

GENERAL PURPOSE FINANCIAL STATEMENTS



YEAR ENDED

30th June, 2006

COUNCIL OF THE SHIRE OF YOUNG

GENERAL PURPOSE FINANCIAL REPORT for the year ended 30th June, 2006

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This Financial Report, is a General Purpose Financial Report of the Council of the Shire of Young, and its controlled entities, and is presented in Australian currency.

The Council of the Shire of Young, is constituted under the Local Government Act (1993), and its principal place of business is located at:

**Town Hall
Boorowa Street
YOUNG NSW 2594**

This Financial Report, was authorised for issue by Council, on 16th August, 2006. Note, Council has the authority to amend, and / or re-issue this Financial Report.

COUNCIL OF THE SHIRE OF YOUNG

COUNCIL'S CERTIFICATE for the year ended 30th June, 2006

STATEMENT BY COUNCILLORS AND MANAGEMENT MADE PURSUANT TO SECTION 413 (2) (c) OF THE LOCAL GOVERNMENT ACT 1993 (as amended)

The attached General Purpose Financial Report has been prepared in accordance with;

- (i) The Local Government Act 1993 (as amended) and the Regulations made thereunder.**
- (ii) The Australian Accounting Standards and professional pronouncements.**
- (iii) The Local Government Code of Accounting Practice and Financial Reporting.**

To the best of our knowledge and belief, this Report;

- (i) Presents fairly, Council's operating result and financial position for the year, and**
- (ii) Accord with Council's accounting and other records.**

We are not aware of any matter, which would render this report, false or misleading in any way.

Signed, in accordance with a resolution of Council, made on 16th August, 2006.

**Cr. Gerald P. Bailey
MAYOR**

**Adrian G. Hanrahan
GENERAL MANAGER**

**Cr. John B. McGregor
COUNCILLOR**

**Donald D. Withers
RESPONSIBLE ACCOUNTING OFFICER**

COUNCIL OF THE SHIRE OF YOUNG

GENERAL PURPOSE FINANCIAL REPORT

for the year ended 30th June, 2006

INCOME STATEMENT

Original Budget 2006 (\$'000)	*	Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
INCOME FROM CONTINUING OPERATIONS:				
Revenues				
6,792		3 (A)	6,863	7,324
3,067		3 (B)	3,220	3,390
810		3 (C)	974	790
3,058		3 (E)	2,980	2,810
703		3 (F)	857	779
370		3 (E)	1,151	492
983		3 (F)	517	730
409		3 (D)	497	486
16,192			17,059	16,801
Other Income				
266		5	373	358
266			373	358
16,458			17,432	17,159
EXPENSES FROM CONTINUING OPERATIONS:				
Expenses				
4,507		4 (A)	4,437	4,590
391		4 (B)	395	413
5,307		4 (C)	4,502	4,488
2,505		4 (D)	2,853	2,688
1,604		4 (E)	1,572	1,565
14,314			13,760	13,744
2,144			3,672	3,415
ATTRIBUTABLE TO:				
2,144			3,672	3,415
0			0	0
2,144			3,672	3,415
NETT OPERATING RESULT FOR THE YEAR PRIOR TO THE PROVISION OF GRANTS AND CONTRIBUTIONS FOR CAPITAL PURPOSES				
791			2,004	2,193

The abovementioned Income Statement, should be read in conjunction with the accompanying Notes.

* The Original Budget, is as approved and adopted by Council, on 15th June, 2005 - refer to Note No. 16.

COUNCIL OF THE SHIRE OF YOUNG

GENERAL PURPOSE FINANCIAL REPORT

as at 30th June, 2006

BALANCE SHEET

	Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
CURRENT ASSETS:			
Cash and Cash Equivalents	6	2,517	923
Investments	6	3,742	5,109
Receivables	7	1,813	1,440
Inventories	8	255	161
Other	8	318	175
TOTAL CURRENT ASSETS		8,645	7,808
NON-CURRENT ASSETS:			
Investments	6	7,844	6,390
Receivables	7	22	34
Infra-Structure, Property, Plant and Equipment	9	86,301	84,896
TOTAL NON-CURRENT ASSETS		94,167	91,320
TOTAL ASSETS		102,812	99,128
CURRENT LIABILITIES:			
Payables	10 (a)	1,249	1,084
Interest Bearing Liabilities	10 (a)	269	248
Provisions	10 (a)	1,644	1,577
TOTAL CURRENT LIABILITIES		3,162	2,909
NON-CURRENT LIABILITIES:			
Interest Bearing Liabilities	10 (a)	4,273	4,542
Provisions	10 (a)	489	464
TOTAL NON-CURRENT LIABILITIES		4,762	5,006
TOTAL LIABILITIES		7,924	7,915
TOTAL NETT ASSETS		94,888	91,213
EQUITY:			
Retained Earnings - Accumulated	20	91,213	87,798
Surplus / (Deficit) - Current Year	20	3,675	3,415
TOTAL EQUITY		94,888	91,213

The abovementioned Balance Sheet, should be read in conjunction with the accompanying Notes.

COUNCIL OF THE SHIRE OF YOUNG

GENERAL PURPOSE FINANCIAL REPORT

for the year ended 30th June, 2006

STATEMENT OF CHANGES IN EQUITY

	2006		2005	
	Accumulated Surplus (\$'000)	Total Equity (\$'000)	Accumulated Surplus (\$'000)	Total Equity (\$'000)
Balance as at the beginning of the Reporting Period	91,213	91,213	87,798	87,798
Nett Operating Result for the year	3,672	3,672	3,415	3,415
Balance as at the end of the Reporting Period	94,886	94,886	91,213	91,213

The abovementioned Statement of Changes in Equity, should be read in conjunction with the accompanying Notes.

COUNCIL OF THE SHIRE OF YOUNG

GENERAL PURPOSE FINANCIAL REPORT

for the year ended 30th June, 2006

STATEMENT OF CASH FLOW

Original Budget 2006 (\$'000)		Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts				
7,457	Annual Rates and Charges		6,846	7,229
3,065	User Charges and Fees		3,059	3,588
809	Interest and Investment Revenues		913	811
5,117	Grants and Contributions		5,479	4,806
409	Other		390	557
16,857			16,686	16,991
Payments				
(4,456)	Employee Benefits and On-Costs		(4,364)	(4,363)
(5,096)	Materials and Contracts		(4,418)	(4,317)
(391)	Borrowing Costs		(378)	(396)
(1,810)	Other		(1,726)	(1,486)
(11,753)			(10,886)	(10,562)
5,104	NETT CASH PROVIDED FROM OPERATING ACTIVITIES	11 (B)	5,799	6,429
CASH FLOWS FROM INVESTING ACTIVITIES:				
Receipts				
637	Infra-Structure, Property, Plant and Equipment		618	595
12	Deferred Payments Scheme		12	4
649			630	599
Payments				
(5,078)	Infra-Structure, Property, Plant and Equipment		(4,503)	(4,137)
(5,078)			(4,503)	(4,137)
(4,429)	NETT CASH USED IN INVESTING ACTIVITIES		(3,873)	(3,538)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Receipts				
450	Borrowing's		0	0
450			0	0
Payments				
(265)	Borrowing's		(248)	(229)
0	Government Advances		0	(2)
(265)			(248)	(231)
185	NETT CASH USED IN FINANCING ACTIVITIES		(248)	(231)
CASH, CASH EQUIVALENTS AND INVESTMENTS:				
12,422	Beginning of the Current Reporting Period		12,422	9,762
860	Nett increase in Cash, Cash Equivalents and Investments		1,679	2,660
13,282	END OF THE CURRENT REPORTING PERIOD	11 (A)	14,101	12,422

The abovementioned Statement of Cash Flow, should be read in conjunction with the accompanying Notes.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

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*** NOTE:- Note No. 1 to Note No. 21 are mandatory, and must be presented in the order as specified.
If the Note is not applicable to Council, then it should still be presented with “ nil ”, details.**

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

A Statement, summarising the significant accounting policies adopted by Council, is detailed within this Note in accordance with the Australian Accounting Standard AAS 6 - " Accounting Policies - Determination, Application and Disclosure ".

Local Government Reporting Entity

The Council of the Shire of Young has its principal business offices located at Town Hall, Boorowa Street, YOUNG NSW 2594. Young Shire Council is empowered by the New South Wales Local Government Act, 1993 (as amended), and Council's Charter is specified within Section 8 of this Act.

A description of the nature of Council's operations and its principal activities are provided within Note No. 2 (b) of this report.

The General Purpose Financial Statements incorporate the assets and liabilities of all entities controlled by Council, (the parent entity), and the results of all controlled entities for the financial period ended 30th June, 2006. They include the Consolidated Fund, and other entities, through which Council controls resources to conduct its functions.

In the process of reporting upon the local government area as a single unit, all transactions and balances between activities (for example, loans and transfers etc.), have been eliminated.

(A) Basis of Preparation

This General Purpose Financial Report has been prepared in accordance with Australian Equivalents of International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Local Government Act (1993) and Regulations, and the Financial Reporting Guidelines for NSW Councils.

Compliance with International Financial Reporting Standards

Australian Accounting Standards include Australian Equivalents of International Financial Reporting Standards. Compliance with AIFRS ensures the General Purpose Financial Reports and Notes to the Financial Statements of Council, comply with International Financial Reporting Standards (IFRS).

Application of AASB 1 First-Time Adoption of Australian Equivalents of International Financial Reporting Standards.

These Financial Statements are Council's initial Financial Statements to be prepared in accordance with AIFRS. AASB 1 First-Time Adoption of Australian Equivalents of International Financial Reporting Standards, has been applied in preparing these Financial Statements.

Council's Financial Statements to 30th June 2005, had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. With regard to Council's 2006 Financial Statements, management has amended certain accounting, valuation, and consolidation methods applied in the AGAAP Financial Statements, to comply with AIFRS. With the exception of financial instruments, the comparative figures in respect of 2005 were re-stated to reflect these adjustments. Council has taken the exemption available under AASB 1, to only apply AASB 132 and AASB 139 from 1st January 2005.

Reconciliations and descriptions of the effect of transition, from previous AGAAP to AIFRS, upon Council's equity and its nett income are provided within Note No. 21.

Council is required to comply with AAS 27 Financial Reporting by Local Government, and where AAS 27 conflicts with AIFRS, the requirements of AAS 27 have been applied. Where AAS 27 makes reference to another Australian Accounting Standard, the new Australian Equivalents of International Financial Reporting Standards will apply. The specific " not-for-profit " reporting requirements also apply.

Historical Cost Convention

These Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant, equipment and investment property.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation - (Continued)

Critical Accounting Estimates

The preparation of Financial Statements in conformity with AIFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement, in the process of applying Council's accounting policies.

(B) Revenue Recognition

Revenue is measured at the fair value of the consideration received, or receivable. Revenue is measured on major income categories, as follows:-

Annual Rates, Charges, Grants and Contributions

Annual rates, charges, grants and contributions (including developer contributions), are recognised as revenues when Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required. However, Council may apply contributions according to the priorities established in its works programmes.

Control over assets acquired from annual rates and charges is obtained at the commencement of the rating year, as it is an enforceable debt linked to the rateable property, or where earlier, upon receipt of the rates.

A provision for doubtful debtors on rates has been established, as unpaid rates represent a charge against a rateable property that will be recovered, when the property is next sold, and accordingly, the unpaid rates may not be fully recoverable.

Control over granted assets is normally obtained upon their receipt (or acquittal), or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Income is recognised when Council obtains control of the contribution, or the right to receive the contribution, and it is probable the economic benefits comprising the contribution will flow to Council, and the amount of the contribution can be measured reliably.

Where grants or contributions, recognised as revenues during the financial year, were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note No. 3. This Note also discloses the amount of unused grant or contribution from prior years, that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue, that is reciprocal in nature, to the extent that the requisite service has not been provided a balance date.

User Charges and Fees

User charges and fees (including parking fees and fines), are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for doubtful debtors is recognised, when collection in full is no longer probable.

Sale of Infra-Structure, Property, Plant and Equipment

The profit or loss on the sale of an asset is determined, when control of the asset has irrevocably passed to the purchaser.

Interest and Rents

Interest and rents are recognised as revenue on a proportional basis, when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(C) Principles of Consolidation

Consolidated Fund

In accordance with the provisions of Section 409 (1) of the Local Government Act, 1993 (as amended), all moneys and property received by Council is held in Council's Consolidated Fund, unless it is required to be held in Council's Trust Fund. The Consolidated Fund and other entities, through which Council controls resources to conduct its functions, have been included in these Financial Statements, forming part of this report.

The following entities have been included, as part of the Consolidated Fund:-

General Purpose Operations
Water Supplies Networks
Sewerage Services Networks

Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993, (as amended), a separate and distinct Trust Fund is maintained to account for all moneys and property received by Council in trust, which must be applied only for the purposes of, or in accordance with, the trusts relating to those moneys. Trust moneys and property subject to Council's control, have been included in these reports.

Trust moneys and property held by Council, and not subject to control by Council, have been excluded from these reports. A separate statement of moneys held in Council's Trust Fund, is available for inspection at Council's Offices by any person, free of charge.

Joint Ventures

An agreement exists between the Councils of Boorowa, Harden and Young, to conduct a regional library service within these Councils boundaries. Although there is no joint venture, Young Shire Council is the Executive Council, which manages the financial affairs of the South-West Regional Library. Council's share in the South-West Regional Library is regarded as immaterial, and therefore the financial details have not been brought to account.

(D) Leases

Leases are classified as operating leases, whereby a significant portion of the risks, and rewards of ownership, are retained by the lessor.

Payments made under operating leases (nett of any incentives received by the lessor), are charged to the Income Statement on a straight-line basis, over the period of the lease.

(E) Acquisition of Assets

The purchase method of accounting, is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value, as at the date of exchange. The discount rate used, is Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier, under comparable terms and conditions.

(F) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation, and are tested annually for impairment. Assets, subject to amortisation, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(F) Impairment of Assets - (Continued)

Non-cash generating assets of Council, such as roads, stormwater drains, public buildings and the like-value in use, is represented by the deprival value of the asset, approximated by its written-down replacement cost. Council has determined it does not have any impaired assets, as at Balance Sheet date.

(G) Cash and Cash Equivalents

Cash and cash equivalents includes cash-on-hand, deposits held at-call with financial institutions, and other short-term highly liquid investments, with original maturities of three months or less, that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdraft facilities are shown within borrowings, as current liabilities in the Balance Sheet.

(H) Receivables

Receivables are recognised initially at fair value, and subsequently measured at amortised cost, less provision for doubtful debtors. Receivables are due for settlement, no more than thirty (30) days, from the date of recognition.

Collectability of receivables is reviewed on an on-going basis. Debts which are known to be uncollectable are written-off. A provision for doubtful receivables is established, when there is objective evidence that Council will not be able to collect all amounts due, according to the original terms of receivables

(I) Inventories

Raw Materials and Stores, Work-in-Progress and Finished Goods

Raw materials and stores, work-in-progress and finished goods, are stated at the lower of cost and nett realisable value. Costs comprise direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory upon the basis of weighted-average costs. Nett realisable value, is the estimated selling price in the ordinary course of business, less the estimated costs of completion, and the estimated costs necessary to make the sale.

Land held for Re-Sale and Capitalisation of Borrowing Costs

Land held for re-sale, is stated at the lower of cost and nett realisable value. Cost is assigned by specific identification, and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Council has determined it does not have any available land, which is classified as held-for-sale.

(J) Non-Current Assets held-for-Sale

Council has determined it does not have any non-current assets, which are classified as held-for-sale.

(K) Investments and Other Financial Assets

From 1st July 2004 to 30th June 2005

Council has taken the exemption, available under AASB 1, to apply AASB 132 and AASB 139 only from 1st July 2005. Council has applied previous AGAAP, to the comparative information on financial instruments, within the scope of AASB 132 and AASB 139.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(K) Investments and Other Financial Assets - (Continued)

Adjustments on Transition Date: 1st July 2005

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that, with the exception of held-to-maturity investments, and advances and receivables, which are measured at amortised cost (refer below), fair value is the measurement basis. Fair value is inclusive of transaction costs. Changes in fair value are either taken to the Income Statement, or a reserve (refer below). At the date of transition (1st July 2005), changes to carrying amounts are taken to retained earnings, or reserves.

From 1st July 2005

Council classifies its investments in the following categories, financial assets at fair value through profit or loss, advances 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 re-evaluates this designation at each reporting date.

Financial Assets at Fair Value through Profit or Loss

This category has two sub-categories, financial assets held-for-trading, and those designated at fair value through profit or loss, on initial recognition. A financial asset is classified in this category, if acquired principally for the purpose of selling in the short-term, or if so designated by management. The policy of management is to designate a financial asset, if there exists the possibility it will be sold in the short-term, and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets, if they are either held-for-trading, or are expected to be realised within twelve (12) months of the Balance Sheet date.

Advances and Receivables

Advances and receivables, are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market. They arise when Council provides money, goods or services directly to a debtor, with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve (12) months, after the Balance Sheet date, which are classified as non-current assets. Advances and receivables, are included as receivables in the Balance Sheet.

Held-to-Maturity Investments

Held-to-maturity investments, are non-derivative financial assets with fixed or determinable payments, and fixed maturities which Council's management has the positive intention and ability to hold to maturity.

Available-for-Sale Financial Assets

Available-for-sale financial assets 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 twelve (12) months of the Balance Sheet date.

Purchases and sales of investments, are recognised on trade-date, being 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 are de-recognised, when the rights to receive cash flows from the financial assets have expired, or have been transferred, and Council has transferred substantially, all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss, are subsequently carried at fair value. Advances and receivables, and held-to-maturity investments, are carried at amortised cost, using the effective interest method. Realised and unrealised gains and losses, arising from changes in the fair value of the financial assets at fair value through profit or loss category, are included in the Income Statement in the period, in which they arise. Unrealised gains and losses, arising from changes in the fair value of non-monetary securities, classified as available-for-sale, are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments, are included in the Income Statement as gains and losses, from investment securities.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(K) Investments and Other Financial Assets - (Continued)

Available-for-Sale Financial Assets - Continued

The fair values of quoted investments, are based on current bid prices. If the market for a financial asset is not active (and for un-listed securities), Council establishes fair value by using valuation techniques. These include, reference to the fair values of recent arm's length transactions, involving the same instruments, or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, refined to reflect the issuer's specific circumstances.

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 in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is measured as the difference between the acquisition cost, and the current fair value, less any impairment loss, on the financial asset previously recognised in profit and loss, and is removed from equity, and recognised in the Income Statement. Recognition of impairment losses upon equity instruments, are not reversed through the Income Statement.

Council has an approved investment policy, complying with Section 625 of the Local Government Act. Investments are placed and managed in accordance with that policy, and having particular regard to authorised investments prescribed under the Local Government Investment Order.

(L) Fair Value Estimation

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. 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 Council for similar financial instruments.

(M) Investment Property

In accordance with the definition, as prescribed within AASB 140, Council has determined it does not care, control, manage, maintain, or possess any investment properties.

(N) Land

Land is classified as either operational or community, in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This is disclosed in Note No. 9 (a).

(O) Land under Roads

Council has elected not to recognise land under roads, in accordance with the deferral arrangements available, under AASB 1045.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(P) Infra-Structure, Property, Plant and Equipment

All infra-structure, property, plant and equipment, (except for investment properties – refer to Note No. 1 (M)) is stated at cost, or deemed cost, less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset items.

Subsequent costs, are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item, will flow to Council, and the cost of the item can be measured reliably. All other maintenance and repairs are charged to the Income Statement, during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets, is calculated using the straight-line method to allocate their cost, nett of their residual values, over their estimated useful lives, as follows:

Sealed Roads - Surface	80 years
Sealed Roads - Structure	80 years
Unsealed Roads	80 years
Bridges - Concrete	80 years
Bridges - Other Construction	80 years
Bulk Earthworks	Infinite
Office Equipment	4 to 8 years
Furniture and Fittings	5 to 10 years
Vehicles and Road-Making Equipment	5 to 15 years
Other Plant and Equipment	10 to 20 years
Benches, Seats etc.	5 to 15 years
Playground Equipment	5 to 15 years
Buildings - Masonry	20 to 25 years
Buildings - Other Construction	20 to 25 years
Culverts	50 to 80 years
Drains	50 to 80 years
Pumps and Telemetry	10 to 25 years
Dams and Reservoirs	10 to 50 years
Bores	10 to 80 years
Reticulation Pipes - P.V.C.	10 to 80 years
Reticulation Pipes - Other	10 to 80 years

The assets' residual values and useful lives, are reviewed and adjusted if appropriate, at each Balance Sheet date.

An asset's carrying amount is written-down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals, are determined by comparing proceeds, with the carrying amount. These are included in the Income Statement.

(Q) Payables

These amounts represent liabilities for goods and services provided to Council, prior to the end of the financial year, which are unpaid. The amounts are unsecured, and are usually paid within thirty (30) days of recognition.

(R) Borrowing's

Borrowing's are initially recognised at fair value, nett of transaction costs incurred. Borrowing's are subsequently measured at amortised cost. Any difference between the proceeds, (nett of transaction costs), and the redemption amount, is recognised in the Income Statement, over the period of the borrowing's, using the effective interest method.

Borrowing's are classified as current liabilities, unless Council has an unconditional right to defer settlement of the liability, for at least twelve (12) months after the Balance Sheet date.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(S) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

The capitalisation rate, used to determine the amount of borrowing costs to be capitalised, is the weighted average interest rate applicable to Council's outstanding borrowings, during the year.

(T) Provisions

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

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

(U) Employees Benefits

Salaries, Wages and Allowances, Annual Leave and Sick Leave

Liabilities for salaries, wages and allowances, including non-monetary benefits, annual leave and accumulating sick leave, expected to be settled within twelve (12) months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services, up to the reporting date, and are measured at the amounts expected to be paid, when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised, when the leave is taken and measured at the rates paid or payable.

The total number of " equivalent full-time " employees at the beginning and end of the financial year were 94 and 93 respectively.

Long Service Leave

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

Retirement Benefit Obligations

All employees of Council, are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans, and defined contribution plans on behalf of its employees.

Council makes employer-funded contributions to the Local Government Superannuation Scheme - Pool " B " (the Scheme). The Scheme is a defined benefit plan which has been deemed to be a " multi-employer fund " for the purposes of AASB 119. Sufficient information is not available, to account for the Scheme as a defined benefit plan, as the assets of the Scheme are " pooled " together for all Councils. Therefore, Council accounts for its obligations to the Scheme, upon the same basis as its obligations to defined contributions plans.

The amount of employer-funded contributions to defined benefits plans recognised as an expenses for the period ended 30th June, 2006, was \$103,944. The last valuation of the Scheme was performed by Mr. Martin Stevenson BSc, FIA, FIAA, on 18th March, 2004, which referred to the reporting period ended 30th June, 2003. This valuation found the Scheme's assets were \$2,453.70 million and its past liabilities were \$2,251.70 million, resulting in a surplus of \$202.00 million. The existence of this surplus has resulted in Councils contributing in 2005 / 2006 at 50.00 % of the previous level of contributions. The financial position of the Scheme is being monitored upon an annual basis.

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

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(V) Provisions for close-down and restoration and for environmental clean up costs – Quarries and Tips

Close-down and restoration costs include, the dismantling and demolition of infra-structure, and the removal of residual materials and remediation of disturbed areas. Estimated restoration and close-down costs, are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development, or during the operation phase, based on the nett present value estimated future costs. Provisions for close-down and restoration costs, do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually, during the life of the operation, to reflect known developments, e.g. up-dated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close-down and restoration costs, are a normal consequence of quarry and tip operations, and the majority of close-down and restoration expenditure, is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs, based on feasibility and engineering studies, using current restoration standards and techniques.

The amortisation or “ un-winding ” of the discount applied, in establishing the nett present value of provisions, is charged to the Income Statement in each accounting period. The amortisation of the discount is shown as a borrowing cost.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, up-dated cost estimates, changes to the estimated lives of operations, and revisions to discount rates are capitalised within infra-structure, property, plant and equipment. These costs are then depreciated over the lives of the assets, to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work, at each Balance Sheet date, and the cost is expensed to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the Balance Sheet date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the un-wind of the discount, which is shown as a borrowing cost. Remediation procedures generally commence, soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years, depending on the nature of the disturbance, and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain, and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves, or production rates. As a result there could be significant adjustments to the provision for close-down, and restoration and environmental clean-up, which would affect future financial results.

(W) Self-Insurance

Council does not self-insure for various risks, which include public liability and professional indemnity.

(X) Rounding of Monetary Amounts

Unless otherwise indicated, amounts shown in these Financial Reports, are in Australian currency, and are rounded to the nearest one (1) thousand dollars.

(Y) Budget Information

The Income Statement, provides budget information on major income and expenditure items. Details of material budget variations are detailed in Note No. 16. Note No. 2 (a) also provides budget information of revenues and expenditures, of each function of Council. Budget figures represented, are those approved by Council as at the beginning of the financial year, and do not reflect Council-approved variations, throughout the current reporting period.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(Z) Allocation between Current and Non-Current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability, is expected to be settled. The asset or liability is classified as current, if it is expected to be settled within the next twelve (12) months, being Council's operational cycle. In the case of liabilities, where Council does not have the unconditional right to defer settlement beyond twelve (12) months, such as vested long service leave, the liability is classified as current, even if it is not expected to be settled within the next twelve (12) months. Inventories held for trading, are classified as current, even if they are not expected to be realised in the next twelve (12) months.

(1) New Accounting Standards and Urgent Issues Group Interpretations (UIG)

Certain new Accounting Standards, and UIG Interpretations have been published, and are not mandatory for 30th June 2006 reporting period. Council's assessment of the impact of these new standards and interpretations, is detailed as follows:-

UIG 4 Determining whether an Asset contains a Lease

UIG 4 is applicable to annual periods, beginning on or after 1st January 2006. Council has not elected to adopt UIG 4 early. It will apply UIG 4 in its 2007 Financial Statements, and the UIG 4 transition provisions. Council, will therefore apply UIG 4, on the basis of facts and circumstances, which existed as of 1st July 2006.

Implementation of UIG 4 is not expected to change the accounting, for any of Council's current arrangements.

UIG 5 Rights to interests arising from Decommissioning, Restoration and Rehabilitation Funds

Council does not have interests in decommissioning, restoration and rehabilitation funds. This interpretation will not affect Council's Financial Statements.

AASB 2005-9 Amendments to Australian Accounting Standards [AASB 4, AASB 132, AASB 139 & AASB 1023]

AASB 2005-9 is applicable to annual reporting periods beginning on or after 1st January 2006. The amendments relate to the accounting for financial guarantee contracts. Council has not entered into any financial guarantee contracts. There will be no effect upon Council's Financial Statements.

AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 1, AASB 4, AASB 101, AASB 114, AASB 117, AASB 132, AASB 133, AASB 139, AASB 1023 & AASB 1038]

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1st January 2007. Council has not adopted the standards early. Application of the standards will not affect any of the amounts recognised within the Financial Statements. However it will impact the type of information disclosed in the financial instruments.

UIG 6 Liabilities from participating in a specific market - Waste, Electrical and Electronic Equipment.

UIG 6 is applicable to annual reporting periods beginning on or after 1st December, 2006. Council has not sold any electric or electronic equipment on the European market, and has not incurred any associated liabilities. This interpretation will not affect Council's Financial Statements.

AASB 2005-6 Amendments to Australian Accounting Standards [AASB 121]

AASB 2005-6 is applicable to annual reporting periods beginning on or after 31st December, 2006. The amendment relates to monetary items which form part of a reporting entity's nett investment in a foreign operation. It removes the requirement that such monetary items had to be denominated either in the functional currency of the reporting entity or the foreign operation. Council does not have any monetary items forming part of a nett investment in a foreign operation. The amendment to AASB 121 will therefore have no impact on the Financial Statements.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 2 (a)

FUNCTIONS

Income, expenses and assets have been directly attributed to the following functions. Details of those functions are provided hereunder.													
FUNCTIONS	INCOME FROM CONTINUING OPERATIONS			EXPENSES FROM CONTINUING OPERATIONS			OPERATING RESULTS FROM CONTINUING OPERATIONS			GRANTS INCLUDED IN REVENUES FROM CONTINUING OPERATIONS		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	Original Budget 2006 (\$'000)	Actual 2006 (\$'000)	Actual 2005 (\$'000)	Original Budget 2006 (\$'000)	Actual 2006 (\$'000)	Actual 2005 (\$'000)	Original Budget 2006 (\$'000)	Actual 2006 (\$'000)	Actual 2005 (\$'000)	Actual 2006 (\$'000)	Actual 2005 (\$'000)	Actual 2006 (\$'000)	Actual 2005 (\$'000)
Governance	1	1	1	181	180	176	(180)	(179)	(175)	0	0	0	0
Administration	332	478	453	620	576	568	(288)	(98)	(115)	0	2	7,378	6,421
Public Order and Safety	361	222	179	702	585	426	(341)	(363)	(247)	197	145	466	515
Health	16	13	8	216	217	191	(200)	(204)	(183)	0	0	409	435
Community Services and Education	2	2	3	112	107	149	(110)	(105)	(146)	1	1	71	73
Housing and Community Amenities	1,241	1,206	1,178	1,785	1,843	1,724	(544)	(637)	(546)	30	29	9,355	9,027
Water Supplies Network	2,150	2,520	2,456	2,086	1,933	1,965	64	587	491	49	56	9,265	8,691
Sewerage Services Network	1,424	1,635	1,489	710	620	661	714	1,015	828	153	37	8,917	7,920
Recreation and Culture	754	243	181	1,422	1,580	1,331	(668)	(1,337)	(1,150)	65	35	5,220	5,221
Mining, Manufacturing and Construction	134	109	185	201	228	205	(67)	(119)	(20)	0	0	504	472
Transport and Communication	2,886	3,639	4,021	5,431	5,038	5,464	(2,545)	(1,399)	(1,443)	1,914	1,375	57,422	56,448
Economic Affairs	563	563	616	809	821	916	(246)	(258)	(300)	3	3	1,989	2,322
Total Functions	9,864	10,631	10,770	14,275	13,728	13,776	(4,411)	(3,097)	(3,006)	2,412	1,683	100,996	97,545
General Purpose Revenues *	6,594	6,801	6,389	39	29	(32)	6,555	6,772	6,421	1,719	1,619	1,816	1,583
Surplus / (Deficit) from all Functions	16,458	17,432	17,159	14,314	13,757	13,744	2,144	3,675	3,415	4,131	3,302	102,812	99,128

* Includes General Purpose Annual Rates and Charges (includes ex-gratia payments in lieu of annual rates and charges), Non-Capital General Purpose Grants and Interest and Investment Revenues.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 2 (b)

COMPONENTS OF FUNCTIONS

The activities relating to Council's functions, as reported upon within Note No. 2 (a), are detailed as follows:-

GOVERNANCE:

Costs, pertaining to Council's role as a component of democratic government, is inclusive of elections, members fees and expenses, subscriptions to local authorities and associations, meetings of Council, area representation, policy-making committees, public disclosure and compliance, together with other related administrative activities.

ADMINISTRATION:

Corporate support services, engineering and supervision, works depot, and other support services.

PUBLIC ORDER AND SAFETY:

Fire protection, animal control, enforcement of local government regulations, emergency services, and other public order and safety.

HEALTH:

Administration and inspection, food control, insect and vermin control, noxious plants control, and other health services.

COMMUNITY SERVICES AND EDUCATION:

Administration, family day care, child care, youth services, aged and disabled, aboriginal services, other community services, and education.

HOUSING AND COMMUNITY AMENITIES:

Housing, town planning, domestic waste management services, other waste management services, street and gutter cleaning, other sanitation and garbage, urban stormwater drainage, environmental protection, public cemeteries, public conveniences, and other community amenities.

WATER SUPPLIES NETWORK:

Provision of water supplies services to the community of Young, and surrounding residential and farmland holdings.

SEWERAGE SERVICES NETWORK:

Provision of sewerage services to the community of Young, and surrounding residential and farmland holdings.

RECREATION AND CULTURE:

Public libraries, community centres, public halls, other cultural services, swimming pools, sporting grounds, public parks, gardens and reserves, and other sport and recreation.

MINING, MANUFACTURING AND CONSTRUCTION:

Building control, and quarries and gravel pits.

TRANSPORT AND COMMUNICATION:

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, bus shelters and services, R.T.A. associated works, street lighting, and ancillary services.

ECONOMIC AFFAIRS:

Tourism and area promotions, industrial development and promotions, saleyards and markets, real estate development, and other business undertakings.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 3

REVENUES FROM CONTINUING OPERATIONS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) ANNUAL RATES AND CHARGES:		
Ordinary Rates:-		
Residential	1,872	1,756
Farmland	1,751	1,699
Business	878	840
Mining	16	16
TOTAL ORDINARY RATES	4,517	4,311
Annual Charges:- pursuant to S. 496 and S. 501		
Waste Management Services - Domestic	496	448
Waste Management Services - Re-Cycling	133	122
Water Supplies Network	701	1,505
Sewerage Services Network	1,016	938
TOTAL ANNUAL CHARGES	2,346	3,013
TOTAL ANNUAL RATES AND CHARGES	6,863	7,324

In calculating its ordinary rates, Council has utilised land valuations provided by the Valuer-General of N.S.W. Land valuations (base-date 1st July, 2004), are provided to Council every four (4) years.

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(B) USER CHARGES AND FEES:		
User Charges:- pursuant to S. 502		
Waste Management Services - Domestic	3	3
Waste Management Services - Other	257	259
Water Supplies Network	1,408	650
Sewerage Services Network	120	113
TOTAL USER CHARGES	1,788	1,025
Fees:-		
Regulatory and Statutory Fees	243	398
Discretionary Fees		
- Private Works	279	375
- Public Cemeteries	120	109
- R.T.A. Charges (State Roads not controlled by Council)	727	1,385
- Other	63	98
TOTAL FEES	1,432	2,365
TOTAL USER CHARGES AND FEES	3,220	3,390

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 3 - (Continued)

REVENUES FROM CONTINUING OPERATIONS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(C) INTEREST AND INVESTMENT REVENUES:		
Developer Contributions		
- Urban Stormwater Drainage	0	0
- Parking Areas	1	1
- Water Supplies Network	5	2
- Sewerage Services Network	27	17
Investments		
- General Purpose Revenues	531	418
- Water Supplies Network	136	116
- Sewerage Services Network	234	196
Overdue Annual Rates and Charges		
- General Purpose Revenues	13	19
- Waste Management Services (Domestic)	11	0
- Water Supplies Network	1	3
- Sewerage Services Network	5	6
Other	10	12
TOTAL INTEREST AND INVESTMENT REVENUES	974	790
 (D) OTHER REVENUES:		
Commission and Agency Fees	19	13
Fines and Costs	3	3
Insurance		
- Claims Refunds	45	72
- Dividend Payments (H.I.H. Insurance)	4	0
Lease Fees and Rentals	322	291
Legal Fees - Sundry Ratepayers'	20	22
Promotions and Trade Fairs	38	48
Sundry Sales and Services	26	29
Other	20	8
TOTAL OTHER REVENUES	497	486

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 3 - (Continued)

REVENUES FROM CONTINUING OPERATIONS

	NON-CAPITAL Actual		CAPITAL Actual	
	2006 (\$'000)	2005 (\$'000)	2006 (\$'000)	2005 (\$'000)
(E) GRANTS:				
Financial Assistance Grant - Untied				
- Equalisation Component	1,606	1,509	0	0
- Local Roads Component	856	822	0	0
Pensioners' Rates Subsidies - Untied				
- General Purpose Revenues	113	110	0	0
Pensioners' Rates Subsidies				
- Waste Management Services (Domestic)	30	29	0	0
- Water Supplies Network	42	41	0	0
- Sewerage Services Network	38	37	0	0
Specific Purposes				
- Other Support Services	0	2	0	0
- Fire Protection	197	131	0	0
- Emergency Services	0	14	0	0
- Youth Services	1	1	0	0
- Water Supplies Network	0	0	7	15
- Sewerage Services Network	0	0	115	0
- Public Libraries	35	29	10	0
- Other Cultural Services	8	0	0	0
- Sporting Grounds	0	0	0	5
- Public Parks, Gardens and Reserves	12	0	0	0
- Roadworks Network (Infra-Structure)	0	0	1,019	472
- Street Lighting	39	38	0	0
- Ancillary Services	0	44	0	0
- Industrial Development and Promotions	3	3	0	0
TOTAL GRANTS	2,980	2,810	1,151	492
 <i>Comprising:-</i>				
- Commonwealth Government	2,462	2,331	1,019	472
- State Government	518	479	132	20
	2,980	2,810	1,151	492

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 3 - (Continued)

REVENUES FROM CONTINUING OPERATIONS

	NON-CAPITAL		CAPITAL	
	Actual		Actual	
	2006	2005	2006	2005
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
(F) CONTRIBUTIONS:				
Developer Contributions (pursuant to S. 94)				
- Urban Stormwater Drainage	0	0	8	0
- Parking Areas	0	0	4	6
Water Supplies Network				
- Developer Contributions (pursuant to S. 64)	0	0	35	38
- Other	0	0	147	38
Sewerage Services Network				
- Developer Contributions (pursuant to S. 64)	0	0	48	131
- Other	0	0	1	0
Specific Purposes				
- Governance	1	1	0	0
- Corporate Support Services	2	14	0	0
- Engineering and Supervision	0	1	0	0
- Other Support Services	40	12	0	0
- Fire Protection	3	4	0	0
- Emergency Services	0	0	0	6
- Youth Services	0	1	0	0
- Urban Stormwater Drainage	0	0	0	3
- Other Cultural Services	46	53	0	0
- Swimming Pools	0	0	12	0
- Sporting Grounds	0	0	12	0
- Public Parks, Gardens and Reserves	25	5	0	0
- Roadworks Network (Infra-Structure)	0	0	19	116
- Footpaths	0	0	0	24
- R.T.A. Contributions (Regional, Local and Block)	729	683	221	344
- Kerb and Guttering	0	0	10	24
- Tourism and Area Promotions	1	0	0	0
- Saleyards and Markets	1	1	0	0
- Industrial Development and Promotions	2	0	0	0
- Other Business Undertakings	7	4	0	0
TOTAL CONTRIBUTIONS	857	779	517	730
TOTAL GRANTS AND CONTRIBUTIONS	3,837	3,589	1,668	1,222

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 3 - (Continued)

REVENUES FROM CONTINUING OPERATIONS

RESTRICTIONS RELATING TO GRANTS

Grants, which were obtained on the condition they be expended for specific purposes, or in a future period, and have not yet been expended in accordance with those conditions, are detailed hereunder:

	Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(G) GRANTS:			
Unexpended at the close of the previous reporting period			
Fire Protection		1	0
Non-Urban Public Transport Programme		27	27
Roads-to-Recovery Programme		0	70
Taxi Rank Rehabilitation Programme		44	0
Other		7	8
	6 (c)	79	105
Add: Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions			
Fire Protection		0	1
Multi-Cultural Youth Festival Programme		2	0
Public Libraries Programme		10	0
Roads-to-Recovery Programme		466	0
Taxi Rank Rehabilitation Programme		0	44
		478	45
Less: Expended during the current reporting period from revenues recognised in previous reporting periods			
Fire Protection		(1)	0
Roads-to-Recovery Programme		0	(70)
Taxi Rank Rehabilitation Programme		(30)	0
Other		0	(1)
		(31)	(71)
Unexpended at the close of the current reporting period, and held as restricted assets			
Fire Protection		0	1
Multi-Cultural Youth Festival Programme		2	0
Public Libraries Programme		10	0
Non-Urban Public Transport Programme		27	27
Roads-to-Recovery Programme		466	0
Taxi Rank Rehabilitation Programme		14	44
Other		7	7
TOTAL GRANTS UN-EXPENDED	6 (c)	526	79
NETT INCREASE OR (DECREASE) IN RESTRICTED ASSETS IN THE CURRENT REPORTING PERIOD		447	(26)

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 3 - (Continued)

REVENUES FROM CONTINUING OPERATIONS

RESTRICTIONS RELATING TO CONTRIBUTIONS

Contributions, which were obtained on the condition they be expended for specific purposes, or in a future period, and have not yet been expended in accordance with those conditions, are detailed hereunder:

	Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(H) CONTRIBUTIONS:			
Unexpended at the close of the previous reporting period			
Section 94 - Urban Stormwater Drainage		3	2
Section 94 - Parking Areas		19	12
Section 64 - Water Supplies Network		65	26
Section 64 - Sewerage Services Network		374	226
	6 (c)	461	266
Add: Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions			
Section 94 - Urban Stormwater Drainage		8	1
Section 94 - Parking Areas		5	7
Section 64 - Water Supplies Network		40	39
Section 64 - Sewerage Services Network		75	148
		128	195
Less: Expended during the current reporting period from revenues recognised in previous reporting periods			
Section 94 - Urban Stormwater Drainage		0	0
Section 94 - Parking Areas		0	0
Section 64 - Water Supplies Network		0	0
Section 64 - Sewerage Services Network		0	0
		0	0
Unexpended at the close of the current reporting period, and held as restricted assets			
Section 94 - Urban Stormwater Drainage		11	3
Section 94 - Parking Areas		24	19
Section 64 - Water Supplies Network		105	65
Section 64 - Sewerage Services Network		449	374
TOTAL CONTRIBUTIONS UN-EXPENDED	6 (c)	589	461
NETT INCREASE OR (DECREASE) IN RESTRICTED ASSETS IN THE CURRENT REPORTING PERIOD		128	195

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 4

EXPENSES FROM CONTINUING OPERATIONS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) EMPLOYEE BENEFITS AND ON-COSTS:		
Salaries, Wages and Allowances	3,886	3,788
Travelling Costs	82	72
Employees' Leave Entitlements	444	575
Superannuation	367	249
Workers' Compensation Insurance	51	326
Fringe Benefits Taxation	28	24
Training Costs (excluding Salaries, Wages and Allowances)	47	27
Other	54	46
Less: Capitalised and Distributed Employee Costs	(522)	(517)
TOTAL EMPLOYEE COSTS EXPENSED	4,437	4,590
(B) BORROWING COSTS:		
Interest		
- Overdraft	0	0
- Loans	376	396
- Government Advances	0	0
Amortisation of Discounts and Premiums		
- Other Waste Management Services	10	9
- Quarries and Gravel Pits	9	8
TOTAL BORROWING COSTS EXPENSED	395	413
(C) MATERIALS AND CONTRACTS:		
Raw Materials and Consumables	3,085	3,030
Auditor's Remuneration		
- Audit Services	16	16
Consultants' Services	26	36
Lease Rentals - Operating		
- Non-Cancellable	34	39
Legal Expenses		
- Planning and Development	0	4
- Other	25	26
Security Services	19	18
Valuation Fees	29	28
Water Consumption Costs	1,268	1,291
TOTAL MATERIALS AND CONTRACTS EXPENSED	4,502	4,488

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 4 - (Continued)

EXPENSES FROM CONTINUING OPERATIONS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(D) DEPRECIATION AND AMORTISATION COSTS:		
Plant and Equipment	859	744
Office Equipment	22	8
Furniture and Fittings	4	8
Buildings and Improvements	466	457
Other Structures	39	36
Infra-Structure		
- Roads, Bridges, Footpaths etc.	1,043	1,025
- Urban Stormwater Drainage	100	99
- Water Supplies Network *	181	179
- Sewerage Services Network *	105	98
Other Assets		
- Other Waste Management Services	18	18
- Quarries and Gravel Pits	16	16
TOTAL DEPRECIATION COSTS EXPENSED	2,853	2,688

* Represents Water Supplies Network Assets and Sewerage Services Network Assets, not elsewhere shown.

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(E) OTHER EXPENSES:		
Other expenses for the year, include the following:		
Advertising Expenses	40	43
Bad and Doubtful Debtors	15	122
Bank Fees and Charges	23	17
Commission and Agency Fees	5	4
Computer Expenses	29	32
Contributions and Donations	430	379
Councillors'		
- Expenses	15	18
- Fees and Allowances	73	70
Electricity, Power and Heating	82	68
Insurance		
- Claims Excess	0	10
- Premiums	331	283
Mayoral Fee	18	17
Postage	23	22
Printing and Stationery	61	58
Promotions and Trade Fairs	115	111
Street Lighting	135	128
Subscriptions and Publications	37	40
Telephone Rental and Charges	54	58
Other	86	85
TOTAL OTHER EXPENSES	1,572	1,565

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 5

NETT GAIN OR (LOSS) ON DISPOSAL OF ASSETS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) GAIN OR (LOSS) ON DISPOSAL OF PROPERTY:		
Proceeds from Asset Disposals	0	0
Less: Carrying amount of Asset Sales	0	0
NETT GAIN OR (LOSS) ON DISPOSAL	0	0
(B) GAIN OR (LOSS) ON DISPOSAL OF PLANT AND EQUIPMENT:		
Proceeds from Asset Disposals	618	595
Less: Carrying amount of Asset Sales	(245)	(237)
NETT GAIN OR (LOSS) ON DISPOSAL	373	358
TOTAL NETT GAIN OR (LOSS) ON DISPOSAL OF ASSETS	373	358

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 6 (a)

CASH AND CASH EQUIVALENTS

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
CASH AND CASH EQUIVALENTS:				
Cash-on-Hand and at-Bank	14	0	173	0
Cash-Equivalents	2,503	0	750	0
TOTAL CASH AND CASH EQUIVALENTS	2,517	0	923	0

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 6 (b)

INVESTMENTS

Council's financial assets held as investments, are detailed hereunder:-

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
INVESTMENTS:				
Financial Assets at Fair Value through Profit and Loss	2,742	7,844	4,109	6,390
Held-to-Maturity Investments	1,000	0	1,000	0
TOTAL INVESTMENTS	3,742	7,844	5,109	6,390
FINANCIAL ASSETS:- AT FAIR VALUE (THROUGH PROFIT AND LOSS)				
Balance as at the beginning of the Reporting Period	4,109	6,390	2,196	5,351
- Additions	0	1,454	1,913	1,039
- Disposals	(1,367)	0	0	0
Balance as at the end of the Reporting Period	2,742	7,844	4,109	6,390
<i>Held for Trading:</i>				
- Managed Funds	0	0	0	0
- Collateralised Debt Obligations	0	0	0	0
- Floating Rate Notes	2,742	7,844	4,109	6,390
<i>Designated:</i>				
- Listed Equity Securities	0	0	0	0
TOTAL FINANCIAL ASSETS AT FAIR VALUE	2,742	7,844	4,109	6,390
INVESTMENTS:- HELD-TO-MATURITY				
Balance as at the beginning of the Reporting Period	1,000	0	1,500	0
- Additions	0	0	0	0
- Disposals	0	0	(500)	0
Balance as at the end of the Reporting Period	1,000	0	1,000	0
<i>Comprising of:</i>				
- Government Bonds	0	0	0	0
- Term Deposits	1,000	0	1,000	0
- Bank Bills	0	0	0	0
- Equity-Linked Notes	0	0	0	0
TOTAL INVESTMENTS HELD-TO-MATURITY	1,000	0	1,000	0

The term deposits are bearing floating interest rates, between 5.45 % and 8.12 % (2005 - 4.80 % and 8.29 %)

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 6 (c)

CASH, CASH EQUIVALENTS AND INVESTMENTS - RESTRICTED

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
CASH, CASH EQUIVALENTS AND INVESTMENTS:				
External Restrictions	90	7,844	160	6,390
Internal Restrictions	5,724	0	5,122	0
Unrestricted	445	0	750	0
TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS	6,259	7,844	6,032	6,390

DETAILS OF RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

		Balance as at 1st July, 2005 (\$'000)	Movements		Balance as at 30th June, 2006 (\$'000)
			Transfers to (\$'000)	Transfers from (\$'000)	
EXTERNAL RESTRICTIONS:					
Other - Included in Income					
Unexpended Grants - Specific Purposes	(a)	79	478	31	526
Developer Contributions	(b)	461	128	0	589
R.T.A. Contributions	(c)	617	74	0	691
Waste Management Services - Domestic	(d)	0	0	0	0
Water Supplies Network	(e)	2,054	355	0	2,409
Sewerage Services Network	(f)	3,126	436	0	3,562
Other	(g)	213	41	97	157
TOTAL EXTERNAL RESTRICTIONS		6,550	1,512	128	7,934
INTERNAL RESTRICTIONS:					
Employees' Leave Entitlements		724	153	0	877
Buildings and Improvements		1,333	655	555	1,433
Communications Tower		25	5	0	30
Office Furniture and Equipment		114	86	0	200
Plant and Equipment		900	813	813	900
Quarries and Gravel Pits		26	36	0	62
Roadworks Network - Infra-Structure		735	268	42	961
Special Projects		350	163	110	403
Street Lighting		120	3	12	111
Swimming Pools		130	8	83	55
Urban Stormwater Drainage		192	0	81	111
Waste Management Services - Other		49	107	0	156
Other		424	70	69	425
TOTAL INTERNAL RESTRICTIONS		5,122	2,367	1,765	5,724
TOTAL RESTRICTED CASH AND INVESTMENTS		11,672	3,879	1,893	13,658

- (a) Grants, which are not yet expended for the purposes for which they were obtained - refer to Note No. 3 (G) - " Conditions over Grants " .
- (b) Developer Contributions, which are not yet expended for the provisions of services and amenities in accordance with Contributions Plans - refer to Note No. 3 (H) - " Conditions over Contributions " .
- (c) RTA Contributions, which are not yet expended for the provision of services and amenities in accordance with those contributions.
- (d) Domestic Waste Management Services Funds, which must be applied for the purposes for which they were raised.
- (e) Water Supplies Network Funds, which must be applied for the purposes for which they were raised.
- (f) Sewerage Services Network Funds, which must be applied for the purposes for which they were raised.
- (g) Other externally restricted moneys.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 7

RECEIVABLES

Purpose	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
RECEIVABLES:				
Annual Rates and Charges	359	0	332	0
Interest and Extra Charges	74	0	68	0
User Charges and Fees	768	0	605	0
Accrued Interest - Investments	109	0	54	0
Clearing Accounts - Taxation	79	0	30	0
Contributions	259	0	150	0
Deferred Payments Scheme	12	22	12	34
Government Grants and Subsidies	118	0	201	0
Other	91	0	32	0
Sub-Total	1,869	22	1,484	34
Less: Provision for Doubtful Debtors				
Annual Rates and Charges	(41)	0	(31)	0
User Charges and Fees	(15)	0	(13)	0
Sub-Total	(56)	0	(44)	0
TOTAL RECEIVABLES	1,813	22	1,440	34

DETAILS OF RESTRICTED RECEIVABLES

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
EXTERNALLY RESTRICTED RECEIVABLES:				
Waste Management Services - Domestic	56	0	53	0
Water Supplies Network	631	0	534	0
Sewerage Services Network	227	0	173	0
TOTAL EXTERNALLY RESTRICTED RECEIVABLES	914	0	760	0
Unrestricted Receivables	899	22	680	34
TOTAL RECEIVABLES	1,813	22	1,440	34

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 8

INVENTORIES AND OTHER ASSETS

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
INVENTORIES:				
Stores and Materials	255	0	161	0
TOTAL INVENTORIES	255	0	161	0
OTHER ASSETS:				
Prepayments	318	0	175	0
TOTAL OTHER ASSETS	318	0	175	0

DETAILS OF EXTERNALLY RESTRICTED ASSETS

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
WATER SUPPLIES NETWORK:				
Stores and Materials	0	0	0	0
Prepayments	0	0	0	0
TOTAL WATER SUPPLIES NETWORK	0	0	0	0
SEWERAGE SERVICES NETWORK:				
Stores and Materials	0	0	0	0
Prepayments	0	0	0	0
TOTAL SEWERAGE SERVICES NETWORK	0	0	0	0
TOTAL EXTERNALLY RESTRICTED ASSETS	0	0	0	0
Unrestricted Inventories and Other Assets	573	0	336	0
TOTAL INVENTORIES AND OTHER ASSETS	573	0	336	0

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 9 (a)

INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT

BY ASSET TYPE	as at 1st July, 2005			MOVEMENTS DURING THE YEAR			as at 30th June, 2006		
	At Cost (\$'000)	Accumulated Depreciation (\$'000)	Written-Down Value (\$'000)	Asset Acquisitions (\$'000)	Asset Disposals (\$'000)	Depreciation (\$'000)	At Cost (\$'000)	Accumulated Depreciation (\$'000)	Written-Down Value (\$'000)
Plant and Equipment	8,105	4,667	3,438	1,437	(245)	859	8,444	4,673	3,771
Office Equipment	352	199	153	23	0	22	375	221	154
Furniture and Fittings	102	97	5	3	0	4	105	101	4
Land									
- Community	767	0	767	0	0	0	767	0	767
- Operational	1,839	0	1,839	308	0	0	2,147	0	2,147
Buildings and Improvements	11,614	4,905	6,709	313	0	466	11,927	5,371	6,556
Other Structures	542	171	371	62	0	39	604	210	394
Infra-Structure									
- Roads, Bridges, Footpaths etc.	79,005	24,866	54,139	1,449	0	1,043	80,454	25,909	54,545
- Urban Stormwater Drainage	7,962	782	7,180	81	0	100	8,043	882	7,161
- Water Supplies Network *	7,312	1,465	5,847	264	0	181	7,576	1,646	5,930
- Sewerage Services Network *	5,664	1,567	4,097	549	0	105	6,213	1,672	4,541
Other Assets									
- Preliminary Investigation Expenses	42	0	42	14	0	0	56	0	56
- Other Waste Management Services	182	18	164	0	0	18	182	36	146
- Quarries and Gravel Pits	161	16	145	0	0	16	161	32	129
TOTAL	123,649	38,753	84,896	4,503	(245)	2,853	127,054	40,753	86,301

* Represents Water Supplies Network Assets, and Sewerage Services Network Assets, not elsewhere shown. Assets, which are unable to be allocated by type, appear within Water Supplies Network Assets and, Sewerage Services Network Assets (e.g. Water Mains, Treatment Works, Sewerage Mains etc.).

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2006

Note No. 9 (b)

INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT - RESTRICTED

	2006			2005		
	at Cost (\$'000)	Accumulated Depreciation (\$'000)	Written-Down Value (\$'000)	at Cost (\$'000)	Accumulated Depreciation (\$'000)	Written-Down Value (\$'000)
Water Supplies Network						
Land - Operational	6	0	6	0	0	0
Buildings and Improvements	19	6	13	19	5	14
Office Equipment	99	16	83	98	12	86
Plant and Equipment	262	230	32	256	208	48
Infra-Structure	7,576	1,646	5,930	7,313	1,465	5,848
Other	56	0	56	42	0	42
Sub-Total	8,018	1,898	6,120	7,728	1,690	6,038
Sewerage Services Network						
Land - Operational	45	0	45	45	0	45
Buildings and Improvements	25	12	13	25	11	14
Plant and Equipment	201	121	80	201	110	91
Infra-Structure	6,213	1,672	4,541	5,664	1,567	4,097
Sub-Total	6,484	1,805	4,679	5,935	1,688	4,247
Domestic Waste Management Services						
Land - Operational	64	0	64	64	0	64
Buildings and Improvements	561	112	449	562	90	472
Plant and Equipment	85	68	17	84	57	27
Sub-Total	710	180	530	710	147	563
TOTAL RESTRICTIONS	15,212	3,883	11,329	14,373	3,525	10,848

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 10 (a)

PAYABLES, INTEREST BEARING LIABILITIES AND PROVISIONS

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
PAYABLES:				
Goods and Services	847	0	488	0
Payments Received in Advance	66	0	247	0
Accrued Interest - Loans	18	0	19	0
Clearing Accounts - Taxation	7	0	14	0
Deposits and Retentions	310	0	313	0
Other	1	0	3	0
TOTAL PAYABLES	1,249	0	1,084	0
INTEREST BEARING LIABILITIES:				
Bank Overdraft Facility	0	0	0	0
Loans				
- Secured ⁽¹⁾	269	4,273	248	4,542
Government Advances	0	0	0	0
TOTAL INTEREST BEARING LIABILITIES	269	4,273	248	4,542
PROVISIONS:				
Annual Leave ⁽²⁾	558	0	649	0
Long Service Leave ⁽²⁾	1,086	48	928	48
Sick Leave - Gratuities ⁽²⁾	0	62	0	56
Remediation Costs				
- Other Waste Management Services	0	201	0	191
- Quarries and Gravel Pits	0	178	0	169
TOTAL PROVISIONS	1,644	489	1,577	464

DETAILS OF RESTRICTED LIABILITIES

	Actual 2006		Actual 2005	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
EXTERNALLY RESTRICTED LIABILITIES:				
Waste Management Services - Domestic	0	0	0	0
Water Supplies Network	144	256	142	272
Sewerage Services Network	115	277	114	295
TOTAL EXTERNALLY RESTRICTED LIABILITIES	259	533	256	567

(1) Loans, are secured over the annual rates and charges revenues of Council.

(2) Vested Employees' Leave Entitlements, have been determined as a current provision - refer to Note No. 1 (U).

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 10 (b)

DESCRIPTION AND MOVEMENTS IN PROVISIONS

Class of Provision	Balance	Movements		Balance
	as at 1st July, 2005 (\$'000)	Transfers to (\$'000)	Transfers from (\$'000)	as at 30th June, 2006 (\$'000)
PROVISIONS:				
Employees' Leave Entitlements				
- Annual Leave	649	237	328	558
- Long Service Leave	976	204	46	1,134
- Sick Leave (Gratuities)	56	6	0	62
Rehabilitation and Remediation Costs				
- Other Waste Management Services	191	10	0	201
- Quarries and Gravel Pits	169	9	0	178
TOTAL PROVISIONS	2,041	466	374	2,133

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 11

RECONCILIATION OF CASH FLOW MOVEMENTS

	Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) RECONCILIATION OF CASH ASSETS:			
Total Cash, Cash Equivalents and Investments	6 (c)	14,103	12,422
Less: Bank Overdraft Facility	10 (a)	0	0
BALANCE AS PER STATEMENT OF CASH FLOW		14,103	12,422
(B) RECONCILIATION OF NETT OPERATING RESULT TO CASH, PROVIDED FROM CONTINUING OPERATIONS:			
Nett Operating Result from Income Statement		3,672	3,415
Add: Depreciation and Amortisation Costs		2,853	2,688
Decrease - Receivables		0	245
Decrease - Other Current Assets		0	31
Increase - Employees' Leave Entitlements		73	227
Increase - Payables		167	250
Increase - Provision for Asset Remediation		18	18
Increase - Provision for Doubtful Debtors		12	0
Sub-Total		6,796	6,874
Less: Decrease - Accrued Interest (Payable)		(1)	(1)
Decrease - Provision for Doubtful Debtors		0	(56)
Increase - Inventories		(94)	(30)
Increase - Receivables		(385)	0
Increase - Other Current Assets		(143)	0
Nett Gain - Disposal of Assets		(373)	(358)
Sub-Total		(996)	(445)
NETT CASH PROVIDED FROM CONTINUING OPERATIONS		5,799	6,429

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 11 - (Continued)

STATEMENT OF CASH FLOWS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(C) NON-CASH FINANCING AND INVESTING ACTIVITIES:		
The following Non-Cash Grants were received, during the reporting period:		
Grants - Non-Capital		
Fire Protection	0	0
	<u>0</u>	<u>0</u>
Grants - Capital		
Fire Protection	0	0
Roadworks Network - Infra-Structure	0	0
	<u>0</u>	<u>0</u>
(D) FINANCING ARRANGEMENTS:		
Unrestricted access was available, as at balance date, to the following:		
Financial Institutions		
Bank Overdraft Facility *	478	478
Corporate Credit Cards	22	22
	<u>500</u>	<u>500</u>

* NOTE:- The Bank Overdraft Facility may be drawn upon at any time, and may be terminated by the Bank, without notice. Interest rates upon the Bank Overdraft Facility are variable, whilst the rates for loans, are fixed for the period of the loans.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 12

COMMITMENTS FOR EXPENDITURE

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) SERVICE COMMITMENTS:		
Other non-capital expenditure committed for as at the reporting date, and not recognised within the Annual Financial Statements as liabilities, are as follows:		
Auditor's Remuneration	17	30
	17	30
Not later than one (1) year	17	15
Later than one (1) year and not later than two (2) years	0	15
Later than two (2) years and not later than five (5) years	0	0
	17	30
(B) OPERATING LEASE COMMITMENTS:		
Commitments under non-cancellable operating leases as at the reporting date, and not recognised within the Annual Financial Statements as payables, are as follows:		
Not later than one (1) year	21	34
Later than one (1) year and not later than two (2) years	42	0
Later than two (2) years and not later than five (5) years	0	0
	63	34
(C) REMUNERATION COMMITMENTS:		
Commitments for the payment of salaries and other remuneration, under long-term employment contracts, in existence as at the reporting date, and not recognised within the Annual Financial Statements as liabilities, are as follows:		
Not later than one (1) year	133	128
Later than one (1) year and not later than two (2) years	282	271
Later than two (2) years and not later than five (5) years	306	449
	721	848

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 13

STATEMENT OF PERFORMANCE MEASUREMENT

	Amounts (\$'000)	Indicators	2006 12 Months	2005 12 Months	2004 12 Months	2003 12 Months
1	CURRENT RATIO:					
	<i>Factors</i>					
	Current Assets	Ratio	2.73	2.68	2.60	2.82
	Current Liabilities					
	8,645					
	3,162					

To assess the adequacy of Working Capital and the ability to satisfy obligations in the short-term from Continuing Operations.

2	UNRESTRICTED CURRENT RATIO:					
	<i>Factors</i>					
	Current Assets less All External Restrictions	Ratio	4.75	4.75	4.54	5.57
	Current Liabilities less Specific Purpose Liabilities					
	7,641					
	1,610					

To assess the adequacy of Working Capital and the ability to satisfy obligations in the short-term from Unrestricted Continuing Operations.

3	DEBT SERVICE RATIO:					
	<i>Factors</i>					
	Debt Service Cost	Percentage	4.31 %	4.24 %	4.79 %	5.02 %
	Revenues from Continuing Operations					
	625					
	14,502					

To assess the degree to which revenues from Continuing Operations are committed with regard to the repayment of external debt.

4	RATE COVERAGE RATIO:					
	<i>Factors</i>					
	Annual Rates and Charges	Percentage	39.37 %	42.68 %	43.37 %	42.98 %
	Total Income from Continuing Operations					
	6,863					
	17,432					

To assess the degree of dependence upon revenues from Annual Rates and Charges with regard to the financial security of Council.

5	ANNUAL RATES AND CHARGES OUTSTANDING:					
	<i>Factors</i>					
	Annual Rates and Charges Outstanding	Percentage	5.40 %	4.84 %	4.06 %	4.38 %
	Annual Rates and Charges Collectable					
	392					
	7,263					

To assess the impact of uncollected Annual Rates and Charges upon liquidity, and the adequacy of the recovery efforts by Council.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 14

INVESTMENT PROPERTIES

In accordance with the definition, as prescribed within AASB 140, Council has determined it does **not** care, control, manage, maintain, or possess any investment properties.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 15

FINANCIAL INSTRUMENTS

(A) INTEREST RATE RISK EXPOSURES:

Council's exposure to interest rate risk, and the effective weighted average interest rate, for each class of financial assets and financial liabilities, is detailed hereunder. Exposure, arises predominantly from assets and liabilities, bearing variable interest rates, which Council intends to hold as fixed rate assets and liabilities, to maturity.

2006	Floating Interest Rate (\$'000)	Fixed Interest Maturing			Non - Interest Bearing (\$'000)	Total (\$'000)
		< 1 year (\$'000)	> 1 year < 5 years (\$'000)	> 5 years (\$'000)		
FINANCIAL ASSETS:						
Cash and Cash Equivalents	2,515	0	0	0	2	2,517
Investments	0	4,086	4,500	3,000	0	11,586
Receivables	0	318	34	0	1,483	1,835
Other Financial Assets	0	0	0	0	0	0
TOTAL	2,515	4,404	4,534	3,000	1,485	15,938
Weighted Average Interest Rate	5.67 %	4.87 %	6.99 %	6.85 %	0.00 %	
FINANCIAL LIABILITIES:						
Payables	0	0	0	0	(1,249)	(1,249)
Interest Bearing Liabilities	0	0	0	(4,542)	0	(4,542)
Other Financial Liabilities	0	0	0	0	0	0
TOTAL	0	0	0	(4,542)	(1,249)	(5,791)
Weighted Average Interest Rate	0.00 %	0.00 %	0.00 %	8.03 %	0.00 %	
NETT FINANCIAL ASSETS	2,515	4,404	4,534	(1,542)	236	10,147
2005						
	Floating Interest Rate (\$'000)	Fixed Interest Maturing			Non - Interest Bearing (\$'000)	Total (\$'000)
		< 1 year (\$'000)	> 1 year < 5 years (\$'000)	> 5 years (\$'000)		
FINANCIAL ASSETS:						
Cash and Cash Equivalents	922	0	0	0	1	923
Investments	0	5,499	4,000	2,000	0	11,499
Receivables	0	301	46	0	1,127	1,474
Other Financial Assets	0	0	0	0	0	0
TOTAL	922	5,800	4,046	2,000	1,128	13,896
Weighted Average Interest Rate	4.43 %	5.68 %	6.83 %	7.65 %	0.00 %	
FINANCIAL LIABILITIES:						
Payables	0	0	0	0	(1,084)	(1,084)
Interest Bearing Liabilities	0	0	0	(4,790)	0	(4,790)
Other Financial Liabilities	0	0	0	0	0	0
TOTAL	0	0	0	(4,790)	(1,084)	(5,874)
Weighted Average Interest Rate	0.00 %	0.00 %	0.00 %	8.03 %	0.00 %	
NETT FINANCIAL ASSETS	922	5,800	4,046	(2,790)	44	8,022

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 15 - (Continued)

FINANCIAL INSTRUMENTS

(B) NETT FAIR VALUE OF FINANCIAL ASSETS:

The aggregate nett fair values of Council's financial assets and financial liabilities, are detailed hereunder:-

	Actual 2006		Actual 2005	
	Carrying Amount	Aggregate Nett Fair Value	Carrying Amount	Aggregate Nett Fair Value
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
FINANCIAL ASSETS:				
Cash and Cash Equivalents	2,517	2,517	923	923
Investments	11,586	11,586	11,499	11,499
Receivables	1,835	1,835	1,474	1,474
Other Financial Assets	0	0	0	0
	15,938	15,938	13,896	13,896
FINANCIAL LIABILITIES:				
Payables	(1,249)	(1,249)	(1,084)	(1,084)
Interest Bearing Liabilities	(4,542)	(4,542)	(4,790)	(4,790)
Other Financial Liabilities	0	0	0	0
	(5,791)	(5,791)	(5,874)	(5,874)
NETT FINANCIAL ASSETS	10,147	10,147	8,022	8,022

(C) CREDIT RISK:

The credit risk of financial assets, excluding investments, is the carrying amount, nett of any provision for doubtful debtors.

Council has an investment policy, which seeks to minimise the risk of capital loss. Investments, are placed in accordance with the Local Government Investment Order, which restricts investments to securities, carrying a credit rating of " A ", or better.

Debtors for annual rates and charges, are secured by a charge over the land to which it relates.

There is no significant concentration of credit risk, to any single debtor or group of debtors.

(D) POLICIES:

Accounting policies, with respect to financial assets and financial liabilities, are described within Note. No. 1.

(E) TERMS AND CONDITIONS:

Terms and conditions, associated with Council's financial assets and financial liabilities, which may significantly affect the amount, timing and certainty of future cash flows, are detailed hereunder:

(i) Investments

Certain investments are " capital guaranteed ", if Council holds the investment for an extended period of time. However, should Council desire to redeem the investment before its date of maturity, there is a risk, the capital investment may not be fully recouped. Council holds \$1 million in investments, which are subject to these conditions.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 16

MATERIAL BUDGET VARIATIONS

Council's Original Budget Estimates, was incorporated as part of the Management Plan, adopted by Council on 15th June, 2005. The original projections upon which the budget was based, have been affected by a number of factors, including levels of Federal and State Government funding towards certain projects, changing economic activity, climatic conditions, and specific decisions made by Council, with regard to its works programmes for the current reporting period.

This Note, discloses details of material variations, between the original budget and actual results, for the Income Statement. Material variances, being favourable (F) or unfavourable (U), represent amounts of 10.00 % or more in excess of the adopted annual budget.

EXPENSES:

Council's Expenses from Continuing Operations for the current year, were under-budget by an amount of \$557,343 (F) (3.89 %).

However, although it is considered the variation is not material, details pertaining to variations within a number of categories, is relevant.

1 Materials and Contracts

Actual Materials and Contracts Expenditure, was under-budget by an amount of \$807,610 (F) (15.22 %).

This was primarily due to Council embarking upon a concerted effort towards a reduction of operational expenditure, and an increase in infra-structure asset capitalisation.

The prolonged drought conditions assisted with this reduction. Scheduled works were delayed, with regard to the re-sheeting programme upon Council's rural unsealed roads network infra-structure.

2 Depreciation and Amortisation Costs

Actual Depreciation Expenditure, was over-budget by an amount of (\$347,754) (U) (13.88 %).

This was primarily due to Council acquiring assets, which have resulted in an increase in depreciation expense due, to the fact, previously antiquated equipment had been written-down to a nil valuation, over an extended period of time.

INCOME:

Council's Income from Continuing Operations for the current year, were over-budget by an amount of \$867,245 (F) (5.36 %).

However, although it is considered the variation is not material, details pertaining to variations within a number of categories, is relevant.

3 Interest and Investment Revenues

Actual Interest and Investment Revenues received during the year, was over-budget by an amount of \$164,329 (F) (20.30 %).

Due to Council having surplus available funds, a continued aggressive approach, had been undertaken to maximise revenues, with regard to its investments portfolio.

4 Contributions - Non-Capital Purposes

Actual Contributions for Non-Capital Purposes received during the year, was over-budget by an amount of \$153,386 (F) (21.81 %).

Revenues for the following programmes, from ratepayers', Government Departments and / or Agencies, were under-stated at the time of the budgetary process:-

Specific Purposes		
- Other Support Services	\$	28,896 (F)
- Fire Protection	\$	(937) (U)
- Other Cultural Services	\$	(9,927) (U)
- Public Parks, Gardens and Reserves	\$	25,053 (F)
- RTA Contributions (Regional, Local and Block)	\$	105,754 (F)
- Other	\$	816 (F)

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 16 - (Continued)

MATERIAL BUDGET VARIATIONS

REVENUES: - (Continued)

5 Grants - Capital Purposes

Actual Grants for Capital Purposes received during the year, was over-budget by an amount of \$781,172 (F) (211.13 %).

Revenues for the following programmes, from ratepayers', Government Departments and / or Agencies, were under-stated at the time of the budgetary process:-

Water Supplies Network	\$	7,181	(F)
Sewerage Services Network	\$	115,373	(F)
Public Libraries	\$	10,000	(F)
Roadworks Network - Infra-Structure	\$	648,618	(F)

6 Contributions - Capital Purposes

Actual Contributions for Capital Purposes received during the year, was under-budget by (\$465,940) (U) (47.41 %).

Revenues for the following programmes, from ratepayers', Government Departments and / or Agencies, were over-stated at the time of the budgetary process:-

Developer Contributions (pursuant to S. 94)			
- Urban Stormwater Drainage	\$	7,542	(F)
- Parking Areas	\$	3,900	(F)
Water Supplies Network			
- Developer Contributions (pursuant to S. 64)	\$	33,776	(F)
- Other	\$	125,104	(F)
Sewerage Services Network			
- Developer Contributions (pursuant to S. 64)	\$	46,870	(F)
- Other	\$	1,327	(F)
Specific Purposes			
- Emergency Services	\$	454	(F)
- Swimming Pools	\$	11,680	(F)
- Sporting Grounds	\$	(588,214)	(U)
- Roadworks Network (Infra-Structure)	\$	(4,510)	(U)
- Footpaths	\$	(29,641)	(U)
- R.T.A. Contributions (Regional, Local and Block)	\$	(59,000)	(U)
- Kerb and Guttering	\$	(15,230)	(U)

7 Other Revenues

Actual Other Revenues received during the year, was over-budget by an amount of \$88,227 (F) (21.56 %).

Commission and Agency Fees	\$	10,062	(F)
Fines and Costs	\$	1,071	(F)
Insurance			
- Claims Refunds	\$	45,455	(F)
- Dividend Payments (H.I.H)	\$	4,231	(F)
Lease Fees and Rentals	\$	25,234	(F)
Legal Fees - Rates Recovery	\$	1,746	(F)
Promotions and Trade Fairs	\$	(11,289)	(U)
Sundry Sales and Services	\$	(3,258)	(U)
Other	\$	14,976	(F)

8 Gain from the Sale of Assets

Actual Gains from the Sale of Assets during the year, was over-budget by an amount of \$106,740 (F) (40.13 %).

The nett actual revenues, from the disposal of plant and equipment assets, exceeded expectations. This was primarily due to the " timing " of the actual acquisition, and the disposal of plant and equipment, during the current reporting year.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 17

STATEMENT OF CONTRIBUTIONS PLANS

SUMMARY OF CONTRIBUTIONS PLANS

PURPOSE	OPENING BALANCE (\$'000)	CONTRIBUTIONS RECEIVED DURING YEAR ⁽¹⁾		INTEREST EARNED DURING YEAR (\$'000)	EXPENDED DURING YEAR (\$'000)	EXPENDED IN ADVANCE (\$'000)	HELD AS RESTRICTED ASSETS ⁽²⁾ (\$'000)	WORKS PROVIDED TO DATE (\$'000)
		CASH (\$'000)	NON-CASH (\$'000)					
Drainage	0	0	0	0	0	0	0	0
Parking Areas	0	0	0	0	0	0	0	0
Total Section 94 under plans	0	0	0	0	0	0	0	0
Total Contributions not under plans	22	12	0	1	0	0	35	32
Section 64 Contributions	439	83	0	32	0	0	554	0
TOTALS	461	95	0	33	0	0	589	32

The summary of Contributions Plans (see above), represents the total of Council's individual Contributions Plans. Council must also provide details of each Contributions Plan under it's control, in a form provided below:

- (1) Reconciliation with respect to Note No. 3 (F).
- (2) Reconciliation with respect to Note No. 6 (c) - restricted assets excludes " amounts expended in advance ".

CONTRIBUTIONS NOT UNDER PLANS

PURPOSE	OPENING BALANCE (\$'000)	CONTRIBUTIONS RECEIVED DURING YEAR ⁽¹⁾		INTEREST EARNED DURING YEAR (\$'000)	EXPENDED DURING YEAR (\$'000)	EXPENDED IN ADVANCE (\$'000)	HELD AS RESTRICTED ASSETS ⁽²⁾ (\$'000)	WORKS PROVIDED TO DATE (\$'000)
		CASH (\$'000)	NON-CASH (\$'000)					
Drainage	3	8	0	0	0	0	11	32
Parking Areas	19	4	0	1	0	0	24	0
TOTALS	22	12	0	1	0	0	35	32

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 18

CONTINGENCIES

CONTINGENT ASSETS:

Council has **no** contingent assets, as at the end of the reporting period.

CONTINGENT LIABILITIES:

Council has **no** contingent liabilities, as at the end of the reporting period.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 19

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Details pertaining to this Note, are not relevant to Council.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 20

REVALUATION RESERVES AND RETAINED EARNINGS

	Actual 2006 (\$'000)	Actual 2005 (\$'000)
(A) REVALUATION RESERVES:		
Revaluation Reserve		
- Infra-Structure, Property, Plant and Equipment	0	0
- Available-for-Sale Investments	0	0
TOTAL REVALUATION RESERVES	0	0
 <i>Infra-Structure, Property, Plant and Equipment Revaluation Reserve:-</i>		
Balance as at the beginning of the Reporting Period	0	0
- Gross Revaluation	0	0
- Gross Depreciation Transfer	0	0
BALANCE AS AT THE END OF THE REPORTING PERIOD	0	0
 <i>Available-for-Sale Investments Revaluation Reserve:-</i>		
Balance as at the beginning of the Reporting Period	0	0
- Adjustment following adoption of AASB 132 and AASB 139	0	0
- Gross - Revaluation	0	0
- Gross - Transfer to Nett Profit	0	0
BALANCE AS AT THE END OF THE REPORTING PERIOD	0	0
 (B) RETAINED EARNINGS:		
 <i>Movements in Retained Earnings is as follows:-</i>		
Balance as at the beginning of the Reporting Period	91,213	87,798
- Adjustment following adoption of AASB 132 and AASB 139	0	(95)
- Nett Operating Result for the year	3,672	3,510
BALANCE AS AT THE END OF THE REPORTING PERIOD	94,886	91,213

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

(1) Reconciliation of Equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to Equity under Australian Equivalents to IFRS (AIFRS).

(a) As at the date of transition to AIFRS: 1st July, 2004.

	Notes	Previous AGAAP (\$'000)	Effect of Transition to AIFRS (\$'000)	2004 AIFRS (\$'000)
CURRENT ASSETS:				
Cash and Cash Equivalents		214	0	214
Investments		4,196	0	4,196
Receivables		1,543	0	1,543
Inventories		131	0	131
Other		206	0	206
TOTAL CURRENT ASSETS		6,290	0	6,290
NON-CURRENT ASSETS:				
Investments		5,352	0	5,352
Receivables		125	0	125
Infra-Structure, Property, Plant and Equipment	1	83,340	343	83,683
TOTAL NON-CURRENT ASSETS		88,817	343	89,160
TOTAL ASSETS		95,107	343	95,450
CURRENT LIABILITIES:				
Payables		834	0	834
Interest Bearing Liabilities		232	0	232
Provisions	2	337	1,018	1,355
TOTAL CURRENT LIABILITIES		1,403	1,018	2,421
NON-CURRENT LIABILITIES:				
Interest Bearing Liabilities		4,790	0	4,790
Provisions	3	1,287	(846)	441
TOTAL NON-CURRENT LIABILITIES		6,077	(846)	5,231
TOTAL LIABILITIES		7,480	172	7,652
TOTAL NETT ASSETS		87,627	171	87,798
RETAINED EARNINGS:				
Retained Earnings - Accumulated		84,816	0	84,816
Surplus / (Deficit) - Current Year	4	2,811	171	2,982
TOTAL RETAINED EARNINGS		87,627	171	87,798

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

ASSOCIATED NOTES TO THE RECONCILIATION:

1 Infra-Structure, Property, Plant and Equipment

(a) Increased by \$182,342, being the calculation of a provision, for the recognition of Waste Depots and Transfer Stations.

Dr.	IPPE - Waste Depots and Transfer Stations	\$182,342	
Cr.	Provision - Waste Depots and Transfer Stations		\$182,342

(b) Increased by \$161,069, being the calculation of a provision, for the recognition of Quarries and Gravel Pits.

Dr.	IPPE - Quarries and Gravel Pits	\$161,069	
Cr.	Provision - Quarries and Gravel Pits		\$161,069

2 Provision - Current

Increased by \$1,189,665, being the transfer of Employees' Leave Entitlements from non-current to current. This represents a requirement to disclose liabilities as current, where there is no unconditional right to defer, beyond twelve (12) months.

Dr.	Employees' Leave Entitlements Provision - Non-Current	\$1,189,665	
Cr.	Employees' Leave Entitlements Provision - Current		\$1,018,887
Cr.	Employees' Leave Entitlements - Expense		\$170,778

3 Provision - Non-Current

(a) Increased by \$182,342, being the calculation of a provision, for the recognition of Waste Depots and Transfer Stations - refer to 1 (a) above.

(b) Increased by \$161,069, being the calculation of a provision, for the recognition of Quarries and Gravel Pits - refer to 1 (b) above.

(c) Decreased by \$1,189,665, due to the re-definition of current Employees' Leave Entitlements - refer to 2 above.

4 Retained Earnings

Increased by \$170,778, due to the re-definition of the provision for future Employees' Leave Entitlements.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

(2) Reconciliation of Operating Result under previous Australian Generally Accepted Accounting Principles (AGAAP) to the Operating Result under Australian Equivalents to IFRS (AIFRS).

(a) Reconciliation of the Operating Result for the year ended 30th June, 2005.

	Notes	Previous AGAAP (\$'000)	Effect of Transition to AIFRS (\$'000)	2005 AIFRS (\$'000)
INCOME FROM CONTINUING OPERATIONS:				
Revenues				
Annual Rates and Charges		7,324	0	7,324
User Charges and Fees		3,390	0	3,390
Interest and Investment Revenues		790	0	790
Non-Capital Purposes - Grants		2,810	0	2,810
Non-Capital Purposes - Contributions		779	0	779
Capital Purposes - Grants		492	0	492
Capital Purposes - Contributions		730	0	730
Other Revenues		486	0	486
Sub-Total		16,801	0	16,801
Other Income				
Nett Gain - Disposal of Assets		358	0	358
Sub-Total		358	0	358
TOTAL INCOME FROM CONTINUING OPERATIONS		17,159	0	17,159
EXPENSES FROM CONTINUING OPERATIONS:				
Expenses				
Employee Benefits and On-Costs	5	4,547	43	4,590
Borrowing Costs	6	395	18	413
Materials and Contracts	7	4,325	163	4,488
Depreciation and Amortisation Costs	8	2,654	34	2,688
Other Expenses	9	1,728	(163)	1,565
TOTAL EXPENSES FROM CONTINUING OPERATIONS		13,649	95	13,744
OPERATING RESULT FROM CONTINUING OPERATIONS	10	3,510	(95)	3,415
ATTRIBUTABLE TO:				
Council		3,510	(95)	3,415
Minority Interests		0	0	0
NETT OPERATING RESULT FOR THE YEAR		3,510	(95)	3,415
NETT OPERATING RESULT FOR THE YEAR PRIOR TO THE PROVISION OF GRANTS AND CONTRIBUTIONS FOR CAPITAL PURPOSES				
		2,288	(95)	2,193

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

(b) As at the end of the last reporting period under previous AGAAP: 30th June, 2005

	Notes	Previous AGAAP (\$'000)	Effect of Transition to AIFRS (\$'000)	2005 AIFRS (\$'000)
CURRENT ASSETS:				
Cash and Cash Equivalents		923	0	923
Investments		5,109	0	5,109
Receivables		1,440	0	1,440
Inventories		161	0	161
Other		175	0	175
TOTAL CURRENT ASSETS		7,808	0	7,808
NON-CURRENT ASSETS:				
Investments		6,390	0	6,390
Receivables		34	0	34
Infra-Structure, Property, Plant and Equipment	11	84,587	309	84,896
TOTAL NON-CURRENT ASSETS		91,011	309	91,320
TOTAL ASSETS		98,819	309	99,128
CURRENT LIABILITIES:				
Payables		1,083	0	1,083
Interest Bearing Liabilities		248	0	248
Provisions	12	358	1,220	1,578
TOTAL CURRENT LIABILITIES		1,689	1,220	2,909
NON-CURRENT LIABILITIES:				
Interest Bearing Liabilities		4,542	0	4,542
Provisions	13	1,451	(987)	464
TOTAL NON-CURRENT LIABILITIES		5,993	(987)	5,006
TOTAL LIABILITIES		7,682	233	7,915
TOTAL NETT ASSETS		91,137	76	91,213
RETAINED EARNINGS:				
Retained Earnings - Accumulated		87,627	171	87,798
Surplus / (Deficit) - Current Year	14	3,510	(95)	3,415
TOTAL RETAINED EARNINGS		91,137	76	91,213

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

ASSOCIATED NOTES TO THE RECONCILIATION:

5 Employees' Leave Entitlements

Increased by \$42,742, due to the re-definition of the provision for future Employees' Leave Entitlements.

6 Borrowing Costs

- (a) Increased by \$9,309, due to the amortisation of the calculated discount, upon the provision of Waste Depots and Transfer Stations (i.e. \$182,342 at 10.00 % for 2005).

Dr.	Income Statement - Borrowing Costs	\$9,309	
Cr.	Provision - Waste Depots and Transfer Stations		\$9,309

- (b) Increased by \$8,223, due to the amortisation of the calculated discount, upon the provision of Quarries and Gravel Pits, (i.e. \$161,069 at 10.00 % for 2005).

Dr.	Income Statement - Borrowing Costs	\$8,223	
Cr.	Provision - Quarries and Gravel Pits		\$8,223

7 Materials and Contracts

Increased by \$162,717, due to the re-classification of expenditure from Other Expenses.

8 Depreciation and Impairment Costs

- (c) Increased by \$18,234, being the calculation of depreciation, following the recognition of Waste Depots and Transfer Stations.

Dr.	Depreciation Expense	\$18,234	
Cr.	IPPE - Accumulated Depreciation		\$18,234

- (d) Increased by \$16,107, being the calculation of depreciation, following the recognition of Quarries and Gravel Pits.

Dr.	Depreciation Expense	\$16,107	
Cr.	IPPE - Accumulated Depreciation		\$16,107

9 Other Expenses

Decreased by \$162,717, due to the re-classification of expenditure to Materials and Contracts.

10 Total Impact upon the Nett Operating Result for the Year

- (a) Decreased by \$42,742, due to the re-definition of the provision for future Employees' Leave Entitlements - refer to 5 above.
- (b) Decreased by \$9,309, due to the amortisation of the calculated discount, upon the provision of Waste Depots and Transfer Stations (i.e. \$182,342 at 10.00 % for 2005).
- (c) Decreased by \$8,223, due to the amortisation of the calculated discount, upon the provision of Quarries and Gravel Pits, (i.e. \$161,069 at 10.00 % for 2005).
- (d) Decreased by \$18,234, being the calculation of depreciation, following the recognition of Waste Depots and Transfer Stations.
- (e) Decreased by \$16,107, being the calculation of depreciation, following the recognition of Quarries and Gravel Pits.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

ASSOCIATED NOTES TO THE RECONCILIATION:

11 Infra-Structure, Property, Plant and Equipment

(a) Increased by \$182,342, being the calculation of a provision, for the recognition of Waste Depots and Transfer Stations.

Dr.	IPPE - Waste Depots and Transfer Stations	\$182,342	
Cr.	Provision - Waste Depots and Transfer Stations		\$182,342

(b) Increased by \$161,069, being the calculation of a provision, for the recognition of Quarries and Gravel Pits.

Dr.	IPPE - Quarries and Gravel Pits	\$161,069	
Cr.	Provision - Quarries and Gravel Pits		\$161,069

(c) Decreased by \$18,234, being the calculation of depreciation, upon the recognition of Waste Depots and Transfer Stations.

Dr.	Depreciation Expense	\$18,234	
Cr.	IPPE - Accumulated Depreciation		\$18,234

(d) Decreased by \$16,107, being the calculation of depreciation, upon the recognition of Quarries and Gravel Pits.

Dr.	Depreciation Expense	\$16,107	
Cr.	IPPE - Accumulated Depreciation		\$16,107

12 Provision - Current

Increased by \$1,220,007, being the transfer of Employees' Leave Entitlements from non-current to current. This represents a requirement to disclose liabilities as current, where there is no unconditional right to defer, beyond twelve (12) months.

Dr.	2003 / 2004 Employees' Leave Entitlements Provision - Non-Current	\$1,189,665	
Cr.	2003 / 2004 Employees' Leave Entitlements Provision - Current		\$1,018,887
Cr.	2003 / 2004 Employees' Leave Entitlements - Expense		\$170,778
Dr.	2004 / 2005 Employees' Leave Entitlements Provision - Non-Current	\$158,378	
Dr.	2004 / 2005 Employees' Leave Entitlements - Expense	\$42,742	
Cr.	2004 / 2005 Employees' Leave Entitlements Provision - Current		\$201,120

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

ASSOCIATED NOTES TO THE RECONCILIATION:

13 Provision - Non-Current

- (a) Increased by \$182,342, being the calculation of a provision, for the recognition of Waste Depots and Transfer Stations - refer to 11 (a).
- (b) Increased by \$161,069, being the calculation of a provision, for the recognition of Quarries and Gravel Pits - refer to 11 (b).
- (c) Increased by \$9,309, due to the amortisation of the calculated discount, upon the provision of Waste Depots and Transfer Stations (i.e. \$182,342 at 10.00 % for 2005).

Dr.	Income Statement - Borrowing Costs	\$9,309	
Cr.	Provision - Waste Depots and Transfer Stations		\$9,309

- (d) Increased by \$8,223, due to the amortisation of the calculated discount, upon the provision of Quarries and Gravel Pits, (i.e. \$161,069 at 10.00 % for 2005).

Dr.	Income Statement - Borrowing Costs	\$8,223	
Cr.	Provision - Quarries and Gravel Pits		\$8,223

- (e) Decreased by \$1,348,043, due to the re-definition of current Employees' Leave Entitlements - refer to 12.

14 Retained Earnings

- (a) Decreased by \$18,234, being the calculation of depreciation, following the recognition of Waste Depots and Transfer Stations.
- (b) Decreased by \$16,107, being the calculation of depreciation, following the recognition of Quarries and Gravel Pits.
- (c) Decreased by \$9,309, due to the amortisation of the calculated discount, upon the provision of Waste Depots and Transfer Stations (i.e. \$182,342 at 10.00 % for 2005).
- (d) Decreased by \$8,223, due to the amortisation of the calculated discount, upon the provision of Quarries and Gravel Pits, (i.e. \$161,069 at 10.00 % for 2005).
- (e) Decreased by \$42,742, due to the re-definition of current Employees' Leave Entitlements - refer to 12.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

(3) Reconciliation of Statement of Cash Flow for the year ended 30th June, 2006.

The adoption of AIFRS has not resulted in any material adjustments to the Statement of Cash Flow.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 21 - (Continued)

EXPLANATION OF TRANSITION OF AUSTRALIAN EQUIVALENTS TO I.F.R.S.

- (4) Adjustments on transition to AASB 132 and AASB 139. (Financial Instruments: Disclosure and Presentation, and Financial Instruments: Recognition and Measurement as at 1 st July, 2005)**

The adoption of AIFRS has not resulted in any material adjustments to the Financial Instruments Disclosures.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2006

Note No. 22

REINSTATEMENT, REHABILITATION AND RESTORATION LIABILITIES

Council, is required to ensure a provision for the future rehabilitation of Waste Depots, Waste Transfer Stations, Quarries and Gravel Pits, which it manages and controls, is adequately provided.

	Notes	Actual 2006 (\$'000)	Actual 2005 (\$'000)
WASTE DEPOTS AND TRANSFER STATIONS:			
Balance as at the beginning of the Current Reporting Period		191	182
Add: Amortisation of Discount - Expensed to Borrowing Costs	4 (B)	10	9
Balance as at the end of the Current Reporting Period	10 (a)	201	191
QUARRIES AND GRAVEL PITS:			
Balance as at the beginning of the Current Reporting Period		169	161
Add: Amortisation of Discount - Expensed to Borrowing Costs	4 (B)	9	8
Balance as at the end of the Current Reporting Period	10 (a)	178	169