

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2010

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FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010
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 2010 are in my opinion properly drawn up to present fairly the financial position of the Shire of York at 30th June 2010 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 on the 2nd of November 2010

Ray Hooper
Chief Executive Officer

Shire of York
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

2008/09 ACTUAL		NOTES	2009/10 ADOPTED BUDGET	2009/10 ACTUAL
\$			\$	\$
	EXPENDITURE			
(135,331)	General Purpose Funding	1,3,4 17,18	(160,019)	(88,151)
(409,989)	Governance		(1,667,171)	(514,697)
(300,154)	Law, Order, Public Safety		(350,626)	(321,886)
(186,076)	Health		(320,300)	(178,169)
(56,048)	Education and Welfare		(86,129)	(59,373)
(908,634)	Community Amenities		(1,292,974)	(1,000,408)
(1,040,248)	Recreation and Culture		(1,468,483)	(1,192,419)
(1,291,581)	Transport		(2,320,154)	(1,472,122)
(321,241)	Economic Services		(509,010)	(496,008)
(149,632)	Other Property and Services		(91,600)	(267,966)
(4,798,934)			(8,266,466)	(5,591,199)
	REVENUE			
4,511,095	General Purpose Funding	1,3,4 15,16	4,076,208	4,443,254
249,232	Governance		372,150	400,787
60,978	Law, Order, Public Safety		56,959	47,834
25,808	Health		57,000	18,532
19,526	Education and Welfare		19,800	19,843
563,902	Community Amenities		668,025	609,376
81,870	Recreation and Culture		196,834	152,553
169,871	Transport		216,707	61,338
53,161	Economic Services		125,700	134,048
166,297	Other Property and Services		276,656	235,307
5,901,740			6,066,039	6,122,872
1,102,806	<i>Increase/(Decrease)</i>		(2,200,427)	531,673
	BORROWING COSTS			
(4,959)	Law, Order, Public Safety		(4,380)	(4,380)
0	Other Property and Services		(3,400)	0
(4,959)	Total Borrowing Costs		(7,780)	(4,380)
	GRANTS/CONTRIBUTIONS FOR THE DEVELOPMENT OF ASSETS			
0	Governance		756,000	-
25,000	Law, Order, Public Safety		212,370	133,706
22,402	Community Amenities		0	52,500
1,259,091	Recreation and Culture		1,977,440	854,711
	Transport		1,346,384	981,768
1,306,493	Total Grants / Contributions for the Development of Assets		4,292,194	2,022,685
	DISPOSAL OF ASSETS	2,6		
0	Land		613,592	40,000
5,919	Plant and Equipment		381,112	40,821
0	Furniture and Equipment		0	0
5,919	Gain on Disposal		994,704	80,821
2,410,259	NET RESULT		3,078,691	2,630,799
	OTHER COMPREHENSIVE INCOME			
0	Changes on Revaluation of Non-Current Assets	8	0	34,226,105
0	Total Other Comprehensive Income		0	34,226,105
1	Rounding			
2,410,260	TOTAL COMPREHENSIVE INCOME		3,078,691	36,856,904

Shire of York
STATEMENT OF FINANCIAL POSITION
AS AT THE 30 JUNE 2010

2008/09 ACTUAL		NOTES	2009/10 ACTUAL
\$			\$
3,931,718	CURRENT ASSETS		
663,507	Cash and Cash Equivalents	5	2,700,136
20,936	Trade and Other Receivables	26	1,528,120
	Inventories	27	13,414
4,616,161	TOTAL CURRENT ASSETS		4,241,670
	NON CURRENT ASSETS		
22,357,449	Property, Plant, Equipment & Infrastructure	6(c)	59,592,274
88,169	Receivables	26	78,771
22,445,618	TOTAL NON CURRENT ASSETS		59,671,045
27,061,779	TOTAL ASSETS		63,912,715
	CURRENT LIABILITIES		
(337,089)	Trade and Other Payables	28	(267,326)
(422,203)	Provisions	29	(497,387)
(8,363)	Borrowings	7(c)	(8,968)
(767,655)	TOTAL CURRENT LIABILITIES		(773,681)
	NON CURRENT LIABILITIES		
(34,452)	Provisions	30	(31,427)
(58,067)	Borrowings	7(c)	(49,098)
(92,519)	TOTAL NON CURRENT LIABILITIES		(80,525)
(860,174)	TOTAL LIABILITIES		(854,206)
26,201,605	NET ASSETS		63,058,509
	EQUITY		
23,387,811	Retained Surplus		25,997,116
2,813,794	Reserves - Cash Backed	8	2,835,288
0	Reserves - Asset Revaluation	8	34,226,105
26,201,605	TOTAL EQUITY		63,058,509

This Statement is to be read in conjunction with the accompanying Notes.

Shire of York
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 30 JUNE 2010

	NOTES	RETAINED SURPLUS	RESERVES (CASH BACKED)	ASSET REVALUATION RESERVES	TOTAL EQUITY
Balance As At 30 June 2008		21,756,806	2,034,539	0	23,791,345
Net Result	4	2,410,260	0	0	2,410,260
Total Other Comprehensive Income		0	0	0	0
Transfer to / from Reserves	8	(779,255)	779,255	0	0
Rounding					
Balance As At 30 June 2009		23,387,811	2,813,794	0	26,201,605
Net Result	4	2,630,799	0	0	2,630,799
Total Other Comprehensive Income	8	0	0	34,226,105	34,226,105
Transfer to / from Reserves	8	(21,494)	21,494	0	0
Rounding					
Balance As At 30 June 2010		25,997,116	2,835,288	34,226,105	63,058,509

This Statement is to be read in conjunction with the accompanying Notes.

Shire of York
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 JUNE 2010

2008/09 ACTUAL		NOTES	2009/10 ADOPTED BUDGET	2009/10 ACTUAL
\$	Cash Flows from Operating Activities		\$	\$
	Receipts			
2,779,617	Rates		2,985,237	2,949,317
1,827,586	Grants, Subsidies and Contributions for Operations		1,631,102	1,128,130
855,489	Fees and Charges		1,084,492	897,411
200,420	Interest Earnings		171,669	188,544
343,334	GST Receivable		340,000	262,947
139,827	Other Revenue		137,885	156,710
6,146,273	Total Receipts		6,350,385	5,583,059
	Payments			
(1,783,009)	Employee Costs		(2,014,495)	(1,590,335)
(1,252,368)	Materials and Contracts		(3,055,337)	(1,745,021)
(173,646)	Utilities		(216,432)	(199,693)
(174,159)	Insurance		(174,405)	(172,170)
(4,959)	Interest Expenses		(17,980)	(4,382)
(325,668)	GST Payable		(340,000)	(351,307)
(350,337)	Other		(408,222)	(743,353)
(4,064,146)	Total Payments		(6,226,871)	(4,806,260)
2,082,127	Net Cash flows from Operating Activities	9	123,514	776,799
	Cash flows from Investing Activities			
	Payments			
(231,794)	Purchase Land and Buildings		(2,382,259)	(464,795)
(1,590,323)	Purchase Infrastructure Assets		(4,162,090)	(2,976,189)
(400,620)	Purchase Plant and Equipment		(1,199,570)	(772,030)
(50,384)	Purchase Furniture and Equipment		(99,000)	(69,919)
(2,273,121)			(7,842,919)	(4,282,933)
	Receipts			
1,396,649	Grants & Contributions for the Development of Assets	2	4,292,194	2,022,685
0	Disposal of Land	6(a)	1,248,182	40,000
127,577	Disposal of Plant and Equipment	6(a)	446,800	211,867
1,524,226			5,987,176	2,274,552
(748,895)	Net cash flows from Investing Activities		(1,855,743)	(2,008,381)
	Cashflows from Financing Activities			
0	Proceeds from Borrowings		1,000,000	0
7,799	Principal Repayments Received - Loans		8,363	8,363
(7,799)	Loan Repayments- Principal	7(c)	(22,491)	(8,363)
0	Net cash flows from Financing Activities		985,872	0
1,333,232	Net (decrease)/increase in cash held		(746,357)	(1,231,582)
2,598,486	Cash at the Beginning of Reporting Period		3,931,718	3,931,718
0	Rounding		0	0
3,931,718	Cash at the End of Reporting Period	9	3,185,361	2,700,136

This Statement is to be read in conjunction with the accompanying Notes.

Shire of York
RATE SETTING STATEMENT
FOR THE YEAR ENDING 30 JUNE 2010

2008/09 ACTUAL		NOTES	2009/10 ADOPTED BUDGET	2009/10 ACTUAL
\$			\$	\$
	OPERATING REVENUE	1,3,4,15,16		
1,633,926	General Purpose Funding		1,049,230	1,394,533
249,232	Governance		1,128,150	400,787
60,978	Law, Order, Public Safety		269,329	181,540
25,808	Health		57,000	18,532
19,526	Education and Welfare		19,800	19,843
588,902	Community Amenities		668,025	661,876
104,272	Recreation and Culture		2,174,274	1,007,264
1,428,962	Transport		1,563,091	1,043,106
53,161	Economic Services		125,700	134,048
166,297	Other Property and Services		276,656	235,307
4,331,064			7,331,255	5,096,836
	LESS OPERATING EXPENDITURE	1,3,4,17,18		
(135,331)	General Purpose Funding		(160,019)	(88,151)
(409,989)	Governance		(1,667,171)	(514,697)
(305,113)	Law, Order, Public Safety		(355,006)	(326,266)
(186,076)	Health		(320,300)	(178,169)
(56,048)	Education and Welfare		(86,129)	(59,373)
(908,634)	Community Amenities		(1,292,974)	(1,000,408)
(1,040,248)	Recreation and Culture		(1,468,483)	(1,192,419)
(1,291,581)	Transport		(2,320,154)	(1,472,122)
(321,241)	Economic Services		(516,010)	(496,008)
(149,632)	Other Property and Services		(88,000)	(267,966)
(4,803,893)			(8,274,246)	(5,595,579)
(472,829)	<i>Increase/(Decrease)</i>		(942,991)	(498,743)
	ADD			
6,433	Increase/(Decrease) in LSL Cash held in Current Position		5,323	5,702
4,083	Increase/(Decrease) in Non Current Employee Provisions		0	(3,025)
(4,039)	Increase/(Decrease) in Non Current Debtors Rates	34	0	431
7,799	Principal Repay-Sporting & Community Organisations		8,363	8,363
5,919	Profit/(Loss) on Disposal of Assets	2,6	994,704	80,821
1,116,696	Depreciation Written Back	18	2,139,000	1,103,167
121,658	Book Value of Assets Sold Written Back	6(a)	700,278	171,045
1,258,549			3,847,668	1,366,504
	LESS CAPITAL PROGRAMME			
(231,794)	Purchase Land and Buildings	24	(2,382,259)	(464,795)
(1,590,323)	Infrastructure Assets	24	(4,162,090)	(2,976,189)
(400,620)	Purchase Plant & Equipment	24	(1,199,570)	(772,030)
(50,384)	Purchase Furniture & Equipment	24	(99,000)	(69,919)
(7,799)	Repayment of Debt-Principal	7(c)	(22,491)	(8,363)
(1,032,173)	Transfers to Reserve	8	(1,636,669)	(796,682)
(3,313,093)			(9,502,079)	(5,087,978)
	LESS - FUNDING FROM			
252,918	Reserves	8	1,424,384	775,188
0	Loans	7	1,000,000	0
544,065	Opening Surplus / (Deficit)	23(b)	1,146,040	1,146,781
(1,146,781)	Closing Surplus / Deficit		0	(750,473)
2	Rounding			0
(2,877,169)	AMOUNT MADE UP FROM RATES		(3,026,978)	(3,048,721)

This Statement is to be read in conjunction with the accompanying Notes.

Shire of York
STATEMENT OF RATING INFORMATION
FOR THE YEAR ENDING 30TH JUNE 2010

	CURRENT YEAR ESTIMATED										CURRENT YEAR ACTUAL									
	2009/2010					2009/2010					2009/2010					2009/2010				
	GENERAL RATE		MINIMUM RATE			TOTAL	GENERAL RATE		MINIMUM RATE			TOTAL	GENERAL RATE		MINIMUM RATE			TOTAL		
No. of Prop.	Rateable Value \$	Rate in \$	Rate Yield \$	No.	Minimums Rateable Value \$		Min. Rate \$	Yield \$	Rateable Value \$	Rate in \$	Rate Yield \$		No.	Minimums Rateable Value \$	Min. Rate \$	Yield \$				
GROSS RENTAL VALUED PROPERTIES																				
General Rate GRV	1,203	11,541,746	0.104986	1,211,722	609	3,374,796	710	432,390	1,211,722	1,203	11,541,746	0.104986	1,211,722	609	3,374,796	710	432,390	1,211,722		
Minimum Rate (2)																				
UNIMPROVED VALUED PROPERTIES																				
General Rate UV	441	257,854,000	0.004699	1,211,656	187	22,540,190	830	155,210	1,211,656	441	257,854,000	0.004699	1,211,656	187	22,540,190	830	155,210	1,211,656		
Minimum Rate (2)																				
Interim Rates Back Rates																				
SUB TOTAL GENERAL RATE	1,644	269,395,746		2,423,378	796	25,914,986	1,540	603,600	3,026,978	1,644	269,395,746		2,423,378	796	25,914,986	1,540	625,343	3,048,721		
GRAND TOTAL	1,644	269,395,746		2,423,378	796	25,914,986	1,540	603,600	3,026,978	1,644	269,395,746		2,423,378	796	25,914,986	1,540	625,343	3,048,721		

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

(1) SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted by Council in the preparation of the financial report are:

1.0 Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

2.0 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 report, but a separate statement of those monies appears at Note 10 on the financial report.

3.0 Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST.

4.0 Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the Statement of Financial Position.

5.0 Trade and Other Receivables

Trade receivables, which generally have 30 – 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

Collectability of trade 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.

6.0 Inventories

6.1 General

Inventories are valued 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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

6.2 Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realised value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the Statement of Comprehensive Income as at the time of signing a binding contract of sale.

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

7.0 Fixed Assets

7.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

7.2 Revaluation

Certain asset classes may be re-valued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a re-valued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be re-valued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

The "Roman" Road Inventory System is the method used by Council to value its road network the class of asset is valued at replacement cost and depreciation and accumulated into account the condition of the roads. Physical inspections of the road network are continually undertaken.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

7.3 Land under Roads

Land under roads acquired prior to 1st July 2008 is excluded from infrastructure in accordance with AAS 1051. Regulation 16 of the Local Government (Financial Management) Regulations provide that the Financial Report.

(a) is not to include as an asset -

(i) Crown land that is a public thoroughfare, the responsibility for managing which is vested in the local government; or

(ii) land that is not owned by the local government but which is under the Control or management of the local government (whether that land is Crown land or is owned by another person, or not); and

(b) is to include as an asset a structure or any other improvement placed by the local government on land referred to in paragraph (a).

8.0 Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods 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
Bridges, Drainage	1.3%
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

9.0 Investments and Other Financial Assets

9.1 Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at Initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if required principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

(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. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

9.2 Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date-the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Statement of Comprehensive Income. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Income as gains and losses from investment securities.

9.3 Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at their value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the Statement of Comprehensive Income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the Statement of Comprehensive Income as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

9.4 Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

10.0 Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quote market prices at the Statement of Financial Position date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

11.0 Impairment

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 estimate of the recoverable amount of the asset is made in accordance with AASB 136 *'Impairment of Assets'* and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

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.

12.0 Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

13.0 Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

14.0 Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

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.

15.0 Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required I settlement I settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

16.0 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 company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

17.0 Joint Venture

Information about the joint venture is provided at Note 33 in the Financial Report.

18.0 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 at Note 5 in the financial report.

19.0 Superannuation

The Shire contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

20.0 Rounding Off Figures

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

21.0 Comparative Figures

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

22.0 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 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 resale where it is held as non-current based on Council's intentions to release for sale.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

23.0 Budget Comparative Figures

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

24.0 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 became mandatory and which were applicable to its operations.

The following is an explanation of the impact of the adoption of these standards and interpretations has had on the financial statements of the Council.

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Council's financial statements.

Disclosure Impact

Terminology changes – The revised version of the AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity - The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required owner changes in equity and other comprehensive income to be presented in the statement of changes in equity.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either a single statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Council has adopted the single statement approach and the financial statements now contain a statement of comprehensive income.

Other Comprehensive Income – The revised version of AASB 101 introduced the concept of 'other comprehensive income' which comprises income and expenses not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

New Accounting Standards and Interpretations for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ended 30 June 2010.

Council's assessment of these new standards and interpretations is set out below.

Title and topic	Issued	Applicable	Impact
(i) AASB 9 – Financial Instruments	Dec-09	1-Jan-13	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 that the standard will have any material effect.
(ii) AASB 124 – Related Party Disclosures	Dec-09	1-Jan-11	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

Title and topic	Issued	Applicable	Impact
(iii) AASB 2009-5 – Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	May-09	1-Jan-10	Nil – The revisions are part of the AASB’s annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(iv) AASB 2009-8 – Amendments to Australian Accounting Standards – Group Cash – Settled Share-based Payment Transactions [AASB 2]	Jul-09	1-Jan-10	Nil – The Council will not have applicable transactions.
(v) AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	Dec-09	1-Jan-11	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB 8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(vi) AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and interpretations 10 & 12]	Dec-09	1-Jan-13	Nil – The revisions embodied in this standard give effect to consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above).
(vii) AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	Dec-09	1-Jul-10	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2010-1 Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters [AASB 1 & AASB 7]	Feb-10	1-Jul-10	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2009-10 Amendments to Australian Accounting Standards – Classifications of Rights Issues [AASB132]	Oct-09	1-Feb-10	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments	Dec-09	1-Jul-10	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2009- 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	Dec-09	1-Jan-11	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

2 REVENUES AND EXPENSES

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

<u>Actual 2008/2009</u>		<u>Adopted Budget 2009/2010</u>	<u>Actual 2009/2010</u>
\$		\$	\$
<u>1,116,696</u>	Charging as Expenses		
	Depreciation on Non-Current Assets	<u>2,139,000</u>	<u>1,103,167</u>
<u>8,136</u>	Charging as Expenses		
	Auditors Remuneration	<u>12,000</u>	<u>10,840</u>
	Crediting as Revenue		
	Profit(Loss) on Sale of Non-Current Assets		
0	Land	613,592	40,000
0	Building	0	0
5,919	Plant and Equipment	381,112	40,821
0	Furniture and Equipment	0	0
<u>5,919</u>		<u>994,704</u>	<u>80,821</u>
	Grants, Subsidies and Contributions		
1,630,544	Grants and Subsidies used in Operations	1,230,972	1,546,783
309,424	Contributions & Donations used in Operations	400,130	293,154
<u>1,939,968</u>		<u>1,631,102</u>	<u>1,839,937</u>
1,292,565	Grants and Subsidies used for the Development of Assets	4,069,194	1,805,163
13,928	Contributions & Donations used for the Development of Assets	223,000	217,522
<u>1,306,493</u>		<u>4,292,194</u>	<u>2,022,685</u>

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

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 the Youth Advisory Committee and other 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 Business Enterprise Centre and Standpipes.

OTHER PROPERTY AND SERVICES

Private works carried out by Council, Public Works Overhead allocations, Plant Operation Cost allocations and Stock.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

4 REVENUES AND EXPENSES BY NATURE AND TYPE

Revenues and Expenses classified according to nature and type.

<u>Actual</u> <u>2008/2009</u>		<u>Adopted</u> <u>Budget</u> <u>2009/2010</u>	<u>Actual</u> <u>2009/2010</u>
\$		\$	\$
	Operating Expenses		
1,781,653	Employee Costs	2,065,482	1,662,441
1,194,946	Materials and Contracts	3,252,725	1,673,567
1,116,696	Depreciation of Non-Current Assets	2,139,000	1,103,167
173,646	Utility Charges (Gas, Electricity, Water, etc)	216,432	199,693
174,159	Insurance Expenses	174,405	172,170
4,959	Interest Expenses	17,980	4,380
0	Loss on Sale of Assets	0	0
357,833	Other Expenditure	408,222	780,161
<u>4,803,892</u>		<u>8,274,246</u>	<u>5,595,579</u>
	Operating Revenues		
2,877,169	Rates - General	3,026,978	3,048,721
200,420	Interest Earned	171,669	188,544
3,246,461	Grants, Subsidies and Contributions	5,923,296	3,862,622
731,052	Fees and Charges	1,098,405	896,806
5,919	Profit on Sale of Assets	994,704	80,821
153,131	Other Revenue/Income	137,885	148,864
<u>7,214,152</u>		<u>11,352,937</u>	<u>8,226,378</u>
<u>2,410,260</u>	NET RESULT	<u>3,078,691</u>	<u>2,630,799</u>
	Other Comprehensive Income		
0	Changes on Revaluation of Non-Current Assets	0	34,226,105
<u>0</u>	Total Other Comprehensive Income	<u>0</u>	<u>34,226,105</u>
<u>2,410,260</u>	TOTAL COMPREHENSIVE INCOME	<u>3,078,691</u>	<u>36,856,904</u>

5 CASH AND CASH EQUIVALENTS

<u>Actual</u> <u>2008/2009</u>		<u>Adopted</u> <u>Budget</u> <u>2009/2010</u>	<u>Actual</u> <u>2009/2010</u>
\$		\$	\$
3,930,868	Cash at Bank	3,184,511	2,699,286
850	Cash on Hand	850	850
<u>3,931,718</u>	Total Cash - Sub Total	<u>3,185,361</u>	<u>2,700,136</u>
	Represented by:-		
2,813,794	Restricted Cash	3,026,079	2,835,288
1,117,924	Unrestricted Cash	159,282	(135,152)
<u>3,931,718</u>		<u>3,185,361</u>	<u>2,700,136</u>

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

The following restrictions on cash have been imposed by regulations or other imposed requirements:

Actual 2008/2009		Actual 2009/2010
\$		\$
343,415	Plant Reserve	360,887
19,401	Avon River Reserve	20,388
320,410	Recreation Complex Reserve	114,977
11,870	Town Planning Reserve	12,474
188,346	Refuse Site Reserve	197,928
88,764	Industrial Land Reserve	93,280
19,135	Residency Museum Reserve	20,109
129,464	Pioneer memorial Lodge Reserve	131,467
301	Public Open Space Reserve	317
36,650	Community Bus Reserve	40,142
105,827	Centennial Gardens Reserve	106,652
56,671	Car Parking Reserve	59,554
21,246	Archives Reserve	22,327
22,962	Disaster Reserve	24,130
6,778	Water Supply Reserve	6,778
765,174	Tied Grant Funding Reserve	919,886
112,069	Staff Leave Reserve (LSL)	117,771
113,053	Main Street (Town Precinct) Upgrade Reserve	118,805
57,852	Building Reserve	60,795
18,653	Strategic Planning Reserve	11,755
26,009	Cemetery Reserve	27,332
39,022	York Town Hall Reserve	41,007
22,209	Youth Capital Works Reserve	23,339
57,387	Roads Reserve	60,307
191,315	Land Acquisition & Development Reserve	201,049
20,867	Greenhills Townsite Development Reserve	21,929
18,942	RSL Memorial Reserve	19,906
2	Rounding	0
2,813,794		2,835,288

Grants recognised as revenues during the financial year in respect of which expenditure had not been made are transferred to the Tied Grant Funding Reserve. Funds held in this Reserve are detailed as follows;

Actual 2008/2009	Received	Details	Actual 2009/2010
\$			\$
20,830	2000/2001	Bridge/Road Funds	
		- Mackie Bridge No.4166	20,830
10,000	2003/2004	- Greenhills Bridge No.4165	10,000
2,307	2005/2006	- Roads to Recovery 05/06 Funding	0
272,000	2008/2009	- Mannavale Rd Bridge No. 4152	0
234,000	2008/2009	- Qualen West Rd Bridge No. 4153	0
8,000	2008/2009	- Spencers Brook Rd Bridge No.4154	8,000
	2009/2010	- R4R Grant-Avon TCE/Ford St Drains	54,862
		Unspent Grant Funds Other	
20,000	2007/2008	- SEAVROC Crime Prevention Grant	20,000
45,000	2007/2008	- SEAVROC Zero Waste Plan Grant	45,000
17,988	2006/2007	- SEAVROC Awareness Training Grant	17,988
11,866	2006/2007	- SEAVROC Your Welcome Grant	11,866
117,683	2008/2009	- SEAVROC Connecting Local Governments	117,683
1,500	2006/2007	- YAC Directions LCP Leadership Programme	1,500
4,000	2005/2006	- York War Memorial	4,000
	2009/2010	- R4R Grant-Colocation Facility	608,157
765,174			919,886

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

6 PROPERTY, PLANT, EQUIPMENT AND INFRASTRUCTURE

(a) Sale of Assets

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

	Proceeds		Written Down		Gain(Loss)	
	Sale of Assets		Value		on Disposal	
	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010	2009/2010
	Adopted		Adopted		Adopted	
	Budget	Actual	Budget	Actual	Budget	Actual
	\$	\$	\$	\$	\$	\$
Asset by Class						
Plant and Equipment	446,800	211,867	388,557	171,046	58,243	40,821
Land	1,248,182	40,000	311,721	0	936,461	40,000
TOTAL BY CLASS OF ASSETS	1,694,982	251,867	700,278	171,046	994,704	80,821

(b) Borrowing Costs Incurred and Capitalised as Part of a Qualifying Asset

No Borrowing Costs were incorporated in the Financial Statement as Assets purchased are to be funded from General Purpose Funding.

(c) Property, Plant, Equipment and Infrastructure Classified according to Class

Actual 2008/2009			Actual 2009/2010	
\$	\$		\$	\$
660,658	660,658	Land (at cost)	769,311	769,311
5,315,366		Buildings (at cost)	5,671,509	
(1,580,788)	3,734,578	Less Accumulated Depreciation	(1,721,343)	3,950,166
848,051		Furniture and Fittings (at cost)	917,970	
(647,974)	200,077	Less Accumulated Depreciation	(695,007)	222,963
3,385,227		Plant and Equipment (at cost)	3,725,904	
(1,630,114)	1,755,113	Less Accumulated Depreciation	(1,747,194)	1,978,710

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

Actual 2008/2009		Actual 2009/2010	
\$	\$	\$	\$
<u>Infrastructure Assets</u>			
48,332,950		52,919,582	
<u>(35,773,174)</u>	12,559,776	<u>(5,061,138)</u>	47,858,444
Roads (at valuation) Less Accumulated Depreciation			
465,254		465,254	
<u>(68,216)</u>	397,038	<u>(69,740)</u>	395,514
Drainage (at cost) Less Accumulated Depreciation			
721,590		721,590	
<u>(412,634)</u>	308,956	<u>(442,678)</u>	278,912
Park Plant & Equipment (at cost) Less Accumulated Depreciation			
104,398		104,398	
<u>0</u>	104,398	<u>0</u>	104,398
Parks & Ovals (at cost) Less Accumulated Depreciation			
2,895,102		4,307,576	
<u>(258,246)</u>	2,636,856	<u>(273,719)</u>	4,033,857
Other Structures (at cost) Less Accumulated Depreciation			
	<u>(1)</u>	Rounding	<u>(1)</u>
<u>22,357,449</u>		<u>59,592,274</u>	
TOTAL PROPERTY, PLANT, EQUIPMENT AND INFRASTRUCTURE			

Assets at cost are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 "Impairment of Assets".

During 2009/2010, the Shire engaged Cardno Pty Ltd to conduct a full road inventory and condition rating audit. This audit resulted in the Shire revaluing its Road Assets to reflect the current replacement valuation less depreciation based on the current condition.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

(d) 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.

Program	Land	Buildings	Furniture and Equipment	Plant and Equipment	Infrastructure	Total
	\$	\$	\$	\$	\$	\$
Asset Balance at the beginning of the year	660,659	5,315,366	848,051	3,385,226	52,519,294	62,728,596
Assets Acquired during the year	108,652	356,143	69,919	772,030	2,976,189	4,282,933
Assets Disposed during the year	0	0	0	(431,352)	0	(431,352)
Revaluation Increments/ (decrements)	0	0	0	0	3,022,917	3,022,917
Asset Balance at the end of the year	769,311	5,671,509	917,970	3,725,904	58,518,400	69,603,094
Depreciation at the beginning of the year	0	1,580,789	647,975	1,630,113	36,512,269	40,371,146
Depreciation Expense Raised	0	140,555	47,033	377,387	538,193	1,103,168
Depreciation Expense Written Back on Disposals	0	0	0	(260,307)	0	(260,307)
Revaluation Increments/ (decrements)	0	0	0	0	(31,203,188)	(31,203,188)
Depreciation at the end of Year	0	1,721,344	695,008	1,747,193	5,847,274	10,010,819
Rounding		1	1	(1)	(1)	(1)
Net Asset Values at the end of the year	769,311	3,950,166	222,963	1,978,710	52,671,125	59,592,274

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

7 BORROWINGS

(a) The Shire of York Borrowings are summarised as:

Actual 2008/2009 \$		Adopted Budget 2009/2010 \$	Actual 2009/2010 \$
8,363	Current Borrowings		
	Loan Debentures	8,968	8,968
<u>8,363</u>	BALANCE AS AT 30TH JUNE	<u>8,968</u>	<u>8,968</u>
	Non Current Borrowings		
58,067	Loan Debentures	49,098	49,098
<u>58,067</u>	BALANCE AS AT 30TH JUNE	<u>49,098</u>	<u>49,098</u>
<u>66,430</u>	TOTAL BORROWINGS AS AT 30TH JUNE	<u>58,066</u>	<u>58,066</u>

(b) Loans Raised during the Financial Year

	Adopted Budget 2009/2010 \$	Actual 2009/2010 \$
Archives Facility	200,000	0
Co-Location Facility	350,000	0
Forrest Oval Redevelopment Stage 1	250,000	0
Forrest Oval Redevelopment Stage 1	200,000	0
	<u>1,000,000</u>	<u>0</u>

No new Loans were raised during the 2009/2010 financial year.

(c) Loan Repayments

Council's Loan Liability is summarised as:

Program	Loan No.	Principal 1/07/2009 \$	Loans Raised 2009/2010 \$	Interest		Loan Repayment		Principal 30/6/10 \$
				Adopted Budget 2009/2010 \$	Actual 2009/2010 \$	Adopted Budget 2009/2010 \$	Actual 2009/2010 \$	
Community Amenities								
(*) Water Supply - Loan 60		66,430	0	4,380	4,577	8,363	8,363	58,067
Recreation & Culture								
Co-Location Facility		0	0	5,950	0	6,181	0	0
Forrest Oval Stage 1		0	0	4,250	0	4,415	0	0
Forrest Oval Stage 2		0	0	0	0	0	0	0
Other Property & Services								
Archive Facility		0	0	3,400	0	3,532	0	0
SUB TOTAL		<u>66,430</u>	<u>0</u>	<u>17,980</u>	<u>4,577</u>	<u>22,491</u>	<u>8,363</u>	<u>58,067</u>

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

Program	Loan No.	Principal 1/07/2009	Loans Raised 2009/2010	Interest		Loan Repayment		Principal 30/6/10
				Adopted Budget 2009/2010	Actual 2009/2010	Adopted Budget 2009/2010	Actual 2009/2010	
				\$	\$	\$	\$	
LESS Change in Net Accrual					(197)			
TOTAL		106,425	0	17,980	4,380	22,491	8,363	58,067
Loan Repayments to be financed by the Shire				13,600	0	14,128	0	
Loan Repayments reimbursed from external sources				4,380	4,577	8,363	8,363	
TOTAL				17,980	4,577	22,491	8,363	

(*) 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.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

8 RESERVES

In accordance with Financial Management Regulation 38 the following Reserve account information is disclosed.

The transactions of the Reserve Funds are summarised as:

(a) Reserves - Cash Backed

Actual 2008/2009		Adopted Budget 2009/2010	Actual 2009/2010
\$		\$	\$
Plant Replacement Reserve			
281,173	Balance brought forward 1st July	343,415	343,415
258,435	Plus transfer from General Purpose Funding	281,312	17,472
(196,193)	Less transfer To General Purpose Funding	(423,400)	0
343,415	BALANCE AS AT 30TH JUNE	201,327	360,887
Avon River Reserve			
18,288	Balance brought forward 1st July	19,401	19,401
1,113	Plus transfer from General Purpose Funding	922	987
0	Less transfer To General Purpose Funding	0	0
19,401	BALANCE AS AT 30TH JUNE	20,323	20,388
Recreation Complex Reserve			
264,314	Balance brought forward 1st July	320,410	320,410
56,096	Plus transfer from General Purpose Funding	15,219	14,567
0	Less transfer To General Purpose Funding	(220,000)	(220,000)
320,410	BALANCE AS AT 30TH JUNE	115,629	114,977
Town Planning Reserve			
11,189	Balance brought forward 1st July	11,870	11,870
681	Plus transfer from General Purpose Funding	564	604
0	Less transfer To General Purpose Funding	0	0
11,870	BALANCE AS AT 30TH JUNE	12,434	12,474
Refuse Site Development Reserve			
177,534	Balance brought forward 1st July	188,346	188,346
10,812	Plus transfer from General Purpose Funding	8,946	9,582
0	Less transfer To General Purpose Funding	(29,000)	0
188,346	BALANCE AS AT 30TH JUNE	168,292	197,928
Industrial Land Reserve			
83,669	Balance brought forward 1st July	88,764	88,764
5,095	Plus transfer from General Purpose Funding	4,216	4,516
0	Less transfer To General Purpose Funding	0	0
88,764	BALANCE AS AT 30TH JUNE	92,980	93,280
Residency Museum Reserve			
18,037	Balance brought forward 1st July	19,136	19,136
1,098	Plus transfer from General Purpose Funding	909	973
0	Less transfer To General Purpose Funding	(5,000)	0
19,135	BALANCE AS AT 30TH JUNE	15,045	20,109

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

<u>Actual</u> <u>2008/2009</u> \$		<u>Adopted</u> <u>Budget</u> <u>2009/2010</u> \$	<u>Actual</u> <u>2009/2010</u> \$
Pioneer Memorial Lodge Reserve			
137,594	Balance brought forward 1st July	129,464	129,464
8,379	Plus transfer from General Purpose Funding	6,150	6,625
(16,509)	Less transfer To General Purpose Funding	(16,550)	(4,622)
129,464	BALANCE AS AT 30TH JUNE	119,064	131,467
Public Open Space Reserve			
284	Balance brought forward 1st July	302	302
17	Plus transfer from General Purpose Funding	14	15
0	Less transfer To General Purpose Funding	0	0
301	BALANCE AS AT 30TH JUNE	316	317
Community Bus Reserve			
31,615	Balance brought forward 1st July	36,650	36,650
5,035	Plus transfer from General Purpose Funding	3,241	3,492
0	Less transfer To General Purpose Funding	0	0
36,650	BALANCE AS AT 30TH JUNE	39,891	40,142
Centennial Gardens Reserve			
98,288	Balance brought forward 1st July	105,827	105,827
7,539	Plus transfer from General Purpose Funding	5,027	5,384
0	Less transfer To General Purpose Funding	(27,023)	-4,559
105,827	BALANCE AS AT 30TH JUNE	83,831	106,652
Car Parking Reserve			
53,418	Balance brought forward 1st July	56,671	56,671
3,253	Plus transfer from General Purpose Funding	2,692	2,883
0	Less transfer To General Purpose Funding	0	0
56,671	BALANCE AS AT 30TH JUNE	59,363	59,554
Archives Reserve			
44,867	Balance brought forward 1st July	21,246	21,246
2,732	Plus transfer from General Purpose Funding	1,009	1,081
-26,353	Less transfer To General Purpose Funding	0	0
21,246	BALANCE AS AT 30TH JUNE	22,255	22,327
Disaster Reserve			
21,644	Balance brought forward 1st July	22,962	22,962
1,318	Plus transfer from General Purpose Funding	1,091	1,168
0	Less transfer To General Purpose Funding	0	0
22,962	BALANCE AS AT 30TH JUNE	24,053	24,130
Water Supply Reserve			
6,778	Balance brought forward 1st July	6,778	6,778
0	Plus transfer from General Purpose Funding	0	0
0	Less transfer To General Purpose Funding	0	0
6,778	BALANCE AS AT 30TH JUNE	6,778	6,778

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

Actual 2008/2009		Adopted Budget 2009/2010	Actual 2009/2010
\$		\$	\$
Tied Grant Funding Reserve			
147,354	Balance brought forward 1st July	765,174	765,174
631,683	Plus transfer from General Purpose Funding	0	692,873
(13,863)	Less transfer To General Purpose Funding	(610,911)	-538,161
<u>765,174</u>	BALANCE AS AT 30TH JUNE	<u>154,263</u>	<u>919,886</u>
Staff Leave Reserve			
105,636	Balance brought forward 1st July	112,069	112,069
6,433	Plus transfer from General Purpose Funding	5,323	5,702
0	Less transfer To General Purpose Funding	0	0
<u>112,069</u>	BALANCE AS AT 30TH JUNE	<u>117,392</u>	<u>117,771</u>
Main St (Town Precinct) Upgrade Reserve			
106,563	Balance brought forward 1st July	113,053	113,053
6,490	Plus transfer from General Purpose Funding	5,370	5,752
0	Less transfer To General Purpose Funding	0	0
<u>113,053</u>	BALANCE AS AT 30TH JUNE	<u>118,423</u>	<u>118,805</u>
Buildings Reserve			
54,531	Balance brought forward 1st July	57,852	57,852
3,321	Plus transfer from General Purpose Funding	2,748	2,943
0	Less transfer To General Purpose Funding	0	0
<u>57,852</u>	BALANCE AS AT 30TH JUNE	<u>60,600</u>	<u>60,795</u>
Strategic Planning Reserve			
17,582	Balance brought forward 1st July	18,653	18,653
1,071	Plus transfer from General Purpose Funding	886	949
0	Less transfer To General Purpose Funding	(18,500)	-7,847
<u>18,653</u>	BALANCE AS AT 30TH JUNE	<u>1,039</u>	<u>11,755</u>
Cemetery Reserve			
24,516	Balance brought forward 1st July	26,009	26,009
1,493	Plus transfer from General Purpose Funding	1,235	1,323
0	Less transfer To General Purpose Funding	0	0
<u>26,009</u>	BALANCE AS AT 30TH JUNE	<u>27,244</u>	<u>27,332</u>
York Town Hall Reserve			
36,782	Balance brought forward 1st July	39,022	39,022
2,240	Plus transfer from General Purpose Funding	1,854	1,985
0	Less transfer To General Purpose Funding	-15,000	0
<u>39,022</u>	BALANCE AS AT 30TH JUNE	<u>25,876</u>	<u>41,007</u>

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

<u>Actual</u> <u>2008/2009</u> \$		<u>Adopted</u> <u>Budget</u> <u>2009/2010</u> \$	<u>Actual</u> <u>2009/2010</u> \$
Youth Capital Works Reserve			
20,934	Balance brought forward 1st July	22,209	22,209
1,275	Plus transfer from General Purpose Funding	1,055	1,130
0	Less transfer To General Purpose Funding	(23,000)	0
<u>22,209</u>	BALANCE AS AT 30TH JUNE	<u>264</u>	<u>23,339</u>
Roads Reserve			
54,093	Balance brought forward 1st July	57,387	57,387
3,294	Plus transfer from General Purpose Funding	27,726	2,920
0	Less transfer To General Purpose Funding	0	0
<u>57,387</u>	BALANCE AS AT 30TH JUNE	<u>85,113</u>	<u>60,307</u>
Land & Infrastructure Development Reserve			
180,333	Balance brought forward 1st July	191,315	191,315
10,982	Plus transfer from General Purpose Funding	1,257,269	9,733
0	Less transfer To General Purpose Funding	0	0
<u>191,315</u>	BALANCE AS AT 30TH JUNE	<u>1,448,584</u>	<u>201,048</u>
Greenhills Townsite Development Reserve			
19,669	Balance brought forward 1st July	20,867	20,867
1,198	Plus transfer from General Purpose Funding	991	1,062
0	Less transfer To General Purpose Funding	(21,000)	0
<u>20,867</u>	BALANCE AS AT 30TH JUNE	<u>858</u>	<u>21,929</u>
RSL Memorial Reserve			
17,854	Balance brought forward 1st July	18,942	18,942
1,088	Plus transfer from General Purpose Funding	900	964
0	Less transfer To General Purpose Funding	(15,000)	0
<u>18,942</u>	BALANCE AS AT 30TH JUNE	<u>4,842</u>	<u>19,906</u>
2	Rounding	0	(2)
<u>2,813,794</u>	TOTAL RESERVES - CASH BACKED	<u>3,026,079</u>	<u>2,835,288</u>

All of the above Reserve Accounts are Cash Backed and are disclosed as Restricted Cash Assets in Note 5 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.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

(b) Purpose of Cash Backed Reserves

The purpose for which the abovementioned Reserves are set aside are as follows:

Plant Replacement Reserve

- to be used to fund plant purchase or major capital repairs

Avon River Reserve

- to maintain and protect the Avon River and its environs.

Recreation Complex Reserve

- to provide for the proposed multi purpose community centre and ongoing development of recreation facilities

Town Planning Reserve

- to develop and review the York Town Planning schemes and amendments

Refuse Site Development Reserve

- to be used for ongoing maintenance and development of Council's waste management facilities

Industrial Land Reserve

- for the continued development and expansion of an industrial subdivision within the Shire

Residency Museum Reserve

- to fund capital expenditure and maintenance of the historical museum

Pioneer Memorial Lodge Reserve

- to finance capital improvements and extensions to the seniors village (funded by the operational surplus of the Lodge)

Public Open Space Reserve

- for the expansion and development of passive recreation areas within the Shire

Community Bus Reserve

- to finance the changeover of the Community Bus (funded by the operational surplus of the Community Bus)

Centennial Gardens Reserve

- to be used for further expansion and capital repairs of the existing units

Car Parking Reserve

- to fund the management and control of parking facilities in accordance with Council's Parking Plan

Archives Reserve

- to provide a secure building for the safe storage of Council's Archival Records

Disaster Reserve

- a contingency reserve to help fund recovery from any natural disaster

Water Supply Reserve

- to hold funds raised through the water supply charge until the loan repayment is due

Tied Grant Funding Reserve

- to segregate grant funds provided for specific projects until those projects are carried out

Staff Leave Reserve

- to fund annual and long service leave requirements

Main St (Town Precinct) Upgrade Reserve

- to provide funds to upgrade the Main St and the development of a Town Precinct

Buildings Reserve

- for the construction and major capital improvements to all Council buildings

Strategic Planning Reserve

- to provide for the preparation, ongoing replacement, amendment and printing costs associated with the Strategic Plan

Cemetery Reserve

- to provide for the ongoing development of the existing York Cemetery or the development of a new site at a location to be determined

York Town Hall Reserve

- to provide for the ongoing development of the existing Town Hall in recognition of its significant heritage value to residents of the Shire

Youth Capital Works Reserve

- to provide for youth related infrastructure requirements

Roads Reserve

- to provide for future road resealing requirements

Land & Infrastructure Development Reserve

- for the purpose of funding the purchase of land and or buildings or the construction of buildings

Greenhills Townsite Development Reserve

- to provide funds to enhance the amenity and economic potential of the Greenhills Townsite with such funds to be expended in consultation with the Greenhills Progress Association

RSL Memorial Reserve

- to provide for the upgrading of the RSL Memorial

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

(c) Reserves - Asset Revaluation

During 2009/2010 Financial year the Shire engaged Cardno Consultants to conduct a revaluation on the Shire Road Assets. This resulted in a revaluation of the assets as as such the establishment of this reserve.

The Asset Revaluation Reserve is not Cash Backed and future transactions in the Reserve will be in accordance with the Shire of York Accounting Policy.

Actual 2008/2009		Adopted Budget 2009/2010	Actual 2009/2010
\$		\$	\$
	Asset Revaluation Reserve (Roads)		
0	Balance brought forward 1st July	0	0
0	Revaluation of Assets during current financial year	0	34,226,105
0	BALANCE AS AT 30TH JUNE	0	34,226,105

9 CASH FLOW INFORMATION

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

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

Actual 2008/2009		Adopted Budget 2009/2010	Actual 2009/2010
\$		\$	\$
2,410,260	Change in net equity from operations	3,078,691	2,630,799
	<u>Non cash flows in change in Net Equity</u>		
1,116,696	Depreciation	2,139,000	1,103,167
(5,919)	Profit/loss on sale of Fixed Assets	(994,704)	(80,821)
29,244	Changes to provisions	50,987	72,159
7,496	Bad & Doubtful Debts	0	0
(1,396,649)	Grants, Subsidies and Contributions Towards the Development of Assets	(4,292,194)	(2,022,685)
	<u>Change in Assets and Liabilities</u>		
12,613	(Increase)/Decrease in Inventory	(4,236)	7,522
9,080	(Increase)/Decrease in Accounts Receivables	(55,654)	(863,580)
(100,693)	Increase/(Decrease) in Accounts Payables	201,624	(69,763)
(1)	Rounding	0	1
2,082,127	Cash flows from Operations	123,514	776,799
	Credit stand by arrangement and loan facilities		
	Council has a Credit Card facility of :-		
10,000	Credit Card Limit	10,000	10,000
(516)	Amount Utilised	0	(3,237)
	Council has Bank Overdraft facilities of:-		
500,000	Credit Facility	500,000	500,000
0	Amount Utilised	0	0
509,484	Unused Facility available	510,000	1,283,562

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

RECONCILIATION OF CASH

1,117,924	Cash at Bank - Operating	159,282	(135,152)
2,813,794	- Restricted Reserves	3,026,079	2,835,288
<u>3,931,718</u>	TOTAL CASH	<u>3,185,361</u>	<u>2,700,136</u>

10 TRUST FUND INFORMATION

In accordance with Financial Management Regulation 37 the transactions of the Trust Fund are summarised as follows:

TRUST FUND
FOR THE PERIOD ENDING 30 JUNE 2010

PARTICULARS	OPENING	RECEIPTS		PAYMENTS		CLOSING BALANCE	
	BALANCE	ADOPTED	ACTUAL	ADOPTED	ACTUAL	ADOPTED	ACTUAL
	1/07/2009	BUDGET	2009/2010	BUDGET	2009/2010	BUDGET	30/06/2010
	\$	\$	\$	\$	\$	\$	\$
DEPOSITS							
Bawden - Subdivision Deposit							
L202 Osnaburg Rd	16,386	0	411	0	0	16,386	16,797
BCITF	2,647	14,774	53,561	16,983	56,131	438	77
Bond Land/Building Sales	0	216	0	216	0	0	0
Bond Quarry License	4,500	4,000	0	0	0	8,500	4,500
Bonds Building	24,000	100	908	24,100	16,108	0	8,800
Bonds Halls etc	5,720	3,500	4,300	4,500	4,200	4,720	5,820
Bonds Rental Properties	2,250	0	544	0	1,050	2,250	1,744
Builders Reg Board Levy	482	4,736	5,880	4,680	6,337	538	25
Cash Adjustments	381	0	250	0	0	381	631
Cat Trap Bond	90	331	570	261	560	160	100
Crossovers Palmbrook	56,000	0	1,404	0	2,500	56,000	54,904
Footpath & Kerb Bonds	26,000	5,500	6,500	10,000	6,500	21,500	26,000
Footpath Palmbrook	50,688	0	1,208	0	2,500	50,688	49,396
Greenhills Bushfire Brigade	114	0	0	0	0	114	114
Intersection Bonds Palmbrook	21,750	0	545	0	0	21,750	22,295
Key Bonds	1,820	540	1,060	950	660	1,410	2,220
Leeuwin Contributions	800	200	0	1,000	0	0	800
Motor Cross Track	1,927	0	0	1,700	0	227	1,927
Palmbrook Defects Bond	71,719	4,328	2,377	0	72,672	76,047	1,424
Palmbrook Public Open Space	127,185	7,675	3,085	0	0	134,860	130,270
Pioneer Memorial Lodge	0	0	280	0	0	0	280
Police Licencing	0	1,968,592	1,656,463	1,968,592	1,656,463	0	0
Preisig Subdivision	23,184	0	2,263	0	0	23,184	25,447
Rural Numbering Palmbrook	1,820	0	0	0	0	1,820	1,820
Sale of Property - Non							
Payment of Rates	8,041	0	0	0	0	8,041	8,041
Settlers House Bonds	25,000	0	627	0	12,500	25,000	13,127
Staff Social Club	400	400	369	350	545	450	224
Subdivision Bonds	3,920	0	20,316	0	0	3,920	24,236
Total Group Cleaning Bond	1	0	0	0	0	1	1
Town Planning Bond	2,900	0	0	800	0	2,100	2,900
Water Loan Assess 8890	18,850	5,176	0	2,157	3,019	21,869	15,831
Youth Advisory Committee	8,589	68	1,153	8,000	0	657	9,742
Crossovers Bond Astone		0	6,000	0	0	0	6,000
Nomination Deposit		0	800	0	800	0	0
Crossovers Bond Avon Valley		0	8,250	0	0	0	8,250
Crossover Bond-Byrnes		0	3,034	0	3,034	0	0

Shire of York
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FOR THE YEAR ENDING 30 JUNE 2010

TRUST FUND
FOR THE PERIOD ENDING 30 JUNE 2010

PARTICULARS	OPENING BALANCE 1/07/2009 \$	RECEIPTS		PAYMENTS		CLOSING BALANCE	
		ADOPTED BUDGET 2009/2010 \$	ACTUAL 2009/2010 \$	ADOPTED BUDGET 2009/2010 \$	ACTUAL 2009/2010 \$	ADOPTED BUDGET 2009/2010 \$	ACTUAL 30/06/2010 \$
		Trust Fund Continued					
Subdivision Bonds-M Chitty		0	3,300	0	0	0	3,300
Crossover Bond-Schmidt		0	3,300	0	3,300	0	0
Crossover Bond-N Bliss		0	1,650	0	0	0	1,650
Crossover Bond-Smorenburg		0	1,650	0	0	0	1,650
Rounding	0			-1		1	0
TOTAL	547,159	2,020,136	1,792,058	2,044,288	1,848,879	483,011	490,702

11 COMPARISON WITH RATE SETTING BUDGET

The following information provides details of all income and expenditure together with movements to and from Reserve Accounts which have not been included in the Operating Statement but which have been included in the "Rate Setting Statement".

Actual 2008/2009 \$		Adopted Budget 2009/2010 \$	Actual 2009/2010 \$
	Non Operating Income		
7,799	Principal Repayment Received (Community Groups)	8,363	8,363
	Proceeds from Disposal of Assets:		
0	Land	1,248,182	40,000
127,577	Plant and Equipment	446,800	211,867
252,918	Transfer from Reserves	1,424,384	775,188
0	Loans - Raised	1,000,000	0
388,294	TOTAL	4,127,729	1,035,418
	Non Operating Expenditure		
231,794	Purchase Land and Buildings	2,382,259	464,795
400,620	Purchase Plant and Equipment	1,199,570	772,030
50,384	Purchase Furniture and Equipment	99,000	69,919
1,590,323	Infrastructure Assets-Roads	4,162,090	2,976,189
7,799	Repayments of Debt-Principal	22,491	8,363
0	Supply of Community Loans	0	0
1,032,173	Transfer to Reserves	1,636,669	796,682
3,313,093	TOTAL	9,502,079	5,087,978

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

12 RATING INFORMATION

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

(a) General and Minimum Rate

Actual 2008/2009		Adopted Budget 2009/2010	Actual 2009/2010
\$		\$	\$
0.104986	-General Rate Gross Rental Valued	0.104986	0.104986
\$700 pa	- Minimum Rate Gross Rental Valued	\$710 pa	\$710 pa
0.006437	-General Rate Unimproved Valued	0.004699	0.004699
\$820 pa	- Minimum Rate Unimproved Valued	\$830 pa	\$830 pa

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 2009/2010 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 the Local Government services and facilities.

For additional information on the rates levied refer to the "Statement of Rating Information".

(b) 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.

(i) Discount on Rates and Service Charges

The Council does not offer a discount if rates and charges are paid within 35 days of the date of service (which appears on the rate notice). The Council has implemented an incentive scheme detailed below.

(ii) Incentive Scheme (Rates)

An incentive scheme operates for early payment of rates. Each owner who pays rates on or before the due and payable date has his/her name placed in a draw. The first name drawn is the winner of a \$1,000 prize provided by Council.

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

First Prize - \$1,000 Bank Account with the York and Districts Community Bank Branch - Sponsored by Bendigo Bank

Second Prize- 200 litres of fuel - Sponsored by Statewide Fuel Distributors of WA.

Third Prize- Aspen Parks 1 night accommodation for four people in a family cabin up to the value of \$190

(iii) Rates Concession (Urban Farmland)

The Council no longer provides an Urban Farmland Concession.

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

(iv) 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;

<u>Actual 2008/2009</u>		<u>Adopted Budget 2009/2010</u>	<u>Actual 2009/2010</u>
\$		\$	\$
0	Rates	0	0
651	General Purpose Revenue	0	0
0	Law, Order and Public Safety	0	255
543	Recreation & Culture	0	138
0	Economic Activities	0	39
<u>1,194</u>		<u>0</u>	<u>432</u>

13 SERVICE CHARGES

The Shire of York does not have any Service Charges as described in Section 6.38(1) of the Local Government 1995 and Regulation 54 of the Local Government (Financial Management) Regulations.

14 INTEREST CHARGES FOR THE LATE PAYMENT OF RATES CHARGES

(1) Pursuant to Section 6.51 of the Local Government Act and Financial Management Regulation 43(a) the Shire of York 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 due

- (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 its due and payable.

The rate of interest to apply is 11% and the estimated revenue from the imposition of the interest was as follows:

(2) 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	Thursday, 1 October 2009
2nd Instalment	Tuesday, 1 December 2009
3rd Instalment	Monday, 1 February 2010
4th Instalment	Thursday, 1 April 2010

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

Interest Calculated on instalment payments	5.50%
Administration Charge per Instalment	\$8

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

<u>Actual</u> <u>2008/2009</u>		<u>Adopted</u> <u>Budget</u> <u>2009/2010</u>	<u>Actual</u> <u>2009/2010</u>
\$		\$	\$
32,911	Interest Charges for the late Payment of Rates Charged	25,000	41,771
12,383	Instalment Interest Charges	12,000	13,259
15,272	Administration Charges for Instalment Options	8,000	15,224

15 FEES AND CHARGES INFORMATION

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

<u>Actual</u> <u>2008/2009</u>		<u>Adopted</u> <u>Budget</u> <u>2009/2010</u>	<u>Actual</u> <u>2009/2010</u>
\$		\$	\$
36,983	Governance	51,000	42,214
12,215	General Purpose Funding	10,750	10,288
6,819	Law, Order, Public Safety	19,300	9,000
14,713	Health	53,500	18,336
18,872	Education and Welfare	19,800	17,239
400,453	Community Amenities	591,825	528,945
70,789	Recreation and Culture	79,620	72,178
50	Transport	110	-
51,112	Economic Services	124,500	131,546
119,046	Other Property and Services	148,000	67,060
<u>731,052</u>	TOTAL FEES AND CHARGES	<u>1,098,405</u>	<u>896,806</u>

- (b) Fees and Charges amended during the financial year are as follows:

No amendments were made during the 2009/2010 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:

<u>Actual</u> <u>2008/2009</u>		<u>Adopted</u> <u>Budget</u> <u>2009/2010</u>	<u>Actual</u> <u>2009/2010</u>
\$		\$	\$
	-Annual Attendance Fee		
24,550	Councillor (5) - \$5,150 per annum	25,750	25,750
9,820	President - \$10,300 per annum	10,300	10,300
	- Expenses		
6,660	- Telecommunications Allowance	6,960	6,960
0	- Travel Expenses	1,500	0
6,000	- Information Technology Allowance	6,000	6,000
	-Annual Local Government Allowance		
8,500	- President	8,900	8,900
2,125	- Deputy President	2,225	2,225
<u>57,655</u>		<u>61,635</u>	<u>60,135</u>

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

17 INVESTMENT EARNINGS

The Earnings from Investments are summarised as follows:

Actual 2008/2009		Adopted Budget 2009/2010	Actual 2009/2010
\$		\$	\$
85,845	General Account	74,682	86,362
114,575	Reserve Funds	96,987	102,182
200,420	TOTAL	171,669	188,544

18 DEPRECIATION ON NON-CURRENT ASSETS

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

Actual 2008/2009		Adopted Budget 2009/2010	Actual 2009/2010
\$		\$	\$
180	General Purpose Funding	180	180
74,780	Governance	84,090	75,783
72,634	Law, Order, Public Safety	72,073	89,108
10,092	Health	6,399	19,094
19,166	Education and Welfare	19,213	9,760
0	Housing	0	0
23,620	Community Amenities	22,865	25,371
114,788	Recreation and Culture	79,570	107,262
533,597	Transport	1,563,397	516,490
11,651	Economic Services	11,930	11,620
256,188	Other Property and Services	279,283	248,499
1,116,696	TOTAL	2,139,000	1,103,167

19 MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions.

20 TRADING UNDERTAKINGS

Council did not participate in any trading undertakings.

21 CAPITAL AND LEASING COMMITMENTS

At the reporting date, the Shire of York had the following obligations under non - cancellable operating leases.

Actual 2008/2009		Actual 2009/2010
\$		\$
943	Not Later than one year	0
0	Later than one year and not later than five years	0
0	Later than five years	0
943		0

At the reporting date, the Shire of York had made the following commitments in relation to capital purchases.

118,581	Not Later than one year	0
118,581		0

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

22 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The following table details the Shire of York's exposure to interest rate risks as at 30th June 2009.

	Average Interest %	Variable Interest Rate	Less than 1 year	1 to 5 years	5 to 10 years	Non Interest Bearing	Total
		\$	\$	\$	\$	\$	\$
Financial Assets							
Cash	5.00	5.25	2,699,286	0	0	850	2,700,136
Trade Receivables-Current	0	0	0	0	0	1,528,120	1,528,120
			<u>2,699,286</u>	<u>0</u>	<u>0</u>	<u>1,528,970</u>	<u>4,228,256</u>
Financial Liabilities							
Accounts Payable - Current	0	0	0	0	0	267,326	267,326
Employee entitlements - Current		0	0	0	0	497,387	497,387
Borrowings	7.0	0	8,968	49,098	0	0	58,066
			<u>8,968</u>	<u>49,098</u>	<u>-</u>	<u>764,713</u>	<u>822,779</u>

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

(c) 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.

(e) Investment of Council Funds:

Currently the Shire of York does not have a formal Investment Policy. Staff have been operating under an informal policy of being conservative with regards to the risk of Shire funds and have restricted investment of funds to fixed interest term deposits with Australian Banks with preference being given to banks with branches located in York. From time to time quotes are sought from banks without a presence in York to ensure that competitive rates are achieved. It is intended to develop and adopt a formal investment policy during the 2009/10 Financial Year.

(f) Credit Risk

The Shire's receivables are classified as Rates and Annual Charges, Self Supporting Loans, Goods and Services Tax 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. The Shire accounts for Self Supporting Loans as part of its current receivables as and when payments fall due, amounts due in future years are shown non-current. Self Supporting Loans shown as debtors represent the repayments of a loan that the Shire has drawn on behalf of Community Groups. Good and Services Tax represents monies owed by the Australian Taxation Office to the Shire. The Shire's General Debtors include receivables for goods and services provided to members of the community, government departments and businesses. The Shire has exposure to credit risk in that debtors may not be able to meet their commitments to repay debts. The Shire reviews its outstanding debts regularly and commences a variety of recovery techniques in accordance with its Debt Recovery Procedures. The Shire reviews outstanding debts annually and provides a provision should debts become doubtful.

2008/2009			2009/2010	
Current	Non Current		Current	Non Current
\$	\$		\$	\$
		Financial Assets		
263,680	30,103	Rates and Annual Charges	307,342	29,672
8,363	58,066	Self Supporting Loans	8,968	49,099
17,207	-	Goods and Services Tax	88,360	-
374,257	-	General Debtors	1,123,450	-
<u>663,507</u>	<u>88,169</u>		<u>1,528,120</u>	<u>78,771</u>

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

(g) Market Risk

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

<u>Actual</u> <u>2008/2009</u>		<u>Actual</u> <u>2009/2010</u>
\$		\$
48,883	Impact of 1% Movement in Interest Rates on Investment Earnings (+/-)	35,574
122,207	Impact of 2.5% Movement in Interest Rates on Investment Earnings (+/-)	88,936

(h) Liquidity Risk

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

	<u>Less than</u> <u>1 year</u>	<u>1 to 5</u> <u>years</u>	<u>Greater than</u> <u>5 years</u>	<u>Total</u>
	\$	\$	\$	\$
Financial Liabilities				
Accounts Payable - Current	265,969	0	0	265,969
Interest Bearing Liabilities	8,968	49,098	0	58,066
	<u>274,937</u>	<u>49,098</u>	<u>0</u>	<u>324,035</u>

23 POSITION AT COMMENCEMENT OF FINANCIAL YEAR

(a)

DETERMINATION OF OPENING FUNDS

<u>ACTUAL</u> <u>30.06.2009</u>		<u>Adopted</u> <u>Budget</u> <u>2009/2010</u>	<u>ACTUAL</u> <u>30.06.2010</u>	
\$		\$	\$	
	<u>Current Assets</u>			
3,930,868	Cash at Bank - (Overdraft)	3,184,511	2,699,286	
850	Cash on Hand	850	850	
663,507	Receivables	749,020	1,528,120	
20,936	Stock on Hand	25,172	13,414	
<u>4,616,161</u>		<u>3,959,553</u>	<u>4,241,670</u>	
	<u>Less Current Liabilities</u>			
(337,089)	Accounts Payable	(569,313)	(267,326)	
(422,203)	Accrued Annual Leave	(473,190)	(497,387)	
(8,363)	Current Loan Liability	(22,491)	(8,968)	
<u>(767,655)</u>		<u>(1,064,994)</u>	<u>(773,681)</u>	
3,848,506	SURPLUS OF CURRENT ASSETS OVER	2,894,559	3,467,989	
	CURRENT LIABILITIES			
	ADJUSTMENTS			
0	Rounding			
8,363	Add Back Current Loan Liability	22,491	8,968	0
(8,363)	Less Current Assets for Self Supporting Loan Repayments	(8,364)	(8,968)	(8,968)
(2,701,725)	Less Cash Backed Reserves and Restricted Funds (excluding LSL)	(2,908,687)	(2,717,517)	0
<u>1,146,781</u>	OPENING/CLOSING FUNDS	<u>0</u>	<u>750,473</u>	<u>1</u>

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

(b) 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 2009/2010 Annual Budget.

Net Current Asset detailed in the 2009/2010 Annual Budget	1,146,040
Net Current Assets Brought Forward as at 1st July 2009.	1,146,781

24 CAPITAL EXPENDITURE BY PROGRAM

Actual Capital Expenditure incurred by Program is summarised as follows:

Program	Furniture and Equipment	Land and Buildings	Plant and Equipment	Infrastructure			Total
				Roads	Recreation Facilities	Other	
	\$	\$	\$	\$	\$	\$	\$
Governance	48,511	0	70,563	0	0	0	119,074
Law, Order, Public Safety	0	0	132,370	0	0	0	132,370
Health	15,918	0	71,369	0	0	0	87,287
Education and Welfare	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0
Community Amenities	0	2,331	30,758	0	0	0	33,089
Recreation and Culture	5,490	353,812	0	0	836,332	0	1,195,634
Transport	0	0	436,329	2,114,559	0	0	2,550,888
Economic Services	0	0	0	0	0	25,298	25,298
Other Property & Services	0	108,652	30,641	0	0	0	139,293
TOTAL	69,919	464,795	772,030	2,114,559	836,332	25,298	4,282,933

25 FINANCIAL INFORMATION BY RATIO

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

2007/2008 Percent	2008/2009 Percent		2009/2010 Percent
1.74:1	2.49:1	(a) Current Ratio <u>(Current Assets Minus Restricted Assets)</u> (Current Liabilities-Liabilities Associated with Restricted Assets)	1.97:1
3.79%	3.18%	(b) Debt Ratio <u>Total Liabilities</u> Total Assets	1.34%
0.82%	0.18%	(c) Debt Service Ratio <u>Debt Service Cost</u> Available Operating Revenue	0.21%
42%	40%	(d) Rate Coverage Ratio <u>Net Rate Revenue</u> Operating Revenue	37%
7.14%	8.63%	(e) Outstanding Rates Ratio <u>Rates Outstanding</u> Rates Collectable	9.28%

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

<u>2007/2008</u> Percent	<u>2008/2009</u> Percent		<u>2009/2010</u> Percent
1.32%	0.92%	(f)	0.71%
			Gross Debt to Revenue Ratio
			$\frac{\text{Gross Debt}}{\text{Total Revenue}}$
1.29:1	3.31:1	(f)	(0.51:1)
			Untied Cash to Trade Creditors Ratio
			$\frac{\text{Untied Cash}}{\text{Unpaid Trade Creditors}}$
0.76%	0.60%	(f)	0.52%
			Gross Debt to Economically Realisable Assets Ratio
			$\frac{\text{Gross Debt}}{\text{Economically Realisable Assets}}$

DEFINITIONS

“available operating revenue” means the operating revenue-

(a) plus any contributions towards the repayment of money borrowed which have not been included in the operating revenue; and

(b) minus specific purpose grants, contributions and donations of a capital nature;

“current assets” means the total current assets as shown in the statement of financial position;

“debt service cost” means all principal and interest expenses for borrowings under Section 6.20 of the Local Government Government Act 1995;

“economically realisable assets” means total assets other than infrastructure assets;

“gross debt” includes all borrowings under section 6.20 and all utilised bank overdrafts;

“infrastructure assets” means all tangible assets of economic value that are not economically realisable, and includes roads, bridges, drains and recreational facilities;

“net rate revenue” means the revenue from all rates and money paid in lieu of rates on non-rateable land -

(a) plus interest for late payment and interest and additional charges on instalments;

(b) minus discounts and concessions granted and money written off;

“rates collectable” means the amount of-

(a) all rates, interim rates, back rates, interim minimum payments, back minimum payments;

(b) interest and additional charges payable on rates and payments referred to in paragraphs (a) and (b);

(c) arrears brought forward from a previous financial year of the amounts referred to in paragraphs (a) and (b);

“rates outstanding” means unpaid rates collectable;

“restricted assets” has the same meaning as in Australian Accounting Standard 27 (AAS27);

“total assets” means all current and non-current assets as shown in the Statement of Financial Position;

“total liabilities” means all current and non-current liabilities as shown in the Statement of Financial Position;

“total revenue” means the total operating revenue excluding all specific purpose grants;

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

26 TRADE AND OTHER RECEIVABLES

Receivables due to the City include the following:

ACTUAL 2008/2009		ACTUAL 2009/2010
\$		\$
	<u>Current</u>	
263,680	Rates	307,342
16,176	LSL Due from Other Councils	37,898
430,760	Sundry Debtors	1,156,403
(72,679)	Less Provision for Doubtful Debts	(70,851)
8,363	Long Term Loans-Interest Free & Self Supporting	8,968
17,207	Goods and Services Tax	88,360
0	Prepayments	0
663,507		1,528,120
	<u>Non Current</u>	
30,103	Rates Outstanding-Pensioner Deferred	29,672
58,066	Long Term Loans-Interest Free and Self Supporting	49,099
88,169		78,771

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.

27 INVENTORIES

ACTUAL 2008/2009		ACTUAL 2009/2010
\$		\$
20,936	Comprises of Construction Materials, Fuels and Consumables	13,414

All inventories at balance date have been valued at cost.

28 TRADE AND OTHER PAYABLES

ACTUAL 2008/2009		ACTUAL 2009/2010
\$		\$
335,536	Sundry Creditors	265,969
1,553	Accrued Expenses - Interest on Loans	1,357
337,089	Total	267,326

Shire of York
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

29 PROVISIONS

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

ACTUAL 2008/2009		ACTUAL 2009/2010
\$		\$
	<u>Current</u>	
280,857	-Accrued Annual Leave	265,789
116,061	-Accrued Long Service Leave	144,606
19,994	- Provision for Sick Leave	74,931
5,291	- LSL Leave Owed To Other Local Governments	12,061
422,203		497,387
	<u>Non Current</u>	
34,452	- Accrued Long Service Leave	31,427
34,452		31,427
456,655		528,814

30 EMPLOYEE NUMBERS AND REMUNERATION

The following information is provided in relation to annual salaries paid to employees.

No. of Employees

2008/2009	Annual Salary Range	2009/2010
1	\$130,000 up to \$140,000 per annum	1
32	Total Number of Employees The number of full time equivalent employees at 30 June	39.5

31 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 disclosed in Note 4

32 CONTINGENT LIABILITIES

Council does not have any known contingent liabilities at 30th June 2010

33 JOINT VENTURES

Centennial Park Aged Care

The shire 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 the Shire of York.

**STATEMENT OF SURPLUS OR DEFICIT
FOR THE YEAR ENDED 30 JUNE 2009**

2007/08 ACTUAL		NOTES	2008/09 ADOPTED BUDGET	2008/09 ACTUAL
\$			\$	\$
	OPERATING REVENUE			
2,410,260	Change in net assets resulting from operations		3,078,691	2,630,799
	ADD			
9,895	Principal Repay-Sporting & Community Organisations		7,779	8,363
0	Loans Provided to Community Groups		(250,000)	0
4,028,946	Depreciation Written Back	18	4,027,368	1,103,167
(336,600)	(Profit)/Loss on Sale of Assets Written Back	6(a)	(665,310)	(80,821)
7,462	Increase/(Decrease) in LSL Cash held in Current Position		7,395	5,702
(22,733)	Increase/(Decrease) in Non Current Employee Provisions		0	(3,025)
(6,026)	Increase/(Decrease) in Non Current Debtors Rates		0	431
505,136	Proceeds on Sale of Assets		1,140,935	251,866
		1(c)		
4,186,080			4,268,167	1,285,683
6,596,340	<i>Sub Total</i>		7,346,858	3,916,482
	LESS CAPITAL PROGRAMME			
(631,841)	Purchase Land and Buildings	24	(2,184,002)	(464,795)
(1,354,111)	Infrastructure Assets - Roads	24	(2,390,862)	(2,114,559)
(1,334)	- Recreation Facilities	24	(40,000)	(836,332)
0	- Other	24	(30,000)	(25,298)
(647,936)	Purchase Plant & Equipment	24	(768,201)	(772,030)
(38,804)	Purchase Furniture and Equipment	24	(93,375)	(69,919)
(36,533)	Debt Service Repayments-Principal on Loans	7(c)	(14,871)	(8,363)
(775,145)	Transfer to Reserves	8	(1,176,785)	(796,682)
(3,485,704)			(6,698,096)	(5,087,978)
3,110,636	<i>Sub Total</i>		648,762	(1,171,496)
	LESS - FUNDING FROM			
632,484	Transfers from Reserves	8	816,085	775,188
0	New Loans Raised	7	950,000	0
483,400	Opening Funds	23(b)	565,736	1,146,781
1,115,884			2,331,821	1,921,969
(2)	Rounding		0	0
4,226,518	BUDGET SURPLUS/(DEFICIT)		2,980,583	750,473

Note: This Statement is to be read in conjunction with the accompanying Notes.

Shire of York
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 30 JUNE 2010

2008/09 ACTUAL		NOTES	2009/10 ACTUAL
\$			\$
21,756,806	RETAINED SURPLUS		
	Balance As At 1 July 2009		23,387,811
2,410,260	Net Operating Results		
(1,032,173)	Transfer to Reserves		(796,682)
252,918	Transfer from Reserves		775,188
	Rounding		0
23,387,811	Balance As At 30 June 2010		23,366,317
	RESERVES - CASH BACKED	8	
2,034,539	Balance As At 1 July 2009		2,813,794
1,032,173	Transfers from Accumulated Surplus		796,682
(252,918)	Transfer to Accumulated Surplus		(775,188)
2,813,794	Balance As At 30 June 2010		2,835,288
	RESERVES - ASSET REVALUATION	8	
0	Balance As At 1 July 2009		0
0	Revaluation of Assets		34,226,105
0	Balance As At 30 June 2010		34,226,105
26,201,605	TOTAL EQUITY		60,427,710

Note: This Statement is to be read in conjunction with the accompanying Notes.

Certified Practising Accountants

8 November 2010

The President
Shire of York
PO Box 22
YORK WA 6302

Dear Sir

RE: AUDIT REPORT 30 JUNE 2010

As required under Section 7.9 (1) of the Local Government Act 1995 (as amended), we enclose a copy of our Independent Auditor's Report of the Shire of York for the financial year ended 30 June 2010.

Yours faithfully



MACRI PARTNERS

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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 2010 and the Statement of Comprehensive Income, Statement of Changes in Equity, 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 notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, 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 ethical pronouncements.



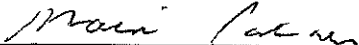
Auditor's Opinion

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


- (i) gives a true and fair view of the financial position of the Shire of York as at 30 June 2010 and of its financial performance for the year ended on that date; and
- (ii) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including the Australian Accounting Interpretations).

Statutory Compliance

We did not during the course of our audit become aware of any instances where the Council did not comply with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).



**MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
28 THOROGOOD STREET
BURSWOOD WA 6100**



**A MACRI
PARTNER**

**PERTH
DATED THIS 8th DAY OF NOVEMBER 2010.**

