACTUAL 2013/14	PAYMENTS ACTUAL 2013/14	CLOSING BALANCE 30/06/2014
BCITF PAYMENT	<b>\$</b> \$3,000	<b>\$</b> \$12,934	<b>\$</b> \$13,965	<b>\$</b> \$1,969
BOND CAT TRAP	\$0	\$730	\$730	\$0
BOND LAND/BUILDING SALE	\$0	\$0	\$0	\$0
BONDS - EXTRACTIVE INDUSTRIES	\$4,500	\$0	\$0	\$4,500
BONDS - FOOTPATH & KERB	\$31,226	\$5,000	\$3,000	\$33,226
BONDS - HALL ETC	\$5,300	\$3,500	\$4,500	\$4,300
BONDS - KEYS	\$2,220	\$660	\$640	\$2,240
BONDS - PARKS/COUNCIL PROPS	\$1,500	\$500	\$1,500	\$500
BONDS - RENTAL PROPERTY	\$2,944	\$1,000	\$1,000	\$2,944
BUILDER REGIST BOARD LEVY	\$1,820	\$10,585	\$11,068	\$1,337
BUILDING BONDS	\$11,100	\$720	\$720	\$11,100
CASH RECEIPT ADJUSTMENTS	\$6,191	\$772	\$213	\$6,750
COMMUNITY BUS BONDS	\$950	\$5,250	\$3,800	\$2,400
CROSSOVER BOND - ASTONE	\$6,000	\$0	\$0	\$6,000
CROSSOVER BOND - N BLISS	\$1,650	\$0	\$0	\$1,650
CROSSOVER BOND - SMORENBURG	\$1,650	\$0	\$0	\$1,650
CROSSOVER BOND - AVON VALLEY P	\$5,940	\$0	\$0	\$5,940
FUNDS HELD FOR LOCAL GROUPS	\$1,432	\$20,480	\$7,572	\$14,339
GREENHILLS BUSHFIRE BRIGADE	\$114	\$0	\$0	\$114
LEEUWIN CONTRIBUTIONS	\$800	\$0	\$0	\$800
MOTO CROSS TRACK	\$2,973	\$1,182	\$0	\$4,155
NOMINATION DEPOSIT	\$0	\$640	\$640	\$0
PALMBROOK - CROSSOVERS	\$57,888	\$2,206	\$0	\$60,095
PALMBROOK - FOOTPATHS	\$60,862	\$2,224	\$0	\$63,086
PALMBROOK - INTERSECTIONS	\$26,343	\$1,004	\$0	\$27,347
PALMBROOK - PUBLIC OPEN SPACE	\$67,741	\$2,563	\$11,882	\$58,422
PALMBROOK - RURAL NUMBERS	\$1,820	\$0	\$0	\$1,820
PIONEER MEMORIAL LODGE BONDS	\$0	\$0	\$0	\$0
PLANNING BONDS	\$2,900	\$6,557	\$6,557	\$2,900
POLICE LICENSING	\$5	\$1,502,755	\$1,502,760	\$0
PROPERY SALE NON PAYMENT RATES	\$8,041	\$0	\$0	\$8,041
SETTLERS HOUSE BONDS	\$13,357	\$0	\$0	\$13,357
STAFF SOCIAL FUNDS	\$98	\$819	\$877	\$40
SUBDIVISION BONDS	\$27,736	\$17,278	\$0	\$45,014
SUBDIVISION BOND - BAWDEN	\$3,300	\$0	\$0	\$3,300
SUBDIVISION BOND - PREISIG	\$28,079	\$1,070	\$0	\$29,149
SWIMMING POOL INSPECTION FEES	\$0	\$0	\$0	\$0
TOTAL GROUP CLEANING BOND	\$0	\$0	\$0	\$0
WATER LOAN REPAYMENTS IN FULL	\$6,772	\$0	\$3,019	\$3,753
SPORTING PRECINCT	\$485	\$21,475	\$18,000	\$3,960
TOTAL	396,735	1,621,905	1,592,443	426,198



#### 10. RATING INFORMATION

Rating Information for the year ended 30 June 2014

RATE TYPE	Budget Rate Revenue	Rate in \$	Number of Properties	Rateable Value	Total Rate Revenue
General Rate GRV Minimum Rate GRV	1,710,766 511,700	\$0.088821 \$850		19,260,828 2,753,906	1,710,766 511,700
General Rate UV Minimum Rate UV	1,557,296 194,670	\$0.006944 \$1,030		224,264,977 18,915,982	1,557,296 194,670
Interim Rates Back Rates	25,000 100				8,814 0
TOTAL	3,999,532		2587	265,195,693	3,983,246

#### 10.1 General and Minimum Rate

In accordance with Financial Management Regulation 39, Council has imposed the following Rates:

Actual		Budget	Actual
0		2013/14	2013/14
\$		\$	\$
0.0815	- General Rate Gross Rental Valued	0.088821	0.088821
\$830 p.a.	- Minimum Rate Gross Rental Valued	\$850 p.a.	\$850 p.a.
0.005700	- General Rate Unimproved Valued	0.006944	0.006944
\$1,030 p.a.	- Minimum Rate Unimproved Valued	\$1,030 p.a.	\$1,030 p.a.

#### The Objects and Reasons for General and Minimum Rate

All land except exempt land in the Shire of York is rated according to its Gross Rental Value (GRV) in Townsites or Unimproved Value (UV) in the remainder of the Shire.

The General Rates detailed above for the 2013/2014 financial year have been determined by the Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of Council's services and facilities.

#### 11. SPECIFIED AREA RATES

No Specified Area Rates were levied during 2013/2014.

#### 12. SERVICE CHARGE

No Service Charges were imposed during 2013/2014.



#### 13. INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE OFFS

Pursuant to Sections 6.4 and 6.12 of the Local Government Act 1995, Council may, when adopting the Annual Budget, grant an incentive or discount for the early payment of Rates and Charges.

#### 13.1 Discount on Rates and Service Charges

The Council did not offer a discount on rates.

#### 13.2 Incentive Scheme (Rates)

Council, with the support of the following businesses, allowed those property owners who paid their rates levy by the due date specified on the rates notice to participate in a draw for the following prizes.

1st Prize	1,000 Bank Account with the York and Districts Community Bank Branch - Sponsored by the Shire and Bendigo Bank
2nd Prize	2 night's accommodation for 2 adults in a superior room including breakfast valued at $$400$ donated by Accor.
3rd Prize	Four tickets to the Western Australian Symphony Orchestra for Sol Gabetta Plays Dvorak on Saturday, 16th November 2013.
4th Prize	\$200 worth of unleaded fuel, sponsored by Fuel Distributors WA.

#### 13.3 Concessions

Council offered subsidised hall and recreation centre hire to approved community groups. Council considers the support of these groups necessary for the overall benefit of the community. Approved groups paid \$66 per day, or \$330 per year where they used the venue on a regular basis for a period of 12 times within the year.

#### 13.4 Write Offs

In accordance with Section 6.12 of the Local Government Act 1995 and Financial Management Regulation 42, details of debts written off by the Council during the financial year are as follows;

Actual 2012/13 \$		Actual 2013/14 \$
1,349	Write Offs	2,698
1,349		2,698



#### 14. INTEREST CHARGES FOR THE LATE PAYMENT OF RATES AND OTHER DEBTS

#### 14.1 Interest Charge for Late Payment of Rates

Pursuant to Section 6.51 of the Local Government Act and Financial Management Regulation 43(a) Council imposed the following rate of interest applicable for the late payment of rates and service charges and applied as follows:

- (a) Where no election has been made to pay the rate charge by instalments,
  - (i) after it becomes due and payable; or
  - (ii) 35 days after the date of issue of the rate notice

which ever is the later.

(b) Where an election has been made to pay the rate charge by instalments and an instalment remains unpaid after it is due and payable.

The rate of interest applied is 11% and the revenue from the imposition of the interest amounted to \$103,339

#### 14.2 Interest and other charges for the payment by instalments

Pursuant to Section 6.45 of the Local Government Act and Financial Management Regulation 43(c) the due dates of each instalment was as follows:

1st Instalment Tuesday, 17 September 2013
2nd Instalment Tuesday, 19 November 2013
3rd Instalment Monday, 20 January 2014
4th Instalment Thursday, 20 March 2014

The charges applicable for participation in the instalment scheme were as follows;

Interest calculated on instalment payments 5.50%
Administration charge per instalment \$8

Actual 2012/13		Budget 2013/14	Actual 2013/14
\$	_	\$	\$
90,914	Interest Charges for the late Payment of Rates Charged	60,000	103,339
16,344	Instalment Interest Charges	16,000	16,270
1,687	Pensioner Deferred Rates Interest Charges	2,000	1,293
15,984	Administration Charges for Instalment Options	16,000	15,014
2,700	Interest charges for the late payment of ESL	3,000	3,199

#### 14.3 Interest Charges for Other Debts

No interest is charged under Section 6.13 of the Local Government Act for the late payment of money, other than rates.



#### 15. FEES AND CHARGES INFORMATION

#### 15.1 Fees and Charges by Program

In accordance with Financial Management Regulation 41, the estimates of total revenue from Fees and Charges for each program are summarised as follows:

Actual 2012/13		Actual 2013/14
\$		\$
30,259	Governance	7,374
9,361	General Purpose Funding	29,895
60,194	Law, Order, Public Safety	78,587
65,794	Health	61,971
29,810	Education and Welfare	32,307
624,111	Community Amenities	740,826
261,131	Recreation and Culture	457,210
761	Transport	298
130,588	Economic Services	122,364
36,812	Other Property and Services	63,019
1,248,821	TOTAL FEES AND CHARGES	1,593,851

#### 15.2 Fees and Charges Amendments

No amendments were made during the 2013/2014 financial year.

#### 16. COUNCIL MEMBERS - FEES, EXPENSES AND ALLOWANCES

In accordance with Financial Management Regulation 44 Fees, Expenses or Allowances paid to Council Members are summarised as follows:

Actual 2012/13		Budget 2013/14	Actual 2013/14
\$		\$	\$
	- Annual Attendance Fee		
29,120	Councillor (5)	37,500	35,382
11,630	President	7,500	7,094
	- Expenses		
7,920	- Telecommunications Allowance	21,000	19,820
0	- Travel Expenses	1,500	0
6,000	- Information Technology Allowance	0	0
	- Annual Local Government Allowance		
10,060	- President	15,000	14,958
2,520	- Deputy President	3,750	3,119
67,250		86,250	80,373

#### 17. INVESTMENT EARNINGS

The Earnings from Investments are summarised as follows:

Actual 2012/13		Budget 2013/14	Actual 2013/14
\$		\$	\$
92,934	General Account	60,000	70,126
64,153	Reserve Funds	60,000	58,781
111,645	Rates - Late payment & Instalment Interest	81,000	124,102
268,732 T	OTAL	201,000	253,009



#### 18. DEPRECIATION ON NON-CURRENT ASSETS

The Depreciation charge included in the Financial Statements are summarised as follows:

Actual 2012/13		Actual 2013/14
\$		\$
180	General Purpose Funding	180
72,639	Governance	72,861
97,314	Law, Order, Public Safety	42,773
15,192	Health	12,540
20,607	Education and Welfare	21,169
26,081	Community Amenities	25,339
325,660	Recreation and Culture	357,830
1,601,695	Transport	1,235,473
18,774	Economic Services	10,176
276,405	Other Property and Services	196,851
2,454,547	TOTAL	1,975,192

#### 19. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during 2013/14.

#### 20. TRADING UNDERTAKINGS

Council did not participate in any trading undertakings, apart from the contracting out of services to a number of local governments in its surrounding region for the following services:

- Planning
- Health
- Building
- Ranger

#### 21. JOINT VENTURE

#### **Centennial Park Aged Care**

Council together with Homeswest have a joint venture arrangement with regard to the provision of aged persons accommodation. Centennial Park consists of six units built by Homeswest and administered by Council.

#### 22. CAPITAL AND LEASING COMMITMENTS

At the reporting date, the Council did not have any obligations under non-cancellable operating leases.



#### 23. FINANCIAL INSTRUMENTS

#### 23.1 Interest Rate Risk

The following table details Council's exposure to financial risks, including interest rate risk, price risk, credit risk, etc as at 30th June 2014.

	Carrying Value 2012/13	Average Interest Rate	Interest Bearing	Non Interest Bearing	Carrying Value 2013/14	Fair Value 2013/14
		%	\$	\$	\$	\$
Financial Assets						
Cash	3,455,777	3.78	2,242,468	3,800	2,246,268	2,246,268
Receivables	1,521,066		0	1,356,864	1,356,864	1,356,864
	4,976,843	=	2,242,468	1,360,664	3,603,132	3,603,132
Financial Liabilities						
Payables	726,394		0	356,998	356,998	356,998
Borrowings	2,165,255	5.83	2,065,410	0	2,065,410	1,521,732
	2,891,649	<u> </u>	2,065,410	356,998	2,422,408	1,878,730

#### 23.2 Material Risk from Financial Instruments

Council does not have any material credit risk exposure to any single debtor under any financial instruments entered into.

#### 23.3 Fair Values and Carrying Amounts of Financial Assets and Liabilities

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the notes to and forming part of the Annual Financial Statements.

#### 23.4 Receivables

Council's receivables are classified as Rates and Annual Charges, Self Supporting Loans and General Debtors. Rates and Annual Charges are charges that are considered as charges against the property and as such are considered being secured by the Property to which they relate. Council accounts for Self Supporting Loans as part of its current receivables as and when payments fall due, amounts due in future years are shown as non-current.

Self Supporting Loans shown as debtors represent the repayments of a loan that Council has drawn on behalf of a Community Group. Council's General Debtors include receivables for goods and services provided to members of the community, government departments and businesses. Council has exposure to credit risk in that debtors may not be able to meet their commitments to repay debts. Council reviews its outstanding debts regularly and commences a variety of recovery techniques in accordance with its Debt Recovery Procedures. Council reviews outstanding debts annually and provides a provision should debts become doubtful.

2012	2/13		2013/14	
	Non			Non
Current	Current		Current	Current
\$	\$	Financial Assets	\$	\$
811,804	39,554	Rates and Annual Charges	832,775	47,702
11,060	18,108	Self Supporting Loans	11,860	6,247
640,540	0	General Debtors	458,280	0
1,463,404	57,662		1,302,915	53,949

The profile of the Shire's credit risk at balance date was:

2012/13		2013/14
%		%
	Rates and Annual Charges	
42%	-Current	31%
58%	-Overdue	69%
	Other receivables	
41%	-Current	30%
59%	-Overdue	70%



#### 23.5 Market Risk

The Council invests funds that are not required immediately in Financial Instruments such as Term Deposits. The Council may be subject to interest rate risk in that future cash flows may fluctuate because of changes in market interest rate.

Actual		Actual
2012/13		2013/14
\$		\$
34,558	Impact of 1% Movement in Interest Rates on Investment Earnings (+/-)	22,463
86,394	Impact of 2.5% Movement in Interest Rates on Investment Earnings (+/-)	56,157

#### 23.6 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.

The maturity analysis for Council's financial liabilities is detailed as follows;

2012/13	Less than 1 year	1 to 5 years	Greater than 5 years	2013/14
\$	\$	\$	\$	\$
726,394	356,998	0	0	356,998
2,165,255	105,730	457,299	1,502,381	2,065,410
2,891,649	462,728	457,299	1,502,381	2,422,408
	2,165,255	1 year \$ \$ 726,394 356,998 2,165,255 105,730	1 year     years       \$     \$       726,394     356,998     0       2,165,255     105,730     457,299	1 year     years     5 years       \$     \$     \$       726,394     356,998     0     0       2,165,255     105,730     457,299     1,502,381

The following sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

				,	Years		
	Less than	1 to 2	2 to 3	3 to 4	4 to 5	Greater than	Total
	1 year	years	years	years	years	5 years	
_	\$	\$	\$	\$	\$	\$	\$
Year Ended 30 June 201	14						
Debentures			18,108			2,047,302	2,065,410
Weighted Average - Inter-	est Rate		5.83%			5.77%	5.83%
Year Ended 30 June 201	13						
Debentures				29,168		2,136,087	2,165,255
Weighted Average - Inter-	est Rate			5.83%		5.74%	5.83%



#### 24. POSITION AT COMMENCEMENT OF FINANCIAL YEAR

#### 24.1 DETERMINATION OF OPENING FUNDS

ACTUAL 2012/13		Budget 2013/14	ACTUAL 2013/14
\$		\$	\$
	Current Assets		
496,318	Cash at Bank - (Overdraft)	1,877,560	395,974
2,956,909	Investments	0	1,846,494
2,550	Cash on Hand	2,550	3,800
1,463,404	Receivables	1,388,940	1,302,915
11,285	Stock on Hand	14,284	3,869
4,930,466		3,283,334	3,553,052
	Less Current Liabilities		
(726,394)	Accounts Payable	(650,000)	(356,998)
(634,125)	Accrued Leave	(731,047)	(640,469)
(99,845)	Current Loan Liability	0	(105,730)
(1,460,364)		(1,381,047)	(1,103,197)
3,470,102	SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES	1,902,287	2,449,855
	ADJUSTMENTS		
99,845	Add Back Current Loan Liability	0	105,730
(11,060)	Less Current Assets for Self Supporting Loan Repayments	0	(11,860)
, ,	Less Cash Backed Reserves (excluding Leave Reserve)	(1,902,287)	(1,846,494)
	Plus Leave Reserve	Ó	640,469
(1,326,259)	Less Cash Backed Leave Reserves & Restricted Funds (excl LSL)		*
2,232,627	OPENING/CLOSING FUNDS	0	1,337,699

#### 24.2 STATEMENT OF RECONCILIATION OF NET CURRENT ASSETS BROUGHT FORWARD

In accordance with Financial Management Regulation 36(1)(b) the following reconciliation is provided between the Net Current Assets carried forward from the previous financial year, compared to the Net Current Assets detailed in the 2013/2014 Annual Budget.

 Net Current Asset detailed in the 2013/2014 Annual Budget
 2,227,226

 Net Current Assets Brought Forward as at 1st July 2013
 2,232,626

#### 25. CAPITAL EXPENDITURE BY PROGRAM

Actual Capital Expenditure incurred by Program is summarised as follows:

Program	Program 2012/13 Furniture Land		Plant Infrastructure				2013/14	
		and	and	and	Roads	Recreation	Other	
		Equipment	Buildings	Equipment		Facilities		
	\$	\$	\$	\$	\$	\$	\$	\$
Governance	142,686	25,376	285,164	87,477	0	0	0	398,017
Law, Order, Public Safety	280,368	607	44,017	57,253	0	0	0	101,877
Health	30,099	0	7,510	0	0	0	0	7,510
Education and Welfare	30,540	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0	0
Community Amenities	38,998	0	7,264	33,522	0	0	0	40,786
Recreation and Culture	375,883	50,950	212,155	0	0	31,540	0	294,645
Transport	1,471,698	0	0	546,072	1,142,566	0	0	1,688,638
Economic Services	11,571	0	0	25,913	0	0	4,199	30,112
Other Property & Services	3,724	0	14,709	40,500	0	0	0	55,209
TOTAL	2,385,567	76,933	570,819	790,737	1,142,566	31,540	4,199	2,616,794



#### 26. FINANCIAL INFORMATION BY RATIO

In accordance with Financial Management Regulation 50 the following Financial Information by Ratio is provided:

2011/12 Percent	2012/13 Percent	(a)	Current Ratio	2013/14 Percent
1.97	2.42	(u)	current assets minus restricted current assets current liabilities minus liabilities associated with restricted assets	3.22
0.86	0.49	(b)	Asset Sustainability Ratio capital renewal and replacement expenditure depreciation expense	0.53
12.44	5.66	(c)	Debt Service Cover Ratio annual operating surplus before interest and depreciation principal and interest	2.87
0.07	-0.22	(d)	Operating Surplus Ratio operating revenue minus operating expense own source operating revenue	-0.23
0.78	0.68	(e)	Own Source Revenue Ratio own source operating revenue operating expense	-0.69

#### ADDITIONAL RATIO INFORMATION

The following information relates to those ratios which only require an attestation they have been checked and are supported by verifiable information.

N/A	0.79	(f)	Asset Consumption Ratio  depreciated replacement cost of assets  current replacement cost of depreciated assets	0.74
N/A	0.84	(g)	Asset Renewal Funding Ratio  NPV of planned capital renewals over 10 years	0.84
			NPV of required capital expenditure over 10 years	

N/A - In keeping with the amendments to Local Government (Financial Management) Regulation 50, comparatives for the two preceding years (being 2012 and 2011) have not been reported as financial information is not available.



#### 27. TRADE AND OTHER RECEIVABLES

Receivables due to Council include the following:

ACTUAL 2012/13 \$		ACTUAL 2013/14 \$
	<u>Current</u>	
789,017	Rates	832,775
15,419	LSL Due from Other Councils	15,419
819,188	Sundry Debtors	451,847
(197,536)	Less Provision for Doubtful Debts	(42,321)
11,060	Long Term Loans-Interest Free & Self Supporting	11,860
681	Accrued Income - Self Supporting Loans	423
23,025	ESL Debtors	30,186
2,550	Pensioner Rebates	2,726
1,463,404		1,302,915
	Non Current	
39,554	Rates Outstanding-Pensioner Deferred	47,702
18,108	Long Term Loans-Interest Free and Self Supporting	6,247
57,662		53,949

Deferred pensioners rates represent amounts owing by pensioners who have chosen to defer the payment of their rates in accordance with the Rates and Charges (Rebates and Deferments) Act 1992.

#### 28. INVENTORIES

ACTUAL 2012/13		ACTUAL 2013/14
\$		\$
11,285	Comprises of Construction Materials, Fuels and Consumables	3,869

All inventories at balance date have been valued at cost.

#### 29. TRADE AND OTHER PAYABLES

ACTUAL 2012/13		ACTUAL 2013/14
\$		<u> </u>
680,912	Sundry Creditors	276,087
45,482	Other Payables	80,911
726,394	Total	356,998

#### 30. PROVISIONS

Provision for Employees' entitlements at balance date are as follows:

ACTUAL 2012/13 \$		ACTUAL 2013/14 \$
301,398	<u>Current</u> - Provision for Annual Leave	321,651
244,830	- Provision for Long Service Leave	223,371
68,441	- Provision for Sick Leave	75,355
19,456	- LSL Leave Owed To Other Local Governments	20,092
634,125		640,469
20,178	Non Current - Provision for Long Service Leave	32,889
20,178		32,889
654,303		673,358



#### 31. EMPLOYEE NUMBERS

The following information is provided in relation to the number employees.

#### No. of Employees

2012/13		2013/14
·	Total Number of Employees	
43	The number of full time equivalent employees at 30 June	50

#### 32. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is as follows:

ACTUAL 2012/13		ACTUAL 2013/14
\$		\$
	By Nature/Type:	
1,589,644	Operating Grants	1,252,106
1,590,220	Non-operating Grants	823,213
3,179,864	Total	2,075,319
1,311,427	General Purpose Funding	837,285
89,685	Governance	306,557
504,512	Law, Order and Public Safety	55,236
20,000	Education and Welfare	0
12,499	Community Amenities	24,712
455,363	Recreation and Culture	0
786,378	Transport	815,068
0	Economic Services	36,461
0	Other Property & Services	0
3,179,864		2,075,319

#### 33. CONTINGENT LIABILITIES

Council does not have any known contingent liabilities at 30th June 2014.

#### 34. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

ACTUAL 2012/2013		ACTUAL 2013/2014
\$		\$
	By Program:	
1,150,472	Governance	1,388,306
73,514	General Purpose Funding	73,334
443,446	Law, Order, Public Safety	447,160
90,049	Health	113,975
457,876	Education and Welfare	436,708
36,159	Housing	36,159
593,491	Community Amenities	602,671
9,179,732	Recreation and Culture	9,412,051
76,466,267	Transport	97,390,919
88,628	Economic Services	90,148
1,620,297	Other Property and Services	1,819,147
5,311,673	Unallocated	3,976,492
95,511,604	Total	115,787,070

#### 35. CORRECTION OF ERRORS

The revaluation decrement for Plant & Equipment in the 2012/13 financial year amounted to \$194,523. This amount was applied to reduce the revaluation increment rather than being recognised in profit and loss under the relevant programme and nature and type classification.

The error has been corrected by restating each of the affected financial statement line items for the prior year.



#### 36. FAIR VALUE MEASUREMENTS

Persuant to Local Government (Financial Management) Regulation 17A(3) the Shire, as at 30 June 2014, has measured the following asset categories at fair value:

#### Furniture and Equipment

The office furniture and equipment currently on the Shire asset register was identified during the stocktake as at 30 June 2013 and is replaced on a regular basis. Based on the above, the cost approach is deemed to be the most appropriate and a very conservative fair value measurement and as a result revaluation was not required.

#### Plant and Equipment

A stocktake of Plant and Equipment was undertaken as at 30 June 2013, resulting in non existing items, predominantly old items that had been fully depreciated or could not be found being written off and any item below the value of \$1000 threshold was removed from the asset register. The items were internally valued through the use of external suppliers.

#### Infrastructure

#### Roads

In the case of roads a full road asset network valuation was undertaken by external consultants (Talis Consultants) in 2014. The fair value is determined as the Current Replacement Cost (CRC) less accumulated depreciation to reflect the already consumed or expired future economic benefits. This approach is consistent with AASB 116. The valuation for roads was generated from the RAMM Pavement Management System. The Shire had completed a full network condition summary and the external valuers have confirmed that there is a high level of confidence in the inventory data being relevant and of the condition data being a true representation of the current state. Also, unit rates used have been reviewed by the Shire and are considered accurate by the external valuer.

#### Drainage

A review of the Shire's asset register was undertaken in-house by Council Staff to validate the detail contained for Drainage Infrastructure. A review of the values contained in the Asset Register revealed that the written down value amounting to \$520,792 which represents 0.5% of the total Infrastructure Assets. The book value reflects the fair value based on the current replacement cost less accumulated depreciation.

#### Reserve - Plant & Equipment

A review of the Shire's asset register was undertaken in-house by Council Staff to validate the detail contained for Plant & Equipment Infrastructure. A review of the values contained in the Asset Register revealed that the written down value amounting to \$180,017 which represents 0.18% of the total Infrastructure Assets. The book value reflects the fair value based on the current replacement cost less accumulated depreciation.

#### Reserve - Grasses

A review of the Shire's asset register was undertaken in-house by Council Staff to validate the detail contained for Grass Reserves Infrastructure. A review of the values contained in the Asset Register revealed that the written down value amounting to \$104,398 which represents 0.1% of the total Infrastructure Assets. The book value reflects the fair value based on the current replacement cost less accumulated depreciation.

#### Footpaths |

In the case of footpaths a full valuation was undertaken by external consultants in 2014. The fair value is determined as the Current Replacement Cost (CRC) less accumulated depreciation to reflect the already consumed or expired future economic benefits. This approach is consistent with AASB 116.

#### **Bridges**

In the case of bridges a full valuation was undertaken by external consultants in 2011 and reviewed in 2013. The fair value is determined as the Current Replacement Cost (CRC) less accumulated depreciation to reflect the already consumed or expired future economic benefits.

#### Other Items of Infrastructure

A review of the Shire's asset register was undertaken in-house by Council Staff to validate the detail contained for Other Items of Infrastructure. A review of the values contained in the Asset Register revealed that the written down value amounted to \$2,445,238. In order to determine a fair value for these items the ABS Road and Bridge Construction Index was applied to the historical cost less accumulated depreciation.



#### 36. FAIR VALUE MEASUREMENTS

The Shire of York measures the following assets and liabilities on a recurring basis;

Roads

Drainage

Parks/Reserves

**Bridges** 

Footpaths

Other Structures

Furniture and Equipment

Plant and Equipment

The Shire does not measure any other assets and liabilities at fair value on a non-recurring basis.

The following table provides the fair values of the Shire's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value heirarchy.

Recurring Fair Value Measurements	30-Jun-14		
Non-Financial Assets	Level 1	Level 2	Level 3
Infrastructure	100,091,138	-	0
Plant & Equipment	0	2,038,405	0
Furniture & Equipment	0	315,280	0
Total non-financial assets recognised at fair value on a recurring basis	100,091,138	2,353,685	0
	30-		
Non-Financial Assets	Level 1	Level 2	Level 3
Plant & Equipment	0	1,854,310	0
Furniture & Equipment	0	301,740	0
Total non-financial assets recognised at fair value on a recurring basis	0	2,156,050	0

#### **Transfers Policy**

The policy of the Shire of York is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between Levels 1 and 2 for recurring fair value measurements during the year. There were also no transfers in and out of Level 3 measurements.

#### **Highest and Best Use**

There were no assets valued where it was assumed that the highest and best use was other than their current use.

#### Valuation techniques and inputs used to derive fair values

The following table summarises valuation inputs and techniques used to determine the fair value for each asset class.

	Level of	Fair Value at	Valuation	
Non-Financial Assets	Valuation Input	30/6/2014	Technique(s)	Inputs used
Infrastructure				
- Roads	3	81,639,017	Cost Approach	price per square metre
- Footpaths	3	1,240,176	Cost Approach	price per square metre
- Parks & Gardens	3	284,415	Cost Approach	price per square metre
- Drainage	3	520,792	Cost Approach	price per square metre
- Bridges	3	13,961,500	Cost Approach	price per square metre
- Other	3	2,445,238	Cost Approach	Price per square metre, estimates of residual value, useful life
Plant & Equipment	2	2,038,405	Market Approach	Make, size, year of manufacture and condition
Furniture & Equipment	2	315,280	Market Approach	Make, size, year of manufacture and condition
	_	102,444,823	= =	



#### 36. FAIR VALUE MEASUREMENTS

#### **Plant and Equipment**

Plant and equipment were revalued in 2013 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A. Whilst the additions since 1 July 2013 have been brought in the books at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered that the recorded written down values approximate fair values. Thus, the value of the class of assets in the Shire's books is considered to be in accordance with Local Government (Financial Management (Regulation) 17A (2) which requires these assets to be shown at fair value. Plant and Equipment will be revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1.7.1.

Most plant and equipment assets are generally valued using the market and cost approach using comparable sales and relevant industry market price reference guides, and have been classified as being valued at Level 2 of the fair value hierarchy. The most significant inputs into this valuation approach are the make, size, year of manufacture and condition.

#### Quantitative Information about the significant unobservable inputs and relationship to fair value

The following table summarises the quantitative information about the key significant unobservable inputs (level 2 fair value hierarchy), the ranges of those inputs and the relationships of unobservable inputs to the fair value measurements.

Asset Description	Fair value as at 30 June 2014	Valuation Techniques	Unobservable inputs	Range of inputs (probability of weighted average)	Relationship of unobservable inputs to fair value
Infrastructure Assets					A change of 10% would result in a change in fair value by:
Roads	81,639,017	Cost Approach	price per square metre	+/- 10%	8,163,902
Footpaths	1,240,176	Cost Approach	price per square metre	+/- 10%	124,018
Parks & Gardens	284,415	Cost Approach	price per square metre	+/- 10%	28,442
Drainage	520,792	Cost Approach	price per square metre	+/- 10%	52,079
Bridges	13,961,500	Cost Approach	price per square metre	+/- 10%	1,396,150
Other Infrastructure	2 445 229	Cost Approach	Price per square metre, estimates of residual value, useful life	+/- 10%	244.524
Other initiastructure	2,445,238	Cost Approach	IIIE	+/- 10%	244,524

#### Valuation processes

The Council engages external, independent and qualified valuers to determine the fair value of the entity's plant and equipment and infrastructure on a regular basis.

An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material, a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

As at 30 June 2014 a comprehensive revaluation was undertaken for infrastructure asset classes subject to revaluation by Talis Consultants.

#### Relationship between asset consumption rating scale and the level of consumed service potential

Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of the accumulated depreciation. In order to achieve this, the valuer determines an asset consumption rating scale for each asset type based on legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit. The consumption rating scales were based initially on the past experience of the consultants and industry guides and were then updated to take into account the experience and understanding of the Shire's own engineers, asset management and finance staff.



#### 36. FAIR VALUE MEASUREMENTS

#### **Disclosed Fair Value Measurements**

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

#### Borrowings

The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

	Heirarchy	Valuation	
Description	Level	Technique(s)	Inputs Used
Loans	2	Income approach using discounted cashflow methodology	Current treasury borrowing rates for similar instruments

There has been no change in the valuation techniques used to calculate the fair values disclosed in the notes to the financial statements.



### SHIRE OF YORK



Audit Completion Report to the Audit Committee For the Year Ended 30 June 2014

DECEMBER 2014

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### 1. Executive Summary

Under the requirements of Australian Auditing Standard ASA 260: "Communication with Those Charged with Governance", we are required to communicate audit matters arising from the audit of financial statements to those charged with governance of an entity. This Annual Audit Completion Report together with our previous External Audit Plan reported to the Audit Committee.

This report has been prepared for the Audit Committee to summarise the significant matters that have arisen from our year-end audit of the Shire of York for the year ended 30 June 2014.

#### 1.1 Status of Audit

Our audit field work at the Shire of York for the financial year ended 30 June 2014 has been completed.

Before our Independent Auditor's Report is signed off and issued to the Council, the following outstanding matter is required to be attended to:

 Completion of audit procedures relating to Auditing Standard ASA 560 Subsequent Events to be performed up to the date of signing the Independent Auditor's Report.

#### 1.2 Deliverables

Output	Timing
External Audit Plan	March 2014
Interim Audit Management Letter	13 August 2014
Present the Audit Completion Report to the Audit Committee	December 2014
Provide Independent Auditor's Report on the Financial Report	December 2014

### 2. Financial Statements and Audit Opinion

#### **Audit Opinion**

We have completed the audit of the Shire of York's accounts in line with current Australian Auditing Standards and will give an **Unqualified Opinion**.

- (a) gives a true and fair view of the financial position of the Shire of York as at 30 June 2014 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

Refer to Appendix 1 for our Proposed Draft Independent Auditor's Report

### 3. Current Year Areas of Audit Focus

Our audit procedures were focused on those areas of Shire of York's activities that are considered to represent the key audit risks identified in our external audit plan and through discussions with management during the course of our audit.

	Risk Area	Audit Response
1	Land & Buildings and Infrastructure Assets	Shire of York's Infrastructure Assets were valued at fair value from the historical cost and management valuation basis during the year ended 30 June 2014 and verified and test checked by Independent valuer, Tailis Asset Management.
		Audit procedures tested on a sample basis:
		<ul> <li>Capital asset additions on a sample basis for accuracy to supporting documentation.</li> <li>Valuation to fair value from cost on the Shire of York's Property, Plant and Equipment and Infrastructure assets.</li> </ul>
		We have relied upon the values adopted by management / independent valuer and other external sources where appropriate.
		Asset reconciliation schedules were verified against trial balance reported amounts.
		Audit evaluated the professional competence and objectivity of the expert and the adequacy of the scope of the expert's work.

Audit also obtained a signed "Management Evaluative which was critical in providing with the necessary understanding of how management has approached fair valuation exercise and the evaluation of the valuation in the example of the exercise and contract of the asset classes.  2 Revenue (Fees and Charges and Grant Revenue)  Audit procedures were tailored to ascertain the completeness and accuracy of revenue:  Control testing on fees and charges  Test a sample of revenue transactions to supple the evaluation of the processes and policies in the purchasing and payments area. Discussions were performed to review and asset processes and policies in the purchasing and payment area. Discussions were held with the relevant person involved in this area to gain an understanding of the processes and procedures, followed by an assessment the overall controls in place. Testing was performed on our interim audit on this key operating cycle.  Additionally, analytical procedures were performed on expenditure items to assess items for reasonableness to ensure that fluctuations from prior year balances we consistent with our expectations.
Revenue (Fees and Charges and Grant Revenue)  Audit procedures were tailored to ascertain the completeness and accuracy of revenue:  Control testing on fees and charges  Test a sample of revenue transactions to sup documentation  Substantive analytical procedures  For the year ended 30 June 2014, these amounts ap be reasonably accounted for and recognised appropriarea. Discussions were held with the relevant personal involved in this area to gain an understanding of the processes and procedures, followed by an assessme the overall controls in place. Testing was performed our interim audit on this key operating cycle.  Additionally, analytical procedures were performed on expenditure items to assess items for reasonableness to ensure that fluctuations from prior year balances were
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Purchasing and Payments  Audit procedures were performed to review and asse processes and policies in the purchasing and paymer area. Discussions were held with the relevant person involved in this area to gain an understanding of the processes and procedures, followed by an assessme the overall controls in place. Testing was performed our interim audit on this key operating cycle.  Additionally, analytical procedures were performed on expenditure items to assess items for reasonableness to ensure that fluctuations from prior year balances were
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expenditure items to assess items for reasonableness to ensure that fluctuations from prior year balances we
Payroll Expenditure  Discussions were held with the relevant payroll staff. 7 procedure undertaken facilitated the understanding of processes and policies in place for payroll.
Substantive audit procedures were also performed to verification completeness and accuracy of payroll for the year end June 2014. Analytical procedures tested payroll and statutory superannuation balances, comparing budgeted results to actual results and highlighting fluctuations in fortnightly payments which were then subject to further examination.

5	Provisions for Annual and Long Service Leave	We examined the annual and long service leave provisions and tested a few employees on a sample basis.
		The assumptions used by Shire of York for the provisions with respect to discount and bond rates were compared to the equivalent assumptions provided by Macri Partners. All assumptions were within the acceptable ranges.  Our sample testing of annual leave and long service leave balances noted no variances.
6	Contingent Liabilities	Audit procedures included discussions with management and reviewing the solicitor's representation letter. We also are in the process of obtaining a management representation letter to confirm that there are no other contingent liabilities apart from the issue that has been disclosed in the accounts.

We are satisfied that these key areas of focus have been addressed appropriately based on our audit procedures and are properly reflected in the Shire of York's financial report.

### 4. Assessment of Internal Controls

Our interim phase of the audit indicated that the current internal control systems and processes are reasonable. They are designed adequately for Shire of York's current business operations.

However, a separate Interim Audit Management Letter has been provided to management following our interim audit which provides details of the internal control and compliance matters raised.

We will be following up on the implementation of the management comments during our next interim audit visit. The result of our follow-up will be reported within our next Interim Audit Management Letter.

### 5. Key Findings During Final Phase of Audit

During our audit planning procedures and risk identification process, we identified a number of key focus areas as outlined in Section 3 above. During the course of our year-end fieldwork, there were no accounting and audit issues noted.

### 6. Specific Required Communications

The Australian Auditing Standard ASA 260: "Communication with Those Charged with Governance" requires the auditor to communicate certain matters to the Audit Committee that may assist them in overseeing management's financial reporting and disclosure process. Below we summarise these required communications as they apply to your organisation.

Reporting Requirement	Detailed Comments
Changes to Audit Approach Outlined in External Audit Plan	There were no changes to the audit approach outlined in the External Audit Plan.
Significant accounting policies	Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Shire of York including new pronouncements adopted during the year, are described in Note 1 to the financial statements.
	There were no significant changes in the application of existing policies during the year ended 30 June 2014, other than the fair value measurement of the Council's assets and liabilities in accordance with AASB 13 Fair Value Measurement. The accounting policies adopted in the financial statements are appropriately disclosed.
Sensitive Accounting Estimates and Disclosures	Refer to "Current Year of Audit Focus" section
Misstatements and significant audit adjustments	We are required to report to you all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature. In the context of the Shire of York, we consider that amounts of a value less than \$8,750 should be considered trivial. This represents approximately 5% of materiality.
	A number of disclosure adjustments to the financial statements have been discussed and amended during the course of our audit.
Significant Weaknesses in Internal Controls	No significant weaknesses in internal control were identified.
Disagreements with management	There have been no significant disagreements with management during the course of the audit.

Serious Difficulties Encountered in Dealing with Management when Performing the Audit such as:  Significant delays in management providing required information  An unnecessarily brief time within which to complete the audit  Extensive unexpected effort required to obtain sufficient appropriate audit evidence  The unavailability of expected information  Restrictions imposed on the auditor by management	➤ There were no serious difficulties encountered in dealing with management when performing the audit.
Fraud and Illegal Acts	<ul> <li>We are not aware of any matters that require communication.</li> <li>We would request that the Audit Committee members raise with us any areas of risk not addressed in our communications and that they inform us of their knowledge of any actual or suspected fraud.</li> </ul>
Compliance with laws and regulations	<ul> <li>In performing our audit procedures, we have not become aware of any non-compliance with applicable laws or regulations that would have an impact on the determination of material amounts and disclosures in the financial report.</li> <li>We have also received representations from management confirming that the Council is in compliance with all laws and regulations that impact the Council.</li> </ul>
Books and records and conduct of the audit	<ul> <li>We have been presented with all the necessary books and explanations requested of management to support the amounts and disclosures contained in the financial statements in a timely and efficient manner.</li> <li>We take this opportunity to thank Ms. Tyhscha Cochrane, Ms. Tabitha Bateman and their staff for the assistance and courtesy during our audit.</li> </ul>
Other Information in Documents Containing Audited Financial Statements	Our financial statement audit opinion relates only to the financial statements and accompanying notes. However, we will also review other information in the Annual Report, such as Management's Discussion and Analysis, for consistency with the audited financial statements.
Related Party Transactions	> None of which we are aware.

Major Issues Discussed with Management in Connection with Initial or Recurring Retention	> None.
Going concern	As part of our audit, we have assessed and agreed with the conclusions reached by the management concerning the application of the going concern concept.
Independence	We confirm that, as the date of this report, we are independent having regard to Macri Partners' policies, professional rules and relevant statutory requirements regarding auditor independence.
	During the year ended 30 June 2014, Macri Partners has not provided any non-audit services to the Shire of York.

### 7. Disclaimer

This report has been prepared for the Audit Committee and management of Shire of York Council only. It should not be quoted or referred to, in whole or in part, without our prior written consent. No warranty is given to, and no liability will be accepted from, any party other than the Shire of York.

### 8. Appendix 1 - Proposed Audit Opinion

#### **INDEPENDENT AUDITOR'S REPORT**

#### TO: RATEPAYERS OF SHIRE OF YORK

We have audited the financial report of the Shire of York, which comprises the Statement of Financial Position as at 30 June 2014 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows and Rate Setting Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

#### Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls as management determines is necessary to enable the preparation of the 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 financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the 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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

#### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional accounting bodies.

### INDEPENDENT AUDITOR'S REPORT (Cont'd)

#### Auditor's Opinion

In our opinion, the financial report of the Shire of York:

- (a) gives a true and fair view of the financial position of the Shire of York as at 30 June 2014 and
  of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

### 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 financial management practices of the Council.
- (b) There are 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) The asset consumption ratio and the asset renewal funding ratio included in the annual financial report (Note 26 of the annual financial report) are supported by verifiable information and reasonable assumptions.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.

### Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Shire of York for the year ended 30 June 2014 included on the Shire of York's website. Management is responsible for the integrity of the Shire of York's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100

A MACRI PARTNER

PERTH
DATED THIS DAY OF DECEMBER 2014.

