



ANNUAL REPORT

**FOR THE YEAR ENDED
30TH JUNE 2008**

MISSION STATEMENT

To build on our history to create our future

SHIRE OF YORK

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ANNUAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

Introduction

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

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

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

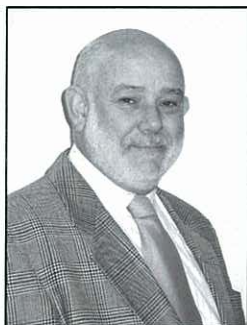
The second part of the report provides the statement by the Auditor and the financial reports showing the statutory information in the format required by the Local Government Act.



Ray Hooper
Chief Executive Officer

19 February 2009

President's Report



Dear Ratepayers

It is my pleasure, as Shire President to present the Shire of York Annual Report for 2007-2008.

Twelve months ago as a Council we were hopeful that the rate of development within York would progress a little quicker than it previously had. Unfortunately, although we can indicate progress throughout this Reporting period it doesn't match Councils' desires.

The October 2007 Elections saw Cr Randell and Cr Hooper returned while Cr Walters was elected to replace Cr Delich. All three councillors will serve until 2011.

At our Australia Day 2008 event, the community acknowledged Margaret Hewitt (Senior) and Andrew Reynolds (Junior) as our Citizens of the Year. Mary Fleay (Senior) and Fraser Jones (Junior) were also acknowledged as the Sports Stars of the Year. Once again the celebrations were enjoyed by a large gathering of the community and all the sponsors and volunteers are sincerely thanked.

Sound financial management has seen the Shire reduce debt to almost a negligible amount (self supporting loan for water supply remaining) and was as a result we were able to fund two new staff houses without resorting to borrowing.

Council is quietly confident that despite pending gloom from financial assessors, York Shire has the mechanisms to counter any short to medium term issues. Prudent investments by Council will ensure any issues can and will be able to be dealt with.

CBH chose York as the venue for a major part of their 75th Celebrations. The concert held alongside the CBH site with the wheat bins as a backdrop with WASO playing was an outstanding event. Successful participation with and by local management ensured a most successful function enjoyed (despite the cold) by all attending.

Continued successful management of major improvements saw an upgrade to the Spencers Brook road, significant upgrading of the Howick Street car park with lighting to be completed 2008-2009.

Progress with the SEAVROC (South East Avon Voluntary Regional Organisational Council) continued with a Memorandum of Understanding being entered into by all five Shires resulting in significant funding being granted to provide an Executive Officer for the organization. The Local Government industry is certainly watching with interest as the group work

towards further projects. The Government, the Department of Local Government and Regional Development along with the Western Australian Local Government Association are all offering support to SEAVROC.

I again offer thanks to the staff of the Shire for their continued loyalty to the Shire, their dedication and willingness to often do those little extras that mean a lot to people. Thanks everyone. Your efforts are appreciated by all.

A handwritten signature in black ink, appearing to read 'Pat Hooper', with a large, stylized flourish on the left side.

Pat Hooper
President
Shire of York

Mission Statement

To build on our history

to create our future

Our Vision

Community, Councillors and Council staff all contributed to the vision and stated that they wanted the Shire of York to be:

A proud community, which values and preserves its history, heritage, rural character and country lifestyle.

A cohesive and vibrant community, respecting diversity and working together with a strategic vision.

A friendly and safe place with strong community spirit.

An economically strong community, with growth in employment, businesses, agriculture and tourism.

A place with easy access to a full range of social services, including medical, education, and law and order.

A unique and beautiful place, attractive to residents, businesses and visitors – a town where people can come to learn and experience different things, away from the City.

A place with hope for the next generation, where heritage, the natural environment, farming and new developments are in balance.

A place of opportunity where our young people have a sense of what it means to belong to a community and be included.

A community recognised locally, nationally and internationally for its heritage, arts and crafts, and approach to tourism.

A Council, which provides leadership and vision, and is committed to working with all the diverse elements of the community to create a future of promise.

Council's Values

The following values characterise the style, beliefs and guiding principles of the councillors and staff of the Shire of York:

Commitment to providing good government for the people of York, in an open and accountable way.

Leadership and partnership in achieving the strategic direction for York, and encouragement of leadership and empowerment within the community.

Cooperation, consultation, communication and cohesiveness between council and community.

Mutual respect between councillors, council staff and community.

Acknowledgement of the views of others.

Recognition of initiative and achievement.

Determination to succeed.

Willingness to change.

Customer focus in all we do.

Fostering responsibility, responsiveness, teamwork, caring and compassion.

Passion for the Shire of York.

Appreciating a sense of humour.

Staff of the York Shire

Senior Staff

Chief Executive Officer

Mr Ray Hooper

Deputy Chief Executive Officer

Mr Graham Stanley

Works Supervisor

Mr Peter Atkins

Manager Administration & Technical Services

Ms Tyhscha Cochrane

Environmental Health Officer/Building Inspector

Mr Peter Stevens

Human Resources

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

Tabitha Bateman	Finance Officer
Matthew Davies	Officer Payroll
Alison Emin	Executive Support Officer/ Maternity Leave
Kate Hooper	Records Officer/Customer Service
Annette Hunt	Finance Officer/Creditors
Cindy Keeble	Library Officer
Carol Littlefair	Museum Curator
Bill Livingstone	Swimming Pool Manager
Hayley McNamara	Customer Service Officer/ Maternity Leave
Pat Mogridge	Rates/Cemetery
Kim Crawford	Youth Co-ordinator
Angela Plichota	Ranger
Norma Woods	Recreation Supervisor
David Lawn	Town Planning Officer
Kiara Sheldon	Customer Service Officer
Jody Lilleyman	Development Services Officer
Julianne Treloar	Executive Support Officer
Lindy Dewar	Customer Service Officer/ Library
Nicole McNamara	School Trainee
Paula Flinn	Community Recreation Officer

ADMINISTRATION AND CORPORATE SERVICES SECTOR

The 2007/2008 Financial Year has again proved to be an extremely busy period for Council staff, predominantly as a result of increased property and land transactions, new council and more accounting reforms required as a result of amendments to the Local Government Act and associated Regulations.

There has also been a number of new staff employed by the Shire to replace staff who have either retired, pursued alternative careers or taken Maternity Leave. These new staff include:

Julieanne Treloar	Executive Support Officer
David Lawn	Town Planner
Kiara Sheldon	Customer Service Officer
Jody Lilleyman	Development Services Officer
Lindy Dewar	Customer Service Officer/ Library

Elections

The 2007/08 financial year was a Local Government election year. Following amendments to the Local Government Act in early 2007 the dates for Ordinary Council Elections were changed from the first Saturday in May to the 3rd Saturday in October of odd numbered years. The election was closely contested with four candidates standing for three vacancies. Councillors Pat Hooper and Trevor Randell were re-elected and Cr Tricia Walters was elected to replace Cr Michael Delich.

The Shire of York Council for 2007/08 was as follows:

<u>Councillors</u>	<u>Expiry of Term</u>
Tony Boyle	Oct 2009
Ashley Fisher	Oct 2009
Brian Lawrance – Deputy Shire President	Oct 2009
Pat Hooper – Shire President	Oct 2011
Trevor Randell	Oct 2011
Tricia Walters (from 20 Oct 2007)	Oct 2011
Michael Delich	20 Oct 2007

End of Year Financial Situation

The York Shire Council recorded a surplus of \$544,065 for the 2007/2008 Financial Year. The surplus included approximately \$258,000 worth of Council road works that were not completed due to staff shortages and difficulties in obtaining contractors. All of these non-completed works have been included in the 2008/2009 budget. A further \$65,000 of the surplus is due to funds for various grant projects that were in progress at the end of the financial year not being spent. These unspent grant funds have been placed into a Reserve to be drawn upon in the new financial year.



Mr Bill Vincent presented cheques to each of the SEAVROC Councils, being a rebate of premiums. This was due to the self insurance schemes exceeding their targeted cash holding

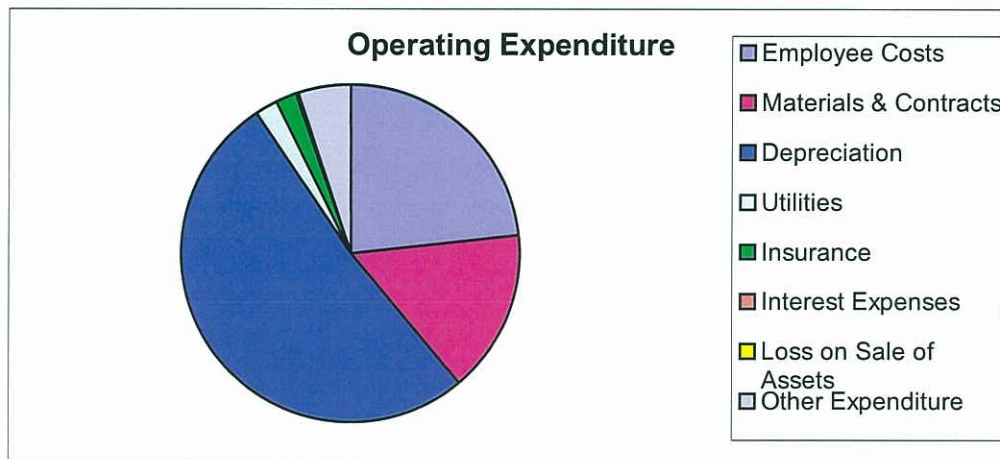
Valuations

Rural land was re-valued during the period in accordance with the requirements of the Department of Land Information to value rural land on an annual basis. Smaller rural land holdings experienced significant increases in valuations in comparison to large broad acre holdings. This appears to be an on-going trend and it has resulted in significant rate increases for small rural landholders. A town revaluation, conducted every five years, was undertaken during 2006/07 and the new valuations came into effect for the 2007/08 financial year.

Revenue and Expenditure

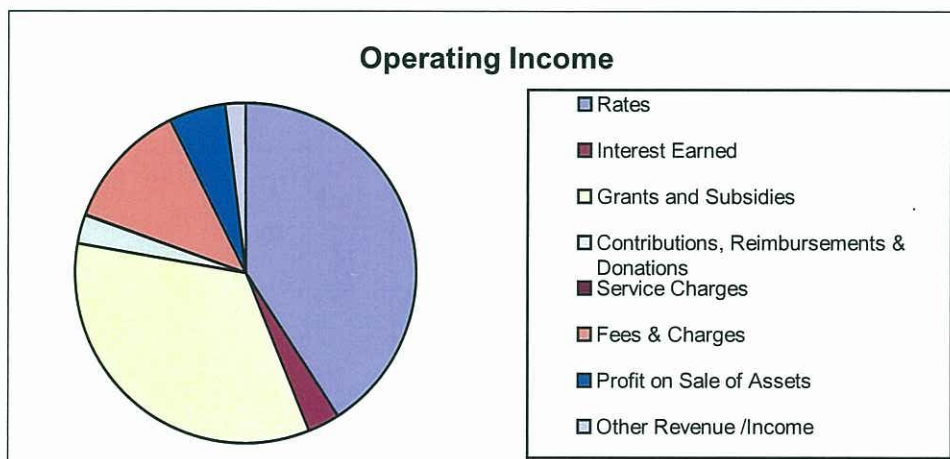
Operating Expenditure

Employee Costs	\$1,821,812	23.29%
Materials & Contracts	\$1,226,170	15.68%
Depreciation	\$4,028,946	51.50%
Utilities	\$176,835	2.26%
Insurance	\$165,630	2.12%
Interest Expenses	\$6,608	0.08%
Loss on Sale of Assets	\$0	0.00%
Other Expenditure	\$396,487	5.07%
TOTAL	\$7,822,488	100.00%



Operating Income

Rates	\$2,683,574	40.97%
Interest Earned	\$196,406	3.00%
Grants & Subsidies	\$2,216,447	33.83%
Contributions, Donations & Reimbursements	\$181,955	2.78%
Service Charges	\$0	0.00%
Fees & Charges	\$806,897	12.32%
Profit on Sale of Assets	\$336,600	5.14%
Other Revenue/Income	\$128,416	1.96%
TOTAL	\$6,550,295	100.00%



Rates Incentive Prize

SHIRE OF YORK RATES INCENTIVE PRIZE

WINNERS

FIRST PRIZE

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

Winner

Daniel Ryan, York

SECOND PRIZE

200 litres of Unleaded Petrol donated by Fuel Distributors of WA Pty Ltd

Winner

Cheryl Mitchell, York

THIRD PRIZE

One (1) night's accommodation in Standard Family Cabin compliments of Aspen
Parks Quality Resort Parks

Winner

William & Debra Brandsma, Kalamunda

FOURTH PRIZE

Four (4) tickets to the Western Australian Symphony Orchestra

Winner

Ian & Dawn McLeod, Maylands

The Shire of York gratefully acknowledges the support of the York & Districts Community Bank ® Branch of Bendigo Bank, Fuel Distributors of Western Australia PTY Ltd, Aspen Parks and Western Australia Symphony, for their contributions to the 2007/2008 rates incentive prizes.



Please Note: The draw was selected randomly by computer selection

Community Assistance & Support

Once again community organisations were provided with financial assistance through direct sponsorship and donations. The Council provided \$44,247 in direct sponsorship assistance as well as picking up the tab for the free use of facilities and the use of, transport and cleaning of the A.R.O.C. portable toilets and lighting plant for a number of events. This would have easily mounted to more than \$5,000 in indirect assistance. In addition to this the Shire provided direct cash assistance of \$86,780 to help fund the operations of the York Tourist Bureau and provided rent free use of Town Hall Offices to the Tourist Bureau.

Community Sponsorships for 2007/2008 were as follows:

COMMUNITY GROUP	PURPOSE	AMOUNT
York Agricultural Society Inc	Contribution towards staging of York Show	\$500
York District High School P&C	Crosswalk Attendant Service	\$2,000
York District High School	Book Award – School Presentation Night	\$150
York District High School P&C	Senior Citizens' Appreciation Day	\$1,500
York Society	Archives & Historical Research	\$750
York Society	Photographic Awards	\$500
York Society	New Residents Pack	\$500
Nation Servicemen's Association	Park Benches for Memorial	\$1273
Greenhills Progress Association	Contribution towards Hall upgrade and maintenance	\$4,200
Talbot Youth and Recreation Group	Contribution towards Hall upgrade and maintenance	\$4,200
Northern Districts Cycle Club	Contribution towards York Cycle event	\$2,000
York Rotary Club	Contribution to Australia Day Breakfast	\$350
Combined Churches Commission on Education	Contribution to Chaplaincy Program	\$2,500
York Beverley Turf Club	Sponsorship of race meeting	\$1,000
Companion Time	Bus hire for outings	\$449
Talbot Brook Land Management Society	Revegetate 13 Mile Creek	\$1,488
York Telecentre	Computer upgrades	\$5,000
Friends of York Hospital & PML	Shower bath trolley and patient lifting hoist	\$8,000
York Motor Museum	Contribution to 2007 Motoring Festival	\$1,000
1 st York Scout Group	Uniforms & Leadership Training	\$1,787
York Chamber of Commerce & Industry Inc.	Community Kids Christmas Party	\$1,500
York Ski Boat Rally	York Ski Boat Rally event funding	\$3,600
TOTAL		\$44,247.00

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

Youth

The Shire of York Council has continued in its support for the youth of York with the continuing employment of a Part Time Youth Development Officer (Kim Crawford) who would like to expand the role of youth development to encompass all youth related community groups in York and the surrounding communities.

This year has seen the YAC (Youth Advisory Council) involved in many projects that enhanced the image of youth in the community.

Youth Officer

- Coordinating and Facilitating the Youth Advisory Council
- Shire of York Leeuwin Youth Scholarship Program



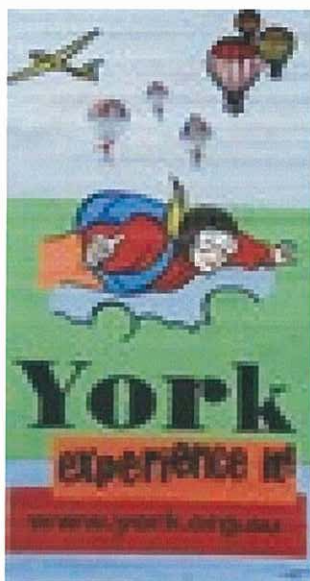
- Attended the YAC Leadership Conference
- Attended ARYN (Avon Regional Network) meetings
- Attended the Drug Authority Local Government Regional Conference
- On management committee and attended YACWA(Youth Advisory Council West Australia)
- Local Government Week - Banners in the Terrace completed by the YAC members.
- Organized the several community dance parties.
- Completed Occupational First Aid Training
- Regional Bluelight Project
- Shire of York School Scholarship Program

Youth Advisory Council Projects

- Graffiti art project at the old Skate Park by YAC and Green Corp members.



- Relocation of Skate Park as part of Youth Precinct concept.
- Two YAC members attended the YAC Leadership Conference
- Joint YAC meetings involving Beverley YAC
- Wicked Wednesday Excursion Program
- The reinvigoration of the Youth Centre project. With a more realistic building proposal.
- Winning the Local Government Week - Banners in the Terrace competition.



Community Service

- York YAC Radio Programs



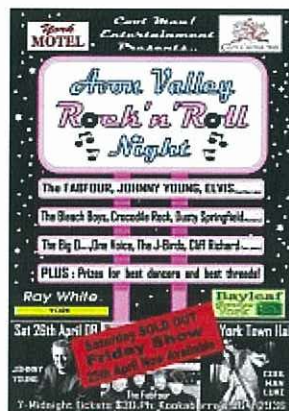
- York Agricultural Show – Dance at the RSL Hall
- Let's Get Funky Dance Party
- Cleanup and Painting of the Skate Park

York Youth Advisory Holiday Programs

- Holiday Programs conducted in partnership with the SEAVROC shires.
- Wheat Belt ACC 3 Day leadership Camp.
- January Holiday Program
- April Holiday Program
- July Holiday Program
- October Holiday Program
- Wicked Wednesday Early Closure Program

Fund Raising

- York Rock N Roll Show



- Car Wash
- York Agricultural Show – Dance at the RSL Hall
- Let's Get Funky Dance



July School Holiday Program – Circus Training



Leeuwin Sailing Ship



Youth Drug Week

Library

The Shire Library continues to grow in popularity as York grows. Library issues for 2007/08 increased by 9.5%. Children's storey time has remained very popular and the library now participates in the "Better Beginnings" program which encourages parents to read to their children. There is strong evidence that parents' reading to their children encourages children to take up reading which improves writing and literacy skills.

This year the library has again extended the shelving gaining much needed space for the ever increasing book stock. The growth in book stock can be attributed to the generous donations that we received from our community. Shire funds have also been used to purchase some of the latest bestsellers so that our readers do not have to wait months to read their favourite authors. The library also has a growing stock of DVD's and audio books in cassette, c.d. and MP3 format.

We have also had a display of wonderful art work from the York District High School Year 8 and Year 9 Students. The display was enjoyed by all.

Annual Statistics of the York Library 2007/08

Items Issued -	Adult Non Fiction	6,855
	Adult Fiction	11,837
	Junior Library	5,034
	Paperbacks, magazines	<u>1,021</u>
Total		24,747
Membership	Adults	1,171
	Family	322
	Junior	159
	From other libraries	138
The Library was open for		2,106 hrs
Books issued per hour		11.75
Items requested by other libraries		232
Items requested from other libraries		1345
Requests for information		651

Community Bus

The Community Bus was purchased in July 2005 and it continues to be a popular facility used by youth, aged, school and other community organisations.

The Toyota Coaster Bus was purchased with a combination of Reserve Funds set aside specifically for that purpose and Municipal Funds. In 2007-08 the bus was hired on 48 occasions to 18 different groups and travelled 6,802 km. Regular users include York District High School, Companion Time and York Youth Advisory Committee (YAC).

Record Keeping

The Shire of York's Recordkeeping Plan (RKP) Revision 2 dated 18 January 2006 is current.

A new computerised records keeping system was installed in 2007/08, Synergy. Three training sessions have been carried out to get staff up to speed with how the system operates; which has resulted in further work being required to ensure full compliance; however considerable progress has been made in the preparation of procedures.

Council expanded the compactus at the Administration Office due to the increase in the amount of records being captured and controlled.

Council sold the Convent, which has meant that the archival records have been relocated to the Depot.

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

Freedom of Information

It is this local government's intention to provide access to requested documents, wherever possible, in the ordinary course of daily work provided that in so doing no harm is inflicted upon the rights or interests of private individuals or commercial organisations.

Where requested documents are of a sensitive nature the application will be dealt with under the provisions of the Freedom of Information Act taking into account all parties concerned.

It is our belief that this strategy will facilitate the provision of information to the public in a prompt and cost effective manner whilst still observing the need to preserve the confidentiality of classified information.

In 2007/08 there were three formal Freedom of Information applications received. One request was for information of a non-personal nature and edited access was granted. Two requests were for personal information pertaining to people other than the applicant and access was denied.

Planning for the Future

On 5th September 2009, Council adopted a Plan for the Future for the District with the following objectives:

- To obtain Federal and State grant monies that allow the provision of works and services for the growing district
- Maintain Rates and Charges increases that are commensurate with regional and State growth and rate of inflation
- Where practical and necessary, obtain new loans borrowings that allow capital and infrastructure development
- Incorporate the programs and activities proposed in the Plan for the future in the Annual Budget
- Expend 95% of Capital Works by 30 June each year.

Major initiatives for 2008/09 included:

➤ Co-location facility	\$1,200,000
➤ Roads construction	\$2,235,087
➤ Proposed Major Plant and Equipment Purchases	\$ 704,081
➤ Youth Centre	\$ 120,000
➤ Howick Street Public Toilets	\$ 100,000

Planning for the Co-location facility is well underway. Despite some early hold-ups with proposed sites for the facility not being available for a variety of reasons a site has been chosen being in Joaquina Street adjacent to the St John Ambulance sub-centre. Both road construction and plant replacement form significant parts of Council's annual budgets and these items have proceeded in line with Council's long-term plans. Construction of the public toilets has commenced and Youth Centre should be completed in 2009. The Plan for the Future will be updated on an annual basis and residents will be given the opportunity to provide input into the updated plan.

Complaints about Conduct of Members

Council is required to report on official complaints that result in action under section 5.110 6 (b) or (c) of the Local Government Act 1995. During 2007/08 no such complaints were received.

HEALTH, BUILDING, TOWN PLANNING, FIRE PREVENTION & REGULATORY SERVICES SECTOR

The Development Services Section of the Council is jointly managed by Ms Tyhscha Woolcock and Mr Peter Stevens and the areas of responsibility involve Environmental Health, Building Control, Building Maintenance, Town Planning and Ranger Services.

Health

The Environmental Health Officer, Peter Stevens is responsible for monitoring aspects of public health within the Shire. This includes the inspection of food premises to ensure compliance with the relevant legislation, public building inspections, swimming pool inspections and offensive trade monitoring.

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

44 effluent disposal systems were approved for installation.

The following health related industries are currently operating in the Shire.

Offensive Trades:	3
Public Buildings:	11
Food Premises	23
Public Accommodation (incl B & B)	29
Public Swimming Pools	6

Swimming Pools

The York Public War Memorial Swimming Pool was inspected and sampled regularly.

Inspection and sampling of public swimming pools as defined by the Health Act was undertaken throughout the season; these include Hotels, B & B's, and Lodging Houses etc. Samples of the swimming pool water are sent for analysis to a Perth laboratory to ensure they meet the required standards.

The swimming pool underwent some repairs to the bowls in 2006/07 and the repainting of the bowls was completed in 2007/08 as part of the long term maintenance of the pool. Replacement of fencing occurred and major repairs to equipment in the plant room has been scheduled for 2008/09.

Swimming pool manager Bill Livingstone continues to do an excellent job managing and maintaining the pool and the Council will continue to make improvements to extend the life of the pool for as long as possible. 50 metre pools are becoming a rarity as the Department of Sport and Recreation will no longer fund the construction of new 50 metre pools. York has a very active swimming club and Council is aware that the 50 metre pool will help the club continue to attract swimming competitions to York.

Building

In 2007/08 the Building Control Section of the Council processed 218 building applications. These applications were split into the following categories:

	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02
Dwellings	46	42	44	31	36	28	27
Additions	30	60	59	35	46	32	43
Outbuildings	124	75	78	65	60	48	54
S/ Pools	8	10	7	8	6	7	44
Commercial	10	4	8	7	17	1	9
Total	218	191	196	146	165	116	177

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

The approximate value of building works in the Shire was \$14.1million up from \$8.8 million in 2006/07.

Town Planning

Mr David Lawn continued as Shire Planner. David works on a part-time basis and the Chief Executive Officer and the Manager Administration and Technical Services perform much of the Statutory Planning function.

The Council continues to utilise Town Planning Scheme No. 2 to guide development within the Shire in association with the Local Planning Strategy and a series of outline development plans for defined precincts. The Local Planning Strategy, CBD, Equine Precinct and Industrial Areas have all been the subject of continuous research and development and as the Council develops its various precinct plans it will consult widely with the community and other interested parties.

During the year a total of 65 development applications were considered by Council.

Heritage is an important part of development in York and Council utilises the services of Kris Bizzaca, the Regional Heritage Advisor for the Avon Arc. Due to the increased need for advice on heritage matters Council has increased its budget and now utilises 20 hours per month of Kris' time.

Waste Collection & Disposal

The Council again participated in the "drumMUSTER" program. This nation wide program provides for the collection and disposal of used farm chemical containers. A new collection yard was located adjacent to the transfer station and collections are held regularly. 3196 drums were collected under the program this year.

Council continued with its participation in the Mobile Muster program. This program was commenced to ensure that mobile phones and their accessories are recycled. Collection points for mobiles are located at the Shire Administration Office and the waste transfer station.

A total of 1852 tonnes of waste were transported to the Shire of Northam landfill site for the 2007/2008 financial year. A total of approximately 290 tonnes of materials and 6000 litres of waste oil were recycled during the year. Council received a grant and purchased a new waste conveyor for use at the recycling station and also received funding for the production of a Regional Waste Minimisation Strategy or "Zero Waste Plan" in conjunction with the SEAVROC shires. This plan will be produced in 2009.

The skip bin service offered to residents with a bin service continues to be popular. A total of 265 bins were used this year.

Building Maintenance

The Council continues to maintain and improve its assets. This year major projects included:

- Picnic Tables and Shade at Avon Park
- Upgrades to the Pioneer Memorial Lodge to improve evacuation procedures
- New fencing at swimming pool and painting of swimming pool bowl.
- 2 Shire houses were constructed with completion occurring in the second half of 2008.

Ranger Services

Council's Ranger Ms Angela Plichota has been kept extremely busy in all aspects of her role.

Fire control remains a primary responsibility. During the fire season the Ranger takes on co-ordination of the approximate 350 members of the Shire's Bush Fire Brigades through a network of three base stations and 80 mobile units. Whilst Angela was in the Ranger seat she has ensured that the public will be well informed when there is a Total Vehicle Movement Ban by organising a Harvest Ban Hotline.

Animal Control has also been a priority with educating people on the responsibilities of animal ownership. The occurrence of dogs wandering from their properties or not kept on a lead in public is still steady.

There were approximately 650 dogs registered in the Shire.

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

The RSPCA York Auxiliary continues to give Ranger Services great support on their vigilance of Animal Cruelty and their overall contribution.

Disability Access and Inclusion Plan

During 2007 the Shire of York prepared a Disability Access and Inclusion Plan (DAIP) which was adopted by Council on 16th July 2007. The DAIP followed on from a review of Council's Disability Services Plan. A series of objectives and strategies were included in the DAIP along with a list of 10 recommendations for the delivery and monitoring of initiatives and strategies included in the plan. Council staff will work on an ongoing basis over the coming years to implement those recommendations.

Along with employees from the other four SEAVROC Shires, Shire of York staff participated in disability awareness training in 2008. This training was designed to give staff awareness of the issues faced by people with a disability and how barriers can be removed to allow full participation in society.

Community Safety & Crime Prevention

The Community Safety and Crime Prevention Partnerships bring together local communities with Local Government and State Government agencies to identify community safety and crime prevention issues and priorities. The Partnership

group works with the relevant Local Government to develop and implement action plans to tackle crime and improve safety in the community.

The five key goals to achieve the vision to make our communities safer are:

- Supporting families, children and young people
- Strengthening communities and revitalising neighbourhoods
- Targeting priority offences
- Reducing repeat offending
- Designing out crime and using technology

The Shires of Beverley, Brookton, Cunderdin, Quairading and York have entered into a Community Safety and Crime Prevention Partnership. The scope of the partnership is within the boundaries of these shires.

Each Shire sent out surveys to the community and each shire developed their own Community Safety and Crime Prevention Plan that identify regional issues along with local issues. Following on from this each of the SEAVROC Shires received \$20,000 crime prevention Grants. In York's case these funds have been earmarked for the construction of a Youth Centre.

WORKS & SERVICES SECTOR

Staff

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

Mr Peter Atkins

Joe Collins

Robbie Windsor

Richard Smith

Andy Lee

Trevor Barrett

George Seredynski

Neil Thomas

Robbie Mackenzie

Les Burrow

Clint Mackenzie

Michael Ashworth

Donald Randell

Plant

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

- Hino 6 wheel tip truck
- Giani Ferrari ride-on mower
- Boxer footpath sweeper

Capital Works

Roads to Recovery

2007/08 was the third year of Stage 2 of the Federally Funded Roads to Recovery Programmes. \$1,021,000 will be provided over four (4) years for local road projects. In addition to this an additional one-off special grant of \$255,300 was received at the end of the 2005/06 financial year and the work was carried out in 2006/07. In total \$258,535 was spent on Roads to Recovery funded in 2007/08.

Specific road works undertaken through Roads to Recovery Funding in 2007/08 include the following:

- Top Beverley Road
- Quellington Road
- East Gwambygine Road
- Mokine Road
- Cut Hill Road

Regional Roads

The Western Australian Government provided \$200,808 for works on designated regional roads and Council provided an additional contribution of \$105,132.

Works were undertaken on:

- Spencers Brook Road
- West Talbot Road

Black Spots

Council was fortunate to receive \$142,000 funding to improve intersections at Trews/Ulster Roads and Spencers Brook/Burges Siding Roads through the State Black Spot programme. Council contributed an additional \$78,176 towards these projects. Council will continue to seek funding in coming years through this and other programmes to improve the safety of intersections and other recognised black spots around the Shire.

Municipal Fund

Council expended \$1,172,865 on transport based works and services which included street cleaning, tree lopping, road & bridge maintenance, road construction, gravel purchases, sealing & re-sealing, culverts & drainage and car park maintenance and construction.

It is programmed that similar levels of expenditure will be in place for the next four (4) years with some increased funding for regional roads and bridges.

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

Private Works

Private works income generated in response to works requests amounted to \$168,417. The Council is conscious that its involvement in private works will not be at a detriment to its own works program and of our local contractors.

Parks & Gardens

Council continues to improve the Parks and Gardens in the York Shire and continues to provide infrastructure. Council has been pleased to be able to take advantage of labour provided by Green Corps trainees and have work done to upgrade a number of Council reserves such as Mt Brown, Avon River Foreshore and Candice Bateman Park for the cost of the materials. Green Corps Trainees will be continuing to do work for the Shire in 2008 however we have been advised that the program will be coming to a completion in late 2008.

Unfortunately vandalism has continues to be a problem and funds that could have been used to provide new and improved facilities have been diverted to replacing or repairing property damaged by vandals such as the playground shade sail at Avon Park. Residents who see anybody damaging Council facilities are requested to report it immediately to the Police or the Shire Office.

Gravel Reserves

The sourcing of gravel to undertake our works programme is a continual struggle as locating quality gravel supplies within close proximity to the job reduces our cartage lead time and overall job cost. Council has implemented a royalty system for gravel which may provide access to gravel supplies.

COMMUNITY

Australia Day Breakfast

The Council would like to acknowledge the effort of the York Rotary Club in again presenting the Australia Day Breakfast in Avon Park. This is a fantastic community event. Rotary and the other service providers are congratulated on their community spirit.

Citizen of the Year



Australia Day Award Recipients with Hon Judy Moylan Member for Pearce, Honours Committee Chairman Cr Tony Boyle and Shire President Cr Pat Hooper

In 2008 the Citizen of the Year was presented to Mrs Margaret Hewitt for her efforts in establishing the School Choir, involvement with "Nice 'N' Easy Choir, coordinator of the Annual Seniors Appreciation Days and promotion of environmental awareness.

Congratulations also goes to Tess Earnshaw who was also nominated for the Citizen of the Year.

Junior Citizen of the Year

In 2008 the Citizen of the Year was presented to Andrew Reynolds. Andrew commenced study at York District High School as a pre-primary student in 1997 & he participated in the school's sporting & cultural activities.

His recent achievements include:

- Head Boy 2007
- School Council Member
- School Ball Committee Member
- Year 10 Class Award
- Secondary Citizenship Award
- School Dux Award Winner
- Health & Physical Education Award
- Bendigo Bank Scholarship Winner
- Completion of the Senior's First Aid Course
- Member of the York Emergency Services Cadet Unit
- Member of the York Junior Football Club – where he won a Best Clubman Award for the under 15's.
- Member of the York Fire & Rescue Service
- Works part time at Norm Reynolds Retravisoin in York
- Completed over 40 hours of community service as part of the YDH School's Community Service Program throughout 2007

Andrew has demonstrated considerable leadership ability and has proven himself to be a hard-working and sincere volunteer who earns respect from the people he works with.

Sports Star of the Year

The Sports Star of the Year was awarded to Mary Fleay. From October 1st 2006 to September 30th 2007 Mary achievements included:

- Winner Championship Paris at York
- Winner Northam Gala Day
- Selected to play in the Inter League Round Robin Fours
- Skipper in the York Gold Winning Pennant Team in the Avon Mortlock League Competition
- Winner of the 2006 Christmas Event in York
- Selected to play in the Inter Round Robin Fours held at Tammin
- Winner Championship Singles York
- Selected to play in the Inter League Round Robin Pairs held at Tammin - in which the team one
- Winner of the League Four held at Bolgart

- Played in the Country versus Metro Team prior to Country week and also took a team to Country week
- Selected to play in the Inter League Round Robin Fours held in the Murray League

One of the highlights of Mary's bowling achievements was being selected in the inaugural Governor's bowls team in June 2007 along with another 11 women and 12 men.



Mary Fleay with Judy Moylan M.H.R

Junior Sports Star of the Year

Junior Sports Star of the Year was awarded to Fraser Jones. Fraser has won a number of tennis tournaments around the state and represented Western Australia in tennis in 2007. He has been selected in a number of Avon Junior Football under 12 representative teams and in 2007 won a number of school athletics prizes as well as representing his school in tennis, football and athletics.

Other nominees were: Bart Atkinson, Sally Read, Catherine Britza, Liam Johnson and Belwyn Curry-Bowran.

A special thank you to the following people / organisations who also volunteered their time at the Australia Day Breakfast in Avon Park:

Rotary Club
Apex Club
Salvation Army
Country Women's Association
Masonic Lodge
Frank Dols
York Honours Committee

Green Corps

The Shire of York has been extremely privileged to have the Green Corps Team participate in various projects for two six-month terms in 2007/08. Terri Watson was the Supervisor of the team and she has done a great job in coordinating the two groups of young adults who participated this year.

The projects aim to build on existing environmental and community efforts to provide opportunities for practical application of environmental management and heritage conservation.

The Green Corps participants were involved in several on-going community projects in the York Shire area. The main projects, and the aims of Green Corps involvement, were:

MT BROWN PROJECT – Mt Brown Rehabilitation Group

- To improve, protect and maintain biological and habitat diversity within the area.
- Revegetation of degraded areas and control of environmental weeds. This work complemented works undertaken by the local government and Friends of Mt Brown to control environmental priority weeds identified in their weed control strategies.
- Monitoring and assisting with rabbit control.

AVON RIVER WALK TRAIL PROJECT

- Assist with rehabilitation of Avon River Banks involving weed removal and revegetation of degraded areas with sedges to enhance the asset condition of the riparian zone.
- Control of bank erosion to prevent soil loss and sedimentation of downstream sites through sandbagging planting of sedges.
- Riffle (Rocks) in stream would assist in reducing velocity of water flow, creates habitat, develops longer lasting pools and re-oxygenates and assists in the overall rejuvenation of river.

GREY STREET PARK – Wildflower Society

- Assistance with seed propagation and collection.
- Assist with identified weed control

DEPARTMENT OF WATER – Bernard Kelly

- Identification, mapping and removal of Tamarix in Bland Brook and the Avon River.
- Bland Brook increase in natural biodiversity as per River Recovery Plan Section 10.

RIVER CONSERVATION SOCIETY (INC) – C Howell

- Badgin Creek Reserve – seed collecting for the area.
- Gwambygine Pool – Avon Ascent – River restoration work.
- Fencing various reserves to assist with conservation of indigenous fauna and restriction of unauthorised access.

The project provided team members with an interesting course of practical and theoretical study combined with extensive career support and individual mentoring. The Green Corps project worked closely with the Shire of York, the relevant community groups, TAFE, local media and Department of Water to promote both the physical outcomes of the project and the personal achievements of Green Corps team members to the greater community.



Green Corps Team Members with Judi Moylan, MHR

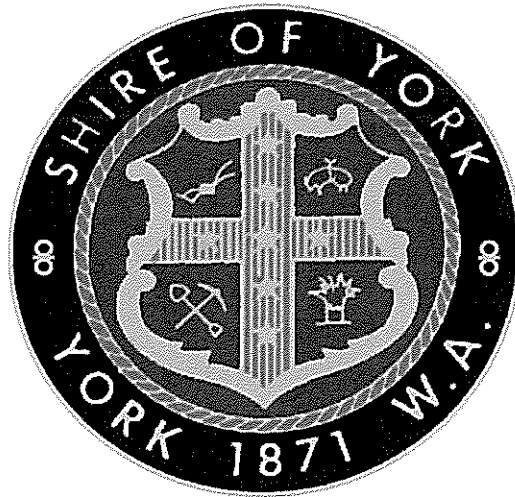
Appreciation

I would like to thank all of my staff for their loyal and dedicated service during the period under review. I believe the Shire and its residents are well served by their employees many of who go to great lengths to provide services to the public in their role as a Council officer.



RAY HOOPER
Chief Executive Officer

SHIRE OF YORK



FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

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SHIRE OF YORK

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

**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 2008 are in my opinion properly drawn up to present fairly the financial position of the Shire of York at 30th June 2008 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards (except to the extent that they have been varied in the Statement of Accounting Policies required by Australian Accounting Standard AAS6 "Accounting Policies" and the accompanying notes to the annual financial report) and comply with the provisions of the Local Government Act 1995 and the Regulations under that Act.

Signed on the 22nd day of January 2009.

Ray Hooper
Chief Executive Officer

**INCOME STATEMENT FOR THE YEAR
ENDED 30 JUNE 2008**

2006/07 ACTUAL		NOTES	2007/08 ADOPTED BUDGET	2007/08 ACTUAL
\$			\$	\$
	EXPENSES FROM ORDINARY ACTIVITIES	1,3,4		
(176,159)	General Purpose Funding		(168,694)	(180,635)
(290,290)	Governance	16,17	(449,374)	(349,247)
(459,179)	Law, Order, Public Safety		(291,241)	(327,491)
(176,698)	Health		(185,611)	(158,134)
(65,242)	Education and Welfare		(70,120)	(70,639)
0	Housing		0	0
(931,756)	Community Amenities		(952,685)	(819,111)
(876,065)	Recreation and Culture		(1,153,366)	(949,565)
(4,225,054)	Transport		(4,293,524)	(4,153,452)
(327,090)	Economic Services		(412,042)	(339,222)
(193,934)	Other Property and Services		(518,203)	(468,385)
(7,721,467)			(8,494,860)	(7,815,881)
	REVENUE FROM ORDINARY ACTIVITIES	1,3,4		
3,710,138	General Purpose Funding	15,17	3,923,683	3,957,357
106,012	Governance		32,750	46,443
308,020	Law, Order, Public Safety		76,917	115,629
18,888	Health		21,299	19,121
33,753	Education and Welfare		31,450	20,048
0	Housing		0	0
654,260	Community Amenities		531,028	567,973
72,551	Recreation and Culture		86,808	92,405
167,984	Transport		64,189	80,705
85,766	Economic Services		72,470	113,920
52,233	Other Property and Services		520,750	207,691
5,209,605			5,361,344	5,221,292
(2,511,862)	<i>Increase/(Decrease)</i>		(3,133,516)	(2,594,589)
	BORROWING COSTS			
(1,586)	Governance		0	0
(2,318)	Law, Order, Public Safety		(1,017)	(1,017)
(6,000)	Community Amenities		(5,516)	(5,463)
(2,374)	Recreation and Culture		0	0
(258)	Economic Services		(128)	(128)
(12,536)	Total Borrowing Costs		(6,661)	(6,608)
	GRANTS/CONTRIBUTIONS FOR THE DEVELOPMENT OF ASSETS			
0	Law, Order, Public Safety		0	229,576
0	Community Amenities		0	43,862
6,068	Recreation and Culture		1,495,309	35,309
544,377	Transport		925,075	683,657
550,445	Total Grants / Contributions for the Development of Assets		2,420,384	992,404
	DISPOSAL OF ASSETS	2,6		
195,357	Land		705,827	261,812
(8,422)	Buildings		26,554	37,807
124,552	Plant and Equipment		8,087	36,981
0	Furniture and Equipment		0	0
311,487	Gain on Disposal		740,468	336,600
(1,662,466)	Net Results		20,675	(1,272,193)

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



BALANCE SHEET
AS AT THE 30 JUNE 2008

2006/07 ACTUAL		NOTES	2007/08 ACTUAL
\$			\$
2,382,809	CURRENT ASSETS		
559,828	Cash and Cash Equivalents	5	2,598,486
35,044	Trade and Other Receivables	26	681,393
	Inventories	27	33,549
2,977,681	TOTAL CURRENT ASSETS		3,313,428
	NON CURRENT ASSETS		
22,846,138	Property, Plant, Equipment & Infrastructure	6(c)	21,322,683
94,266	Trade and Other Receivables	26	92,494
22,940,404	TOTAL NON CURRENT ASSETS		21,415,177
25,918,085	TOTAL ASSETS		24,728,605
	CURRENT LIABILITIES		
(381,418)	Trade and Other Payables	28	(435,620)
(309,265)	Provisions	29	(397,042)
(36,533)	Borrowings	7(c)	(7,799)
(727,216)	TOTAL CURRENT LIABILITIES		(840,461)
	NON CURRENT LIABILITIES		
(53,102)	Provisions	29	(30,369)
(74,229)	Borrowings	7(c)	(66,430)
(127,331)	TOTAL NON CURRENT LIABILITIES		(96,799)
(854,547)	TOTAL LIABILITIES		(937,260)
25,063,538	NET ASSETS		23,791,345
	EQUITY		
23,171,660	Retained Surplus		21,756,806
1,891,878	Reserves	8	2,034,539
25,063,538	TOTAL EQUITY		23,791,345

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



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR
ENDING 30 JUNE 2008**

2006/07 ACTUAL		NOTES	2007/08 ACTUAL
\$			\$
	RETAINED SURPLUS		
25,088,459	Balance As At 1 July 2007		23,171,660
(1,662,466)	Net Results		(1,272,193)
(575,288)	Transfer to Reserves		(775,145)
320,956	Transfer from Reserves		632,484
(1)	Rounding		0
23,171,660	Balance As At 30 June 2008		21,756,806
	RESERVES CASH BACKED	8	
1,637,546	Balance As At 1 July 2007		1,891,878
575,288	Transfers from Accumulated Surplus		775,145
(320,956)	Transfer to Accumulated Surplus		(632,484)
1,891,878	Balance As At 30 June 2008		2,034,539
25,063,538	TOTAL EQUITY		23,791,345

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



**CASH FLOW STATEMENT FOR THE YEAR
ENDING 30 JUNE 2008**

2006/07 ACTUAL		NOTES	2007/08 ADOPTED BUDGET	2007/08 ACTUAL
\$			\$	\$
	Cash Flows from Operating Activities			
	Payments			
(1,663,738)	Employee Costs		(2,375,591)	(1,747,936)
(1,213,073)	Materials and Contracts		(1,420,610)	(1,205,412)
(175,329)	Utilities		(185,039)	(176,835)
(145,389)	Insurance		(170,114)	(165,630)
(13,797)	Interest Expenses		(6,813)	(8,343)
(332,582)	GST Payable		(340,000)	(370,347)
(275,272)	Other		(377,343)	(370,198)
(3,819,180)	Total Payments		(4,875,510)	(4,044,701)
	Receipts			
2,597,817	Rates		2,756,081	2,651,595
419,382	Contributions, Donations and Reimbursements		647,096	181,955
1,211,960	Grants and Subsidies - Operating		626,340	1,273,214
934,670	Fees and Charges		1,132,576	700,025
168,390	Interest Earnings		175,819	196,406
319,760	GST Receivable		340,000	381,063
104,077	Other Revenue		99,474	128,416
5,756,056	Total Receipts		5,777,386	5,512,674
1,936,876	Net Cash flows from Operating Activities	9	901,876	1,467,973
	Cash flows from Investing Activities			
	Payments			
(86,030)	Purchase Land and Buildings		(3,229,944)	(631,841)
(1,092,761)	Purchase Infrastructure Assets		(1,786,178)	(1,355,445)
(679,568)	Purchase Plant and Equipment		(904,300)	(647,936)
(22,014)	Purchase Furniture and Equipment		(87,600)	(38,804)
(1,880,373)			(6,008,022)	(2,674,026)
	Receipts			
466,631	Grants and Contributions for the Development of Assets		2,430,088	943,233
195,455	Disposal of Land	6(a)	913,182	280,000
0	Disposal of Buildings	6(a)	27,273	38,182
364,064	Disposal of Plant and Equipment	6(a)	421,700	186,954
1,026,150			3,792,243	1,448,369
(854,223)	Net cash flows from Investing Activities		(2,215,779)	(1,225,657)
	Cash flows from Financing Activities			
0	Proceeds from Borrowings		900,000	0
9,242	Principal Repayments Received - Loans		9,896	9,895
(117,848)	Loan Repayments- Principal	7(c)	(36,533)	(36,533)
(108,606)	Net cash flows from Financing Activities		873,363	(26,638)
974,047	Net (decrease)/increase in cash held		(440,540)	215,678
1,408,761	Cash at the Beginning of Reporting Period		2,382,809	2,382,809
1	Rounding		1	(1)
2,382,809	Cash at the End of Reporting Period	9	1,942,270	2,598,486

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



**RATE SETTING STATEMENT FOR THE YEAR
ENDING 30 JUNE 2008**

2006/07 ACTUAL		NOTES	2007/08 ADOPTED BUDGET	2007/08 ACTUAL
\$			\$	\$
	OPERATING REVENUE	1,3,4,15,16		
1,182,742	General Purpose Funding		1,253,348	1,273,783
106,012	Governance		32,750	46,443
308,020	Law, Order, Public Safety		76,917	345,205
18,888	Health		21,299	19,121
33,753	Education and Welfare		31,450	20,048
-	Housing		0	-
654,260	Community Amenities		531,028	611,835
78,619	Recreation and Culture		1,582,117	127,714
712,361	Transport		989,264	764,362
85,766	Economic Services		72,470	113,920
52,233	Other Property and Services		520,750	207,691
3,232,654			5,111,393	3,530,122
	LESS OPERATING EXPENDITURE	1,3,4,17,18		
(176,159)	General Purpose Funding		(168,694)	(180,635)
(291,876)	Governance		(449,374)	(349,247)
(461,497)	Law, Order, Public Safety		(292,258)	(328,508)
(176,698)	Health		(185,611)	(158,134)
(65,242)	Education and Welfare		(70,120)	(70,639)
0	Housing		0	-
(937,756)	Community Amenities		(958,201)	(824,574)
(878,439)	Recreation and Culture		(1,153,366)	(949,565)
(4,225,054)	Transport		(4,293,524)	(4,153,452)
(327,348)	Economic Services		(412,170)	(339,350)
(193,934)	Other Property and Services		(518,203)	(468,385)
(7,734,003)			(8,501,521)	(7,822,489)
(4,501,349)	<i>Increase/(Decrease)</i>		(3,390,128)	(4,292,367)
	OTHER ITEMS			
0	Doubtful Debts Expense	26	0	0
0			0	0
	ADD			
7,067	Increase/(Decrease) in LSL Cash held in Current Position		5,727	7,462
(20,871)	Increase/(Decrease) in Non Current Employee Provisions		0	(22,733)
2,085	Increase/(Decrease) in Non Current Debtors Rates		0	(6,026)
9,242	Principal Repay-Sporting & Community Organisations		9,896	9,895
311,487	Profit/(Loss) on Disposal of Assets	2,6	740,468	336,600
3,928,244	Depreciation Written Back	18	3,942,920	4,028,946
248,032	Book Value of Assets Sold Written Back	6(a)	621,687	168,536
4,485,286			5,320,698	4,522,680
	LESS CAPITAL PROGRAMME			
(86,030)	Purchase Land and Buildings	24	(3,229,944)	(631,841)
(1,092,761)	Infrastructure Assets	24	(1,786,178)	(1,355,445)
(679,568)	Purchase Plant & Equipment	24	(904,300)	(647,936)
(22,014)	Purchase Furniture & Equipment	24	(87,600)	(38,804)
(117,848)	Repayment of Debt-Principal	7(c)	(36,533)	(36,533)
(575,288)	Transfers to Reserves	8	(1,291,469)	(775,145)
(2,573,509)			(7,336,024)	(3,485,704)
	LESS - FUNDING FROM			
320,956	Reserves	8	1,351,720	632,484
0	Loans	7	900,000	0
(229,585)	Borrowings - Bank Overdraft			
454,205	Opening Surplus / (Deficit)	23(b)	483,399	483,399
(483,399)	Closing (Surplus) / Deficit		0	(544,065)
(1)	Rounding		0	(1)
(2,527,396)	AMOUNT MADE UP FROM RATES		(2,670,335)	(2,683,574)

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

**STATEMENT OF RATING INFORMATION
FOR THE YEAR ENDING 30TH JUNE 2008**

CURRENT YEAR ESTIMATED 2007/2008										CURRENT YEAR ACTUAL 2007/2008									
GENERAL RATE					MINIMUM RATE					GENERAL RATE					MINIMUM RATE				
No. of Prop.	Rateable Value \$	Rate in \$	Rate Yield \$	No.	Minimums Rateable Value \$	Min. Rate \$	Yield \$	TOTAL \$	No. of Prop.	Rateable Value \$	Rate in \$	Rate Yield \$	No.	Minimums Rateable Value \$	Min. Rate \$	Yield \$	TOTAL \$		
1,052	9,457,368	0.097601	1.014,257	730	5,123,140	685	500.050	1,014,257	1,052	9,457,368	0.097601	1.014,257	730	5,123,140	685	500.050	1,014,257		
400	132,337,937	0.007036	986.053	205	23,163,155	795	162.975	986.053	400	132,337,937	0.007036	986.053	205	23,163,155	795	162.975	986.053		
1,452	141,795,305		2,000.310	935	28,286,295	1,480	663.025	2,670.335	1,452	141,795,305		2,000.310	935	28,286,295	1,480	663.025	2,683.574		
1,452	141,795,305		2,000.310	935	28,286,295	1,480	663.025	2,670.335	1,452	141,795,305		2,000.310	935	28,286,295	1,480	663.025	2,683.574		

GROSS RENTAL VALUED
PROPERTIES

General Rate GRV

Minimum Rate

UNIMPROVED VALUED
PROPERTIES

General Rate UV

Minimum Rate

Interim Rates

SUB TOTAL GENERAL
RATE

GRAND TOTAL



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of the Annual Financial Statements are:

(a) Basis of Accounting

The Financial Report is a general purpose financial report which has been prepared in accordance with applicable accounting standards and other mandatory professional reporting requirements and the Local Government Act 1995 including the Local Government (Financial Management) regulations. The Financial Report has been prepared on the basis of historical cost and does not take into account changing money values, or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

Local Governments are not required to comply with the following Australian Accounting Standards:

AASB 114 "Segment Reporting"

AASB 124 "Related Party Disclosures"

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 expenditure.

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.

(b) The Local Government Reporting Entity

All funds through which the Council controls resources to carry on its functions have been included in the Annual Budget. In the process of reporting on the local government as a single unit, all transactions and balances between funds have been eliminated.

Monies held in the Trust Fund which Council holds in a custodial role are excluded from the Annual Budget because the monies cannot be used for Council purposes, but a separate Budget of those monies appears at Note 10.

(c) Non-Current Assets - Valuation and Depreciation

Each class of property, plant and equipment, furniture and equipment and infrastructure assets is valued at cost

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



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES CONT.

(c) Non-Current Assets - Valuation and Depreciation Cont.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods and rates are:

Buildings	40 Years
Furniture and Equipment	8 years
Plant and Equipment	8 years
Infrastructure	
Sealed Roads, Streets and Carparks	6.70%
Unsealed Roads	8.30%
Bridges, Drainage	1.30%
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

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the Shire of York 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. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured, and the timing of commencement of control depends upon the arrangements that exist between the grantor and the Shire of York.

Unreceived contributions over which the Shire of York has control are recognised as receivables.

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 undischarged funds are placed in the Tied Grant Funding Reserve shown in Note 8. That note also discloses the amount of contributions to be expended in the current period.

The rating and reporting period coincides all rates levied for the year and recognised as revenues. All outstanding rates are collectable and therefore no provision has been made for doubtful debts.

(e) Employee Benefits

The provisions for employee benefits relates to the amounts expected to be paid for annual leave, sick leave and long service leave and are calculated as follows;

(i) Short Term Benefits

The provision for employee benefits for annual, sick and long service leave expected to be settled within 12 months represents the amount that the Shire of York has a present obligation to pay resulting from employees service provided to 30 June. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related oncosts.

(ii) Long Term Benefits

The provision for employee benefits for annual and long service leave expected to be settled more than 12 months from the reporting date represents the present value that the Shire of York has an obligation to pay resulting from employees service provided to 30 June.

(f) Superannuation

The Shire of York contributes to the WA Local Government Superannuation Scheme.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES CONT.

(g) Investments and other Financial Assets

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 or loss are financial assets held for trading. A financial asset is classified in this category if acquired 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.

(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 balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(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 balance sheet 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.

Recognition and derecognition

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 income statement. Financial assets are derecognised 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 income statement as gains and losses from investment securities.

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 fair 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 income statement 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 income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008

1 SIGNIFICANT ACCOUNTING POLICIES CONT.

(g) Investments and other Financial Assets Cont.

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 costs and the current fair value, less any impairment cost on that asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

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 quoted market prices at the balance sheet 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.

(h) 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 Income Statement.

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.

(i) Inventories

Inventories are valued at the lower of cost or net realisable value.

(j) Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and investments in money market instruments, net of outstanding bank overdrafts

(k) Land held for Resale

Cost includes the Cost of acquisition, development and financing .

Revenue arising from the sale is recognised in the operating statement as at the time of signing a binding contract of sale.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

1 SIGNIFICANT ACCOUNTING POLICIES CONT.

(l) 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.

(m) Comparative Information

Comparative Information has been included in the Financial Statements. Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(n) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable or payable. Receivables and Payables in Note 26 and 28 are stated inclusive of applicable GST.

(o) Fixed Assets

Land under Roads

Land under roads is excluded from infrastructure in accordance with the transition arrangements available under AASB 1045 and in accordance with legislative requirements.

(p) Financial Instruments

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

1 SIGNIFICANT ACCOUNTING POLICIES CONT.

(q) New Accounting Standards and Interpretations

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 ending 30 June 2008.

Councils assessment of these new standards and interpretation is detailed below;

Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (AASB 1, AASB 101, AASB 107, AASB 111, AASB 116, AASB 138 and interpretations 1 & 12) Issued June 2007, Applicable 1 January 2009.

The Shire does not anticipate that the application of these standards will have an impact on its financial reporting as the Shire already capitalises borrowing costs to related assets.

Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10. Further amendments to Australian Accounting Standards arising from AASB 101. Issued September 2007 and December 2007, Applicable 1 January 2009

The Shire does not anticipate that the application of these standards will have an impact on its financial reporting unless the Shire is required to make a prior period adjustment.

AASB 1050 Administered Items, AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosure revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31 and revised interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities. Issued December 2007, Applicable 1 July 2008.

The Shire does not anticipate that the application of these standards will have an impact on its financial reporting other than the Shire will be required to recognise Land Under Roads acquired after 30 June 2008.

The Shire of York plans to adopt the above standards, if relevant, in the 2008/2009 financial year.

(r) Rounding

Figures shown within the Annual Financial Statements and the accompanying notes have been rounded. Discrepancies between totals shown within the Financial Statements and the accompanying notes may differ due to rounding.

2 OPERATING REVENUES AND EXPENSES

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

<u>Actual</u> <u>2006/2007</u> \$		<u>Adopted</u> <u>Budget</u> <u>2007/2008</u> \$	<u>Actual</u> <u>2007/2008</u> \$
	Charging as Expenses		
<u>3,928,244</u>	Depreciation on Non-Current Assets	<u>3,942,920</u>	<u>4,028,946</u>
	Charging as Expenses		
<u>10,600</u>	Auditors Remuneration	<u>7,500</u>	<u>8,136</u>
	Crediting as Income		
	Profit(Loss) on Sale of Non-Current Assets		
195,357	Land	705,827	261,812
(8,442)	Building	26,554	37,807
124,552	Plant and Equipment	8,087	36,981
<u>311,467</u>		<u>740,468</u>	<u>336,600</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008

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.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

4 OPERATING REVENUES AND EXPENSES BY NATURE AND TYPE

Operating expenses and revenues classified according to nature and type.

Actual 2006/2007	Adopted Budget 2007/2008	Actual 2007/2008
\$	\$	\$
Operating Expenses		
1,687,329 Employee Costs	2,415,974	1,821,812
1,509,903 Materials and Contracts	1,403,318	1,226,170
3,928,244 Depreciation of Non-Current Assets	3,942,920	4,028,946
175,329 Utility Charges (Gas, Electricity, Water, etc)	185,039	176,835
145,389 Insurance Expenses	170,114	165,630
12,537 Interest Expenses	6,813	6,608
275,272 Other Expenditure	377,343	396,487
7,734,003	8,501,521	7,822,488
Operating Revenues		
2,527,396 Rates - General	2,670,335	2,683,574
168,390 Interest Earned	175,819	196,406
1,678,591 Grants and Subsidies	3,313,370	2,216,447
388,275 Contributions, Reimbursement & Donations	390,154	181,955
893,320 Fees and Charges	1,132,576	806,897
311,487 Profit on Sale of Assets	740,468	336,600
104,078 Other Revenue/Income	99,474	128,416
6,071,537	8,522,196	6,550,295
Net Result		
(1,662,466) Resulting from Operations	20,675	(1,272,193)



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

5 CASH AND RESTRICTED FUNDS

Actual 2006/2007		Adopted Budget 2007/2008	Actual 2007/2008
\$		\$	\$
999,600	Cash at Bank	109,893	2,597,636
750	Cash on Hand	750	850
1,000,350	Total Cash - Sub Total	110,643	2,598,486
1,382,459	Investments	1,831,627	0
2,382,809		1,942,270	2,598,486
	Represented by:-		
1,891,878	Restricted Cash	1,831,627	2,034,539
490,931	Unrestricted Cash	110,643	563,947
2,382,809		1,942,270	2,598,486

The Shire of York does not have any investments or financial instruments that can be classified as non current.

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

Actual 2006/2007		Actual 2007/2008
\$		\$
221,093	Plant Reserve	281,173
16,996	Avon River Reserve	18,288
245,642	Recreation Complex Reserve	264,314
10,398	Town Planning Reserve	11,189
164,993	Refuse Site Reserve	177,534
77,759	Industrial Land Reserve	83,669
16,763	Residency Museum Reserve	18,037
152,816	Pioneer memorial Lodge Reserve	137,594
264	Public Open Space Reserve	284
24,747	Community Bus Reserve	31,615
95,135	Centennial Gardens Reserve	98,288
49,644	Car Parking Reserve	53,418
41,697	Archives Reserve	44,867
20,115	Disaster Reserve	21,644
6,778	Water Supply Reserve	6,778
166,401	Tied Grant Funding Reserve	147,354
98,174	Staff Leave Reserve	105,636
94,335	Main Street (Town Precinct) Upgrade Reserve	106,563
41,385	Building Reserve	54,531
16,340	Strategic Planning Reserve	17,582
22,784	Cemetery Reserve	24,516
34,183	York Town Hall Reserve	36,782
10,054	Youth Capital Works Reserve	20,934
50,272	Roads Reserve	54,093
178,236	Land Acquisition & Development Reserve	180,333
18,280	Greenhills Townsite Development Reserve	19,669
16,594	RSL Memorial Reserve	17,854
1,891,878		2,034,539



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

5 CASH AND RESTRICTED FUNDS CONT.

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;

<u>Actual 2006/2007</u>	<u>Received</u>	<u>Details</u>	<u>Actual 2007/2008</u>
\$		Bridge/Road Funds	\$
20,830	2000/2001	- Mackie Bridge No.4166	20,830
10,000	2003/2004	- Greenhills Bridge No.4165	10,000
22,000	2006/2007	- Burges Siding Bridge No. 4156	0
8,000	2006/2007	- Qualen West Bridge No. 4153	0
2,307	2005/2006	- Roads to Recovery 05/06 Funding	2,307
0	2005/2006	- Roads to Recovery Supplementary Funding	
		Unspent Grant Funds Other	
7,100	2004/2005	- Pool Seat Independent Living	7,100
0	2007/2008	- SEAVROC Crime Prevention Grant	20,000
0	2004/2005	- SEAVROC Zero Waste Plan Grant	45,000
24,750	2006/2007	- SEAVROC Awareness Training Grant	24,750
23,486	2006/2007	- SEAVROC Your Welcome Grant	11,866
6,524	2006/2007	- SEAVROC Shire Contributions	0
4,394	2006/2007	- SEAVROC Enhancing Local Government	0
20,802	2005/2006	- SEAVROC Road Study	0
920	2006/2007	- YAC Holiday Activities	0
1,500	2006/2007	- YAC Directions LCP Leadership Programme	1,500
4,000	2005/2006	- York War Memorial	4,000
9,788	2005/2006	- Mt Brown "Our Patch Grant Funding"	0
<u>166,401</u>			<u>147,353</u>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

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:

Asset by Class	Proceeds		Written Down		Gain(Loss)	
	Sale of Assets		Value		on Disposal	
	2007/2008	2007/2008	2007/2008	2007/2008	2007/2008	2007/2008
	Adopted	Actual	Adopted	Actual	Adopted	Actual
	Budget		Budget		Budget	
	\$	\$	\$	\$	\$	\$
Furniture and Equipment	0	0	0	0	0	0
Plant and Equipment	421,700	186,954	413,613	149,973	8,087	36,981
Buildings	27,273	38,182	719	375	26,554	37,807
Land	913,182	280,000	207,355	18,188	705,827	261,812
TOTAL BY CLASS OF ASSETS	1,362,155	505,136	621,687	168,536	740,468	336,600

(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 Classified according to Class

Actual 2006/2007			Actual 2007/2008	
\$	\$		\$	\$
678,846	678,846	Land (at cost)	660,658	660,658
4,466,731		Buildings (at cost)	5,083,572	
(1,351,466)	3,115,265	Less Accumulated Depreciation	(1,447,582)	3,635,990
758,862		Furniture and Fittings (at cost)	797,667	
(559,513)	199,349	Less Accumulated Depreciation	(599,970)	197,697
2,891,824		Plant and Equipment (at cost)	3,214,416	
(1,231,643)	1,660,181	Less Accumulated Depreciation	(1,373,601)	1,840,815
Infrastructure Assets				
45,681,304		Roads (at cost)	46,830,503	
(31,822,636)	13,858,668	Less Accumulated Depreciation	(35,297,360)	11,533,143
465,254		Drainage (at cost)	464,604	
(56,126)	409,128	Less Accumulated Depreciation	(62,170)	402,434
721,590		Park Plant & Equipment (at cost)	721,590	
(343,556)	378,034	Less Accumulated Depreciation	(379,633)	341,957
104,397		Parks & Ovals (at cost)	104,398	
0	104,397	Less Accumulated Depreciation	0	104,398
2,600,981		Other Structures (at cost)	2,807,876	
(158,711)	2,442,270	Less Accumulated Depreciation	(202,286)	2,605,590
22,846,138	TOTAL PROPERTY, PLANT, EQUIP & INFRASTR.		21,322,682	



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

6 PROPERTY, PLANT, EQUIPMENT AND INFRASTRUCTURE CONT.

(d) Assets Classified by Program

Council's Assets classified by Program are summarised as follows:

Program	Land	Buildings	Furniture and Equipment	Plant and Equipment	Infrastructure	All Other Assets	Total By Program
	\$	\$	\$	\$	\$	\$	\$
Governance	89,960	1,119,097	139,762	62,968	0	0	1,411,787
Law, Order & Public Safety	0	58,353	2,179	377,432	887	0	438,851
Health	24,585	8,242	2,132	45,092	0	0	80,051
Education & Welfare	0	489,552	0	0	11,037	0	500,589
Housing	36,159	0	0	0	0	0	36,159
Community Amenities	20,203	155,078	2,461	41,489	19,625	0	238,856
Recreation & Culture	270,696	1,183,308	44,173	26,987	583,373	0	2,108,537
Transport	0	26,879	6,187	9,754	14,365,101	0	14,407,921
Economic Services	0	16,357	803	56,427	0	0	73,587
Other Property & Services	29,096	579,124	0	1,220,666	7,499	0	1,836,385
No Specific Program Allocation	189,959	0	0	0	0	3,411,137	3,601,096
TOTAL	660,658	3,635,990	197,697	1,840,815	14,987,522	3,411,137	24,733,819



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

6 PROPERTY, PLANT, EQUIPMENT AND INFRASTRUCTURE CONT.

(e) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant, and equipment 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 start of year	678,846	4,466,731	758,863	2,891,823	49,573,526	58,369,789
Assets Acquired during year		631,841	38,804	647,936	1,355,445	2,674,026
Assets Disposed during year	(18,188)	(15,000)	0	(325,344)	0	(358,532)
Revaluation Increments/ (decrements)	0	0	0	0	0	0
Asset Balance at the end of the year	660,658	5,083,572	797,667	3,214,415	50,928,971	60,685,283
Depreciation at the beginning of the year	0	1,351,466	559,513	1,231,643	32,381,029	35,523,651
Depreciation Expense Raised	0	110,742	40,457	317,328	3,560,419	4,028,946
Depreciation Expense Written Back on Disposals	0	(14,625)	0	(175,371)	0	(189,996)
Revaluation Increments/ (decrements)	0	0	0	0	0	0
Depreciation at the end of Year	0	1,447,583	599,970	1,373,600	35,941,448	39,362,601
Net Asset Values at the end of the year	660,658	3,635,989	197,697	1,840,815	14,987,523	21,322,682



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

7 BORROWINGS

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

Actual 2006/2007		Adopted Budget 2007/2008	Actual 2007/2008
\$		\$	\$
	Current Borrowings		
36,533	Loan Debentures	36,533	7,799
<u>36,533</u>	BALANCE AS AT 30TH JUNE	<u>36,533</u>	<u>7,799</u>
	Non Current Borrowings		
74,228	Loan Debentures	220,180	66,430
<u>74,228</u>	BALANCE AS AT 30TH JUNE	<u>220,180</u>	<u>66,430</u>
<u>110,761</u>	TOTAL BORROWINGS AS AT 30TH JUNE	<u>256,713</u>	<u>74,229</u>

(b) Loans Raised in Financial Year

No new Loans were raised during the 2007/2008 financial year.

(c) Loan Repayments

Council's Loan Liability is summarised as follows:

Program	Loan No.	Principal 1/07/2007	Loans Raised 2007/08	Interest		Loan Repayment		Principal 30/6/08
				Adopted Budget 2007/08	Actual 2007/08	Adopted Budget 2007/08	Actual 2007/08	
		\$	\$	\$	\$	\$	\$	\$
Law, Order & Public Safety								
FRS Unit - Loan 61		26,637	0	1,017	1,017	26,638	26,637	0
Community Amenities								
(*) Water Supply - Loan 60		81,503	0	5,668	5,668	7,272	7,274	74,229
Economic Services								
(*) Tourist Bureau - Loan 56		2,622	0	128	128	2,623	2,622	0
SUB TOTAL		<u>110,762</u>	<u>0</u>	<u>6,813</u>	<u>6,813</u>	<u>36,533</u>	<u>36,533</u>	<u>74,229</u>
LESS Change in Net Accrual				(152)	(205)			
TOTAL		<u>110,762</u>	<u>0</u>	<u>6,661</u>	<u>6,608</u>	<u>36,533</u>	<u>36,533</u>	<u>74,229</u>
Loan Repayments to be financed by the Shire				1,017	1,017	26,638	26,637	
Loan Repayments reimbursed from external sources				5,796	5,796	9,895	9,896	
TOTAL				<u>6,813</u>	<u>6,813</u>	<u>36,533</u>	<u>36,533</u>	

(*) 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.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

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 follows:

<u>Actual</u> <u>2006/2007</u> \$		<u>Adopted</u> <u>Budget</u> <u>2007/2008</u> \$	<u>Actual</u> <u>2007/2008</u> \$
Plant Replacement Reserve			
113,471	Balance brought forward 1st July	221,092	221,092
107,621	Plus transfer from General Purpose Funding	232,124	247,625
0	Less transfer To General Purpose Funding	(345,000)	(187,544)
<u>221,092</u>	BALANCE AS AT 30TH JUNE	<u>108,216</u>	<u>281,173</u>
Avon River Reserve			
15,772	Balance brought forward 1st July	16,995	16,996
1,223	Plus transfer from General Purpose Funding	1,071	1,292
0	Less transfer To General Purpose Funding	0	0
<u>16,995</u>	BALANCE AS AT 30TH JUNE	<u>18,066</u>	<u>18,288</u>
Recreation Complex Reserve			
227,960	Balance brought forward 1st July	245,642	245,642
17,682	Plus transfer from General Purpose Funding	15,475	18,672
0	Less transfer To General Purpose Funding	0	0
<u>245,642</u>	BALANCE AS AT 30TH JUNE	<u>261,117</u>	<u>264,314</u>
Town Planning Reserve			
9,650	Balance brought forward 1st July	10,399	10,399
749	Plus transfer from General Purpose Funding	655	790
0	Less transfer To General Purpose Funding	0	0
<u>10,399</u>	BALANCE AS AT 30TH JUNE	<u>11,054</u>	<u>11,189</u>
Refuse Site Development Reserve			
153,116	Balance brought forward 1st July	164,993	164,993
11,877	Plus transfer from General Purpose Funding	10,395	12,541
0	Less transfer To General Purpose Funding	0	0
<u>164,993</u>	BALANCE AS AT 30TH JUNE	<u>175,388</u>	<u>177,534</u>
Industrial Land Reserve			
72,161	Balance brought forward 1st July	77,758	77,758
5,597	Plus transfer from General Purpose Funding	4,899	5,911
0	Less transfer To General Purpose Funding	0	0
<u>77,758</u>	BALANCE AS AT 30TH JUNE	<u>82,657</u>	<u>83,669</u>
Residency Museum Reserve			
15,556	Balance brought forward 1st July	16,763	16,763
1,207	Plus transfer from General Purpose Funding	1,056	1,274
0	Less transfer To General Purpose Funding	0	0
<u>16,763</u>	BALANCE AS AT 30TH JUNE	<u>17,819</u>	<u>18,037</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008

8 RESERVES CONT.

Actual 2006/2007 \$		Adopted Budget 2007/2008 \$	Actual 2007/2008 \$
Pioneer Memorial Lodge Reserve			
180,346	Balance brought forward 1st July	152,816	152,816
13,826	Plus transfer from General Purpose Funding	9,627	11,593
(41,356)	Less transfer To General Purpose Funding	(12,635)	(26,815)
152,816	BALANCE AS AT 30TH JUNE	149,808	137,594
Public Open Space Reserve			
245	Balance brought forward 1st July	264	264
19	Plus transfer from General Purpose Funding	17	20
0	Less transfer To General Purpose Funding	0	0
264	BALANCE AS AT 30TH JUNE	281	284
Community Bus Reserve			
16,787	Balance brought forward 1st July	24,747	24,747
7,960	Plus transfer from General Purpose Funding	1,559	6,868
0	Less transfer To General Purpose Funding	0	0
24,747	BALANCE AS AT 30TH JUNE	26,306	31,615
Centennial Gardens Reserve			
81,485	Balance brought forward 1st July	95,134	95,134
13,649	Plus transfer from General Purpose Funding	5,993	7,231
0	Less transfer To General Purpose Funding	(10,018)	(4,077)
95,134	BALANCE AS AT 30TH JUNE	91,109	98,288
Car Parking Reserve			
46,071	Balance brought forward 1st July	49,645	49,645
3,574	Plus transfer from General Purpose Funding	3,128	3,773
0	Less transfer To General Purpose Funding	0	0
49,645	BALANCE AS AT 30TH JUNE	52,773	53,418
Archives Reserve			
38,696	Balance brought forward 1st July	41,698	41,698
3,002	Plus transfer from General Purpose Funding	2,627	3,169
0	Less transfer To General Purpose Funding	(42,000)	0
41,698	BALANCE AS AT 30TH JUNE	2,325	44,867
Disaster Reserve			
18,667	Balance brought forward 1st July	20,115	20,115
1,448	Plus transfer from General Purpose Funding	1,267	1,529
0	Less transfer To General Purpose Funding	0	0
20,115	BALANCE AS AT 30TH JUNE	21,382	21,644
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



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

8 RESERVES CONT.

Actual 2006/2007 \$		Adopted Budget 2007/2008 \$	Actual 2007/2008 \$
Tied Grant Funding Reserve			
352,427	Balance brought forward 1st July	166,401	166,401
91,574	Plus transfer from General Purpose Funding	0	65,000
(277,600)	Less transfer To General Purpose Funding	(120,454)	(84,047)
166,401	BALANCE AS AT 30TH JUNE	45,947	147,354
Staff Leave Reserve			
91,107	Balance brought forward 1st July	98,174	98,174
7,067	Plus transfer from General Purpose Funding	5,727	7,462
0	Less transfer To General Purpose Funding	0	0
98,174	BALANCE AS AT 30TH JUNE	103,901	105,636
Main St (Town Precinct) Upgrade Reserve			
82,879	Balance brought forward 1st July	94,335	94,335
11,456	Plus transfer from General Purpose Funding	10,943	12,228
0	Less transfer To General Purpose Funding	0	0
94,335	BALANCE AS AT 30TH JUNE	105,278	106,563
Buildings Reserve			
29,076	Balance brought forward 1st July	41,386	41,385
12,310	Plus transfer from General Purpose Funding	12,607	13,146
0	Less transfer To General Purpose Funding	0	0
41,386	BALANCE AS AT 30TH JUNE	53,993	54,531
Strategic Planning Reserve			
17,030	Balance brought forward 1st July	16,340	16,340
1,310	Plus transfer from General Purpose Funding	1,029	1,242
(2,000)	Less transfer To General Purpose Funding	(16,340)	0
16,340	BALANCE AS AT 30TH JUNE	1,029	17,582
Cemetery Reserve			
21,144	Balance brought forward 1st July	22,784	22,784
1,640	Plus transfer from General Purpose Funding	1,435	1,732
0	Less transfer To General Purpose Funding	0	0
22,784	BALANCE AS AT 30TH JUNE	24,219	24,516
York Town Hall Reserve			
31,723	Balance brought forward 1st July	34,184	34,184
2,461	Plus transfer from General Purpose Funding	2,154	2,598
0	Less transfer To General Purpose Funding	(15,000)	0
34,184	BALANCE AS AT 30TH JUNE	21,338	36,782
Youth Capital Works Reserve			
0	Balance brought forward 1st July	10,054	10,054
10,054	Plus transfer from General Purpose Funding	10,633	10,880
0	Less transfer To General Purpose Funding	0	0
10,054	BALANCE AS AT 30TH JUNE	20,687	20,934



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

8 RESERVES CONT.

<u>Actual</u> <u>2006/2007</u> \$		<u>Adopted</u> <u>Budget</u> <u>2007/2008</u> \$	<u>Actual</u> <u>2007/2008</u> \$
	Roads Reserve		
0	Balance brought forward 1st July	50,272	50,272
50,272	Plus transfer from General Purpose Funding	3,167	3,821
0	Less transfer To General Purpose Funding	0	0
<u>50,272</u>	BALANCE AS AT 30TH JUNE	<u>53,439</u>	<u>54,093</u>
	Land & Infrastructure Development Reserve		
0	Balance brought forward 1st July	178,236	178,236
178,236	Plus transfer from General Purpose Funding	951,684	332,097
0	Less transfer To General Purpose Funding	(757,273)	(330,000)
<u>178,236</u>	BALANCE AS AT 30TH JUNE	<u>372,647</u>	<u>180,333</u>
	Greenhills Townsite Development Reserve		
0	Balance brought forward 1st July	18,280	18,280
18,280	Plus transfer from General Purpose Funding	1,152	1,389
0	Less transfer To General Purpose Funding	(18,000)	0
<u>18,280</u>	BALANCE AS AT 30TH JUNE	<u>1,432</u>	<u>19,669</u>
	RSL Memorial Reserve		
15,399	Balance brought forward 1st July	16,593	16,593
1,194	Plus transfer from General Purpose Funding	1,045	1,261
0	Less transfer To General Purpose Funding	(15,000)	0
<u>16,593</u>	BALANCE AS AT 30TH JUNE	<u>2,638</u>	<u>17,854</u>
<u>1,891,878</u>	TOTAL RESERVES	<u>1,831,627</u>	<u>2,034,539</u>

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

Its anticipated that the Reserves will be utilised over the next 1 to 5 years .Council would expect further transfers to be made to some of the Reserves as funds are utilised.

(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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008

8 RESERVES CONT.

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 Councils Parking Plan.

Archives Reserve

- to provide a secure building for the safe storage of Councils 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 it's 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



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

9 CASH FLOW INFORMATION

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

For the purpose of this statement of cash flows, cash includes cash on hand and deposits with Banks or Financial Institutions.

<u>Actual</u> <u>2006/2007</u>	<u>Adopted</u> <u>Budget</u> <u>2007/2008</u>	<u>Actual</u> <u>2007/2008</u>
\$	\$	\$
(1,662,466) Change in net equity from operations	20,675	(1,272,193)
<u>Non cash flows in change in Net Equity</u>		
3,928,244 Depreciation	3,942,920	4,028,946
(311,487) Profit/loss on sale of Fixed Assets	(740,468)	(336,600)
(4,373) Changes to provisions	40,383	65,044
37,848 Bad & Doubtful Debts	0	0
(466,631) Government Revenue	(2,430,088)	(943,233)
\$	\$	\$
<u>Change in Assets and Liabilities</u>		
(9,280) (Increase)/Decrease in Inventory	10,044	1,496
(12,822) (Increase)/Decrease in Goods & Services Tax	0	0
44,884 Increase/(Decrease) in Accrued Expenditure	0	0
105,030 (Increase)/Decrease in Accounts Receivables	85,746	(129,229)
287,930 Increase/(Decrease) in Accounts Payables	(27,336)	53,741
(1) Rounding	0	1
<u>1,936,876</u> Cash flows from Operations	<u>901,876</u>	<u>1,467,973</u>

RECONCILIATION OF CASH

490,931 Cash at Bank - Operating	110,643	563,947
1,891,878 - Restricted Reserves	1,831,627	2,034,539
<u>2,382,809</u> TOTAL CASH	<u>1,942,270</u>	<u>2,598,486</u>
Credit stand by arrangement and loan facilities		
Council has a Credit Card facility of :-		
10,000 Credit Card Limit	7,500	10,000
(1,375) Amount Utilised	0	(516)
Council has Bank Overdraft facilities of:-		
500,000 Credit Facility	500,000	500,000
0 Amount Utilised	0	0
<u>508,625</u> Unused Facility available	<u>507,500</u>	<u>509,484</u>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

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 2008**

PARTICULARS	OPENING	RECEIPTS		PAYMENTS		CLOSING BALANCE	
	BALANCE	ADOPTED	ACTUAL	ADOPTED	ACTUAL	ADOPTED	ACTUAL
	1/07/2007	2007/2008	2007/2008	2007/2008	2007/2008	2007/2008	30/06/2008
	\$	\$	\$	\$	\$	\$	\$
DEPOSITS							
Leeuwin							
Contributions	600	0	0	0	0	600	600
Motor Cross							
Track	2,127	0	0	0	0	2,127	2,127
Youth Advisory							
Committee	8,424	500	165	0	0	8,924	8,589
Builders Reg							
Board Levy	607	8,500	8,954	9,000	8,289	107	1,272
Roadwise							
Committee							
Funds	0	500	0	500	0	0	0
Bond Quarry							
License	500	0	0	0	0	500	500
Bonds Building	28,000	5,000	30,100	30,000	5,100	3,000	53,000
Sale of Property -							
Non Payment of							
Rates	8,041	0	0	8,041	0	0	8,041
Bonds Halls etc	5,600	5,000	4,940	7,000	6,120	3,600	4,420
Key Bonds	2,320	500	740	2,000	900	820	2,160
BCITF	1,509	20,000	33,352	21,000	23,013	509	11,848
Bonds Rental							
Properties	1,600	400	650	400	0	1,600	2,250
Footpath & Kerb							
Bonds	26,500	20,000	11,000	25,500	7,000	21,000	30,500
Cat Trap Bond	140	400	453	500	573	40	20
Town Planning							
Bond	0	0	6,090	0	4,790	0	1,300
Police Licensing	0	1,590,000	1,526,508	1,590,000	1,526,508	0	0
Tsunami Relief							
Fund	0	0	0	0	0	0	0
Nomination							
Deposits	0	0	320	0	320	0	0
Water Loan							
Assess 8890	17,987	5,000	0	8,000	2,157	14,987	15,830
Bond							
Land/Building							
Sales	0	50,000	0	50,000	0	0	0
Number Plates							
for 175th							
Anniversary	0	0	0	0	0	0	0
Cash							
Adjustments	301	0	80	0	0	301	381



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

10 TRUST FUND INFORMATION CONT.

PARTICULARS	OPENING	RECEIPTS		PAYMENTS		CLOSING BALANCE	
	BALANCE	ADOPTED	ACTUAL	ADOPTED	ACTUAL	ADOPTED	ACTUAL
	1/07/2007	BUDGET	2007/2008	BUDGET	2007/2008	BUDGET	30/06/2008
	\$	\$	\$	\$	\$	\$	\$
DEPOSITS CONT.							
Intersection							
Bonds							
Palmbrook	21,750	0	0	0	0	21,750	21,750
Palmbrook							
Defects Bond	62,800	0	4,648	0	57	62,800	67,391
Palmbrook							
Public Open							
Space	111,367	0	8,142	0	0	111,367	119,509
Pioneer							
Memorial Lodge							
Bonds	48,872	10,000	187	10,000	49,059	48,872	0
Subdivision							
Bonds	3,700	0	42,384	0	42,164	3,700	3,920
Total Group							
Cleaning Bond	5,946	0	0	5,946	0	0	5,946
York Golf Club	0	6,000	0	6,000	0	0	0
Crossovers							
Palmbrook	56,000	0	0	56,000	0	0	56,000
Footpath							
Palmbrook	50,688	0	0	50,688	0	0	50,688
Rural							
Numbering							
Palmbrook	1,820	0	0	1,820	0	0	1,820
Greenhills							
Bushfire Brigade	114	0	0	0	0	114	114
Staff Social Club	0	500	350	500	0	0	350
Bawden -							
Subdivision							
Deposit L202							
Osnaburg Rd							
Income	0	0	16,386	0	0		16,386
TOTAL	467,313	1,722,300	1,695,449	1,882,895	1,676,050	306,718	486,712



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

11 COMPARISON WITH RATE SETTING BUDGET

In accordance with Financial Management Regulation 36(1)(a) 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".

<u>Actual 2006/2007</u>		<u>Adopted Budget 2007/2008</u>	<u>Actual 2007/2008</u>
\$		\$	\$
	Non Operating Income		
9,242	Principal Repayment Received (Community Groups)	9,896	9,895
	Proceeds from Disposal of Assets:		
195,455	Land	913,182	280,000
0	Buildings	27,273	0
364,064	Plant and Equipment	421,700	186,954
320,956	Transfer from Reserves	1,351,720	632,484
0	Loans - Raised	900,000	0
<u>889,717</u>	TOTAL	<u>3,623,771</u>	<u>1,109,333</u>
	Non Operating Expenditure		
86,030	Purchase Land and Buildings	3,229,944	631,841
679,568	Purchase Plant and Equipment	904,300	647,936
22,014	Purchase Furniture and Equipment	87,600	38,804
1,092,761	Infrastructure Assets-Roads	1,786,178	1,355,445
117,848	Repayments of Debt-Principal	36,533	36,533
575,288	Transfer to Reserves	1,291,469	775,145
<u>2,573,509</u>	TOTAL	<u>7,336,024</u>	<u>3,485,704</u>

12 RATING INFORMATION

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

(a) General and Minimum Rate

<u>Actual 2006/2007</u>		<u>Adopted Budget 2007/2008</u>	<u>Actual 2007/2008</u>
\$		\$	\$
0.146529	-General Rate Gross Rental Valued	0.097601	0.097601
\$650 pa	- Minimum Rate Gross Rental Valued	\$685 pa	\$685 pa
0.007238	-General Rate Unimproved Valued	0.007036	0.007036
\$750 pa	- Minimum Rate Unimproved Valued	\$795 pa	\$795 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 2007/2008 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".



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

12 RATING INFORMATION CONT.

(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.

Third Prize 1 night's accommodation in a Standard Family Cabin, sponsored by Aspen Parks Quality Resort Parks

Fourth Prize 4 Tickets to the West Australian Symphony Orchestra for the Wesfarmers Arts Masters Brahms & Mahler Concert in November 2007

(iii) Rates Concession (Urban Farmland)

Council provided a concession to those property owners who own rural land adjoining the York Townsite to reflect the increased valuations that are applicable to such properties. This concession is known as the Urban Farm Land Concession.

Actual 2006/2007		Adopted Budget 2007/2008	Actual 2007/2008
\$		\$	\$
7,128	Urban Farm Land Concessions provided	0	0

(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;

Actual 2006/2007		Adopted Budget 2007/2008	Actual 2007/2008
\$		\$	\$
36,155	Rates	1,000	82
22,206	General Purpose Revenue	0	0
528	Recreation and Culture	0	0
58,889		1,000	82

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.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

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	Wednesday, 7 November 2007
2nd Instalment	Monday, 7 January 2008
3rd Instalment	Friday, 7 March 2008
4th Instalment	Wednesday, 7 May 2008

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

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

<u>Actual</u> <u>2006/2007</u>	<u>Adopted</u> <u>Budget</u> <u>2007/2008</u>	<u>Actual</u> <u>2007/2008</u>
\$	\$	\$
26,018 Interest Charges for the late Payment of Rates Charged	25,000	24,652
9,877 Instalment Interest Charges	10,000	10,781
13,040 Administration Charges for Instalment Options	12,500	13,896



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

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>2006/2007</u>		<u>Adopted</u> <u>Budget</u> <u>2007/2008</u>	<u>Actual</u> <u>2007/2008</u>
\$		\$	\$
13,921	Governance	52,500	39,271
42,692	General Purpose Funding	10,700	10,793
9,677	Law, Order, Public Safety	8,250	7,899
18,888	Health	19,300	19,121
18,199	Education and Welfare	18,200	18,620
521,501	Community Amenities	394,660	372,796
57,089	Recreation and Culture	56,775	60,129
106,738	Transport	50	50
71,215	Economic Services	69,891	109,651
33,400	Other Property and Services	502,250	168,567
893,320	TOTAL FEES AND CHARGES	1,132,576	806,897

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

No amendments were made during the 2007/2008 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>2006/2007</u>		<u>Adopted</u> <u>Budget</u> <u>2007/2008</u>	<u>Actual</u> <u>2007/2008</u>
\$		\$	\$
	-Annual Attendance Fee		
25,980	Councillor (5) - \$4,568 per annum	31,980	31,964
	President - \$9,140 per annum		
	- Expenses		
6,000	- Telecommunications Allowance	6,330	6,330
0	- Travel Expenses	1,500	361
5,000	- Information Technology Allowance	6,000	5,996
	-Annual Local Government Allowance		
7,500	- President	7,900	7,900
200	- Deputy President	1,975	1,975
44,680		55,685	54,526



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

17 INVESTMENTS

In accordance with Financial Management Regulation 49 the Earnings from Investments are summarised as follows:

<u>Actual</u> <u>2006/2007</u>		<u>Adopted</u> <u>Budget</u> <u>2007/2008</u>	<u>Actual</u> <u>2007/2008</u>
\$		\$	\$
68,102	General Account	68,000	65,485
100,288	Reserve Funds	107,819	130,922
168,390	TOTAL	175,819	196,407

18 DEPRECIATION ON NON-CURRENT ASSETS

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

<u>Actual</u> <u>2006/2007</u>		<u>Adopted</u> <u>Budget</u> <u>2007/2008</u>	<u>Actual</u> <u>2007/2008</u>
\$		\$	\$
180	General Purpose Funding	179	180
69,515	Governance	68,763	70711
45,962	Law, Order, Public Safety	45,733	45,290
8,615	Health	8,432	10,122
18,981	Education and Welfare	18,838	19,330
0	Housing	0	0
6,945	Community Amenities	6,904	9,319
103,851	Recreation and Culture	106,191	107,601
3,435,956	Transport	3,451,530	3,518,414
12,708	Economic Services	12,741	11,515
225,531	Other Property and Services	223,609	236,464
3,928,244	TOTAL	3,942,920	4,028,946

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.

<u>Actual</u> <u>2006/2007</u>		<u>Actual</u> <u>2007/2008</u>
\$		\$
11,315	Not Later than one year	11,315
12,258	Later than one year and not later than five years	943
0	Later than five years	0
23,573		12,258

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

456,194	Not Later than one year	118,581
456,194		118,581



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

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 2008.

	Average Interest %	Variable Interest Rate \$	Less than 1 year \$	1 to 5 years \$	Non Interest Bearing \$	Total \$
Financial Assets						
Cash	4.50	4.55	2,597,636	0	850	2,598,486
Trade Receivables-Current	0	0	0	0	681,393	681,393
			<u>2,597,636</u>	<u>0</u>	<u>682,243</u>	<u>3,279,879</u>
Financial Liabilities						
Accounts Payable - Current	0	0	0	0	435,620	435,620
Employee entitlements - Current		0	0	0	397,042	397,042
Borrowings	7.0	0	7,799	66,430	0	74,229
			<u>7,799</u>	<u>66,430</u>	<u>832,662</u>	<u>906,891</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 2008/09 Financial Year.

(f) Credit Risk

The Shire's receivables are classified as Rates and Annual Charges, Interest, 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 Interest as part of its receivables as and when investments are made and a commitment from Financial Institutions is received for payment of the investment earnings. 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.

2006/2007			2007/2008	
Current	Non Current		Current	Non Current
\$	\$		\$	\$
Financial Assets				
145,297	20,037	Rates and Annual Charges	177,276	26,064
9,895	74,229	Self Supporting Loans	7,799	66,430
10,256	0	Goods and Services Tax	0	0
394,380	0	General Debtors	496,318	0
<u>559,828</u>	<u>94,266</u>		<u>681,393</u>	<u>92,494</u>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

22 FINANCIAL INSTRUMENTS CONT.

(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>2006/2007</u> \$		<u>Actual</u> <u>2007/2008</u> \$
25,708	Impact of 1% Movement in Interest Rates on Investment Earnings (+/-)	24,705
64,271	Impact of 2.5% Movement in Interest Rates on Investment Earnings (+/-)	61,763

(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	433,425	0	0	433,425
Interest Bearing Liabilities	7,799	37,262	29,168	74,229
	<u>441,224</u>	<u>37,262</u>	<u>0</u>	<u>507,654</u>

(h) Borrowing Risk

Borrowings are subjected to interest rate risk- the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long-term and fixing the interest rate. Council's exposure to interest rate risk on its current borrowings is minimal.

23 POSITION AT COMMENCEMENT OF FINANCIAL YEAR

(a) DETERMINATION OF OPENING FUNDS

<u>ACTUAL</u> <u>30.06.2007</u> \$	<u>Adopted</u> <u>Budget</u> <u>2007/2008</u> \$	<u>ACTUAL</u> <u>30.06.08</u> \$
<u>Current Assets</u>		
1,382,459	1,831,627	0
999,600	109,893	2,597,636
750	750	850
559,828	470,000	681,393
35,044	25,000	33,549
<u>2,977,681</u>	<u>2,437,270</u>	<u>3,313,428</u>
<u>Less Current Liabilities</u>		
(381,418)	(350,000)	(435,620)
(309,265)	(349,647)	(397,042)
(36,533)	(36,533)	(7,799)
<u>(727,216)</u>	<u>(736,180)</u>	<u>(840,461)</u>
2,250,465	1,701,090	2,472,967
SURPLUS OF CURRENT ASSETS OVER CURRENT LIABILITIES		
ADJUSTMENTS		
Rounding		
36,533	36,533	7,799
(9,895)	(9,897)	(7,799)
(1,793,704)	(1,727,726)	(1,928,903)
<u>483,399</u>	<u>0</u>	<u>544,064</u>
OPENING/CLOSING FUNDS		



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

23 POSITION AT COMMENCEMENT OF FINANCIAL YEAR CONT.

(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 2007/2008 Annual Budget.

Net Current Asset detailed in the 2007/2008 Annual Budget	483,399
Net Current Assets Brought Forward as at 1st July 2007	483,399

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	36,359	0	64,310	0	0	0	100,669
Law, Order, Public Safety	0	0	229,576	0	0	0	229,576
Health	0	0	27,469	0	0	0	27,469
Education and Welfare	0	3,468	0	0	0	0	3,468
Housing	0	0	0	0	0	0	0
Community Amenities	0	450	43,862	0	0	0	44,312
Recreation and Culture	2,445	68,663	0	0	1,334	0	72,442
Transport	0	0	277,522	1,354,111	0	0	1,631,633
Economic Services	0	0	0	0	0	0	0
Other Property & Services	0	559,260	5,197	0	0	0	564,457
TOTAL	38,804	631,841	647,936	1,354,111	1,334	0	2,674,026



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

25 FINANCIAL INFORMATION BY RATIO

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

<u>2005/2006</u> Percent	<u>2006/2007</u> Percent		<u>2007/2008</u> Percent
1.19:1	1.50:1	(a) Current Ratio <u>(Current Assets Minus Restricted Assets)</u> (Current Liabilities-Liabilities Associated with Restricted Assets)	1.74:1
3.20%	3.28%	(b) Debt Ratio <u>Total Liabilities</u> Total Assets	3.79%
3.10%	2.77%	(c) Debt Service Ratio <u>Debt Service Cost</u> Available Operating Revenue	0.82%
41%	44%	(d) Rate Coverage Ratio <u>Net Rate Revenue</u> Operating Revenue	42%
10%	5%	(e) Outstanding Rates Ratio <u>Rates Outstanding</u> Rates Collectable	7.14%
5%	2%	(f) Gross Debt to Revenue Ratio <u>Gross Debt</u> Total Revenue	1.32%
(5.14):1	1.32:1	(f) Untied Cash to Trade Creditors Ratio <u>Untied Cash</u> Unpaid Trade Creditors	1.29:1
3%	1%	(f) Gross Debt to Economically Realisable Assets Ratio <u>Gross Debt</u> Economically Realisable Assets	0.76%



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008

25 FINANCIAL INFORMATION BY RATIO CONT.

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;



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

26 RECEIVABLES

Receivables due to the City include the following:

ACTUAL 2006/2007	ACTUAL 2007/2008
\$	\$
<u>Current</u>	
145,297 Rates	177,276
16,176 LSL Due from Other Councils	16,176
426,527 Sundry Debtors	540,750
(53,491) Less Provision for Doubtful Debts	(65,183)
9,895 Long Term Loans-Interest Free & Self Supporting	7,799
10,256 Goods and Services Tax	0
5,168 Prepayments	4,575
559,828	681,393
<u>Non Current</u>	
20,037 Rates Outstanding-Pensioner Deferred	26,064
74,229 Long Term Loans-Interest Free and Self Supporting	66,430
94,266	92,494

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 2006/2007	ACTUAL 2007/2008
\$	\$
35,044	33,549

Comprises of Construction Materials, Fuels and Consumables

All stock on hand at balance date has been valued at cost.

28 TRADE AND OTHER PAYABLES

ACTUAL 2006/2007	ACTUAL 2007/2008
\$	\$
333,333 Sundry Creditors	433,425
0 Goods and Services Tax	460
48,085 Accrued Expenses - Interest on Loans	1,735
381,418 Total	435,620



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2008**

29 PROVISIONS

Employees' entitlements at balance date are as follows:

ACTUAL 2006/2007	ACTUAL 2007/2008
\$	\$
<u>Current</u>	
157,578 - Accrued Annual Leave	232,077
126,402 - Accrued Long Service Leave	139,680
19,994 - Provision for Sick Leave	19,994
5,291 - LSL Leave Owed To Other Local Governments	5,291
309,265	397,042
<u>Non Current</u>	
25,298 - Accrued Annual Leave	0
27,804 - Accrued Long Service Leave	30,369
53,102	30,369
362,367	427,411

30 EMPLOYEE NUMBERS AND REMUNERATION

In accordance with the Local Government (Administration) Regulations 1996 section 19B, the following information is provided in relation to annual salaries paid to employees.

No. of Employees

2006/2007	Annual Salary Range	2007/2008
1	\$100,000 up to \$110,000 per annum	1
Total Number of Employees		
31	The number of full time equivalent employees at 30 June	32

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 2008

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.

INDEPENDENT AUDIT REPORT

TO: RATEPAYERS OF SHIRE OF YORK

We have audited the financial report of the Shire of York, which comprises the Balance Sheet as at 30 June 2008 and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, Rate Setting Statement and the notes to and forming part of the financial report for the year ended on that date.

The Responsibility of the Council for the Financial Report

The 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 2008 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

During the course of our audit we became aware of the following instances where the Council did not comply with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996:

- (i) Annual Financial Report was not submitted by the Shire of York to its auditors by 30 September 2008 as prescribed under Section 6.4(3) of the Local Government Act 1995.
- (ii) The Auditor's report for the year ended 30 June 2008 was not issued and received by the Shire of York by 31 December 2008 as prescribed under Section 7.9(1) of the Local Government Act 1995.

Except as detailed above, 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 and Regulations under that Act.

Macri Partners
MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
28 THOROGOOD STREET
BURSWOOD WA 6100

Amann
A MACRI
PARTNER

PERTH
DATED THIS 19th DAY OF JANUARY 2009.

