

GENERAL PURPOSE FINANCIAL STATEMENTS



YEAR ENDED

30th June, 2007

COUNCIL OF THE SHIRE OF YOUNG

GENERAL PURPOSE FINANCIAL REPORT for the year ended 30th June, 2007

TABLE OF CONTENTS		Page
* Auditor's Report - S. 417 (2)		1 - 2
* Auditor's Report - S. 417 (3)		1 - 15
* Statement by Councillors and Management		1
* Income Statement		2
* Balance Sheet		3
* Statement of Changes in Equity		4
* Statement of Cash Flow		5
* Notes to the Financial Statements		6 - 49

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 19th September, 2007. 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, 2007

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, these reports;

- (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 these reports false, or, misleading in any way.

Signed, in accordance with a resolution of Council, made on 19th September, 2007.

**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, 2007

INCOME STATEMENT

Original Budget 2007 (\$'000)	*	Notes	Actual 2007 (\$'000)	Actual 2006 (\$'000)
INCOME FROM CONTINUING OPERATIONS:				
Revenues				
7,124		3 (A)	7,157	6,863
3,053		3 (B)	3,666	3,222
813		3 (C)	1,186	974
3,234		3 (E)	3,024	2,980
723		3 (F)	934	854
715		3 (E)	1,424	1,151
1,064		3 (F)	1,186	517
391		3 (D)	500	498
17,117			19,077	17,059
Other Income				
286		5	332	373
286			332	373
17,403			19,409	17,432
EXPENSES FROM CONTINUING OPERATIONS:				
Expenses				
4,770		4 (A)	4,641	4,437
356		4 (B)	375	395
5,199		4 (C)	4,432	4,499
2,684		4 (D)	2,981	2,853
1,634		4 (E)	1,631	1,573
14,643			14,060	13,757
2,760			5,349	3,675
ATTRIBUTABLE TO:				
2,760			5,349	3,675
0			0	0
2,760			5,349	3,675
NETT OPERATING RESULT FOR THE YEAR PRIOR TO THE PROVISION OF GRANTS AND CONTRIBUTIONS FOR CAPITAL PURPOSES				
981			2,739	2,007

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

* The Original Budget, is as approved and adopted by Council, on 21st June, 2006 - refer to Note No. 16.

COUNCIL OF THE SHIRE OF YOUNG

GENERAL PURPOSE FINANCIAL REPORT

as at 30th June, 2007

BALANCE SHEET

	Notes	Actual 2007 (\$'000)	Actual 2006 (\$'000)
CURRENT ASSETS:			
Cash and Cash Equivalents	6 (a)	342	2,517
Investments	6 (b)	5,732	3,742
Receivables	7	2,373	1,813
Inventories	8	270	255
Other	8	0	318
TOTAL CURRENT ASSETS		8,717	8,645
NON-CURRENT ASSETS:			
Investments	6 (b)	9,760	7,844
Receivables	7	10	22
Infra-Structure, Property, Plant and Equipment	9	100,040	82,440
TOTAL NON-CURRENT ASSETS		109,810	90,306
TOTAL ASSETS		118,527	98,951
CURRENT LIABILITIES:			
Payables	10 (a)	855	1,249
Interest Bearing Liabilities	10 (a)	291	269
Provisions			
- Payable less than 12 months	10 (a)	441	350
- Payable greater than 12 months	10 (a)	1,174	1,294
TOTAL CURRENT LIABILITIES		2,761	3,162
NON-CURRENT LIABILITIES:			
Payables	10 (a)	312	0
Interest Bearing Liabilities	10 (a)	3,982	4,273
Provisions	10 (a)	481	489
TOTAL NON-CURRENT LIABILITIES		4,775	4,762
TOTAL LIABILITIES		7,536	7,924
TOTAL NETT ASSETS		110,991	91,027
EQUITY:			
Retained Earnings - Accumulated	20	100,237	91,027
Correction of Errors in Previous Years	20	(3,861)	0
Revaluation Reserves	20	14,615	0
TOTAL EQUITY		110,991	91,027

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, 2007

STATEMENT OF CHANGES IN EQUITY

	2007		2006	
	Accumulated Surplus (\$'000)	Total Equity (\$'000)	Accumulated Surplus (\$'000)	Total Equity (\$'000)
Balance as at the beginning of the Reporting Period	94,888	94,888	91,213	91,213
Correction of Errors in Previous Years	(3,861)	(3,861)	0	0
Revised Balance as at the beginning of the Reporting Period	91,027	91,027	91,213	91,213
Nett Operating Result for the Year	5,349	5,349	3,675	3,675
Transfer to Asset Revaluation Reserve	14,615	14,615	0	0
Balance as at the end of the Reporting Period	110,991	110,991	94,888	94,888

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, 2007

STATEMENT OF CASH FLOW

Original Budget 2007 (\$'000)		Notes	Actual 2007 (\$'000)	Actual 2006 (\$'000)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
	Receipts			
7,124	Annual Rates and Charges		7,057	6,846
3,053	User Charges and Fees		3,740	3,060
813	Interest and Investment Revenues		1,005	913
5,736	Grants and Contributions		6,223	5,476
391	Other Revenues		493	391
17,117	Sub-Total		18,518	16,686
	Payments			
(4,634)	Employee Benefits and On-Costs		(4,698)	(4,364)
(5,199)	Materials and Contracts		(4,563)	(4,415)
(356)	Borrowing Costs		(357)	(378)
(1,634)	Other Expenses		(1,278)	(1,727)
(11,823)	Sub-Total		(10,896)	(10,884)
5,294	NETT CASH PROVIDED FROM OPERATING ACTIVITIES	11 (B)	7,622	5,802
	CASH FLOWS FROM INVESTING ACTIVITIES:			
	Receipts			
548	Infra-Structure, Property, Plant and Equipment		604	618
12	Deferred Payments Scheme		12	12
560	Sub-Total		616	630
	Payments			
(6,983)	Infra-Structure, Property, Plant and Equipment		(6,238)	(4,503)
(6,983)	Sub-Total		(6,238)	(4,503)
(6,423)	NETT CASH USED IN INVESTING ACTIVITIES		(5,622)	(3,873)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
	Receipts			
0	Borrowing's		0	0
0	Sub-Total		0	0
	Payments			
(269)	Borrowing's		(269)	(248)
(269)	Sub-Total		(269)	(248)
(269)	NETT CASH USED IN FINANCING ACTIVITIES		(269)	(248)
	CASH, CASH EQUIVALENTS AND INVESTMENTS:			
14,103	Beginning of the current Reporting Period		14,103	12,422
(1,398)	Nett increase in Cash, Cash Equivalents and Investments		1,731	1,681
12,705	END OF THE CURRENT REPORTING PERIOD	11 (A)	15,834	14,103

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, 2007

TABLE OF CONTENTS

	Page	
Note No. 1	Summary of Significant Accounting Policies	6 - 15
Note No. 2 (a)	Functions	16
Note No. 2 (b)	Components of Functions	17
Note No. 3	Income from Continuing Operations	18 - 23
Note No. 4	Expenses from Continuing Operations	24 - 25
Note No. 5	Nett Gain (or Loss) on Disposal of Assets	26
Note No. 6 (a)	Cash and Cash Equivalents	27
Note No. 6 (b)	Investments	28
Note No. 6 (c)	Cash, Cash Equivalents and Investments - Restricted	29
Note No. 7	Receivables	30
Note No. 8	Inventories and Other Assets	31
Note No. 9 (a)	Infra-Structure, Property, Plant and Equipment	32
Note No. 9 (b)	Infra-Structure, Property, Plant and Equipment - Restricted	33
Note No. 10 (a)	Payables, Interest Bearing Liabilities and Provisions	34
Note No. 10 (b)	Description and Movements in Provisions	35
Note No. 11	Reconciliation of Cash Flow Movements	36 - 37
Note No. 12	Commitments for Expenditure	38
Note No. 13	Statement of Performance Measurement	39
Note No. 14	Investment Properties	40
Note No. 15	Financial Instruments	41 - 42
Note No. 16	Material Budget Variations	43 - 44
Note No. 17	Statement of Contributions Plans	45
Note No. 18	Contingencies	46
Note No. 19	Interests in Joint Ventures	47
Note No. 20	Revaluation Reserves and Retained Earnings	48
Note No. 21	Reinstatement, Rehabilitation and Restoration Liabilities	49

* NOTE:- Note No. 1 to Note No. 20 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, 2007

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

A Statement, summarising the significant accounting policies adopted by Council, is detailed within this Note, and are 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 Council's principal functions and operational 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, 2007. They include the Consolidated Fund, and other entities, through which Council controls resources to conduct its principal functions and operational activities.

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

(A) BASIS OF PREPARATION:

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

Australian Accounting Standard 27

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 to 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 infra-structure, property, plant, equipment and investment property.

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) 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

Marie McCormick Community Centre Committee
National Cherry Festival Committee
Young Healthy Shires Committee

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(B) PRINCIPLES OF CONSOLIDATION:- (Continued)

Consolidated Fund - (Continued)

The following committees, the transactions of which are considered immaterial, either by amount or nature, have been excluded:-

Annette's Place Inc.	Murringo Community Association
Bendick Murrell Community Association	Wirrimah Community Group
Bribbaree Water and Progress Association Inc.	Young Aero Club Committee
Koorawatha Progress Association	Young Child Care Centre Inc.
Monteagle Hall Committee	Young Pre-School Kindergarten Inc.
Mud Hut Playgroup Committee	Young Shire Youth Council Committee

The total revenue and expenditure from Continuing Operations, and the nett assets held by these Committees, is as follows:-

Total Income from Continuing Operations	\$ 45,000
Total Expenditure from Continuing Operations	\$ 40,000
Total Nett Assets Held - Equity	\$ 75,000

Note: Where actual figures are unavailable, best estimates have been applied.

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.

(C) REVENUE RECOGNITION:

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

Annual Rates and Charges

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.

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 by Council in full, is no longer probable.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(C) REVENUE RECOGNITION:- (Continued)

Grants and Contributions

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 transfer 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 not discharged 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.

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.

Sale of Infra-Structure, Property, Plant and Equipment

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

(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) 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.

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.

(F) 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.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(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, 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 net 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. Net realisable value, is the estimated selling price in the ordinary course of business, less the estimated costs of completion, and the estimated costs necessary to make the sale.

Land held for Re-Sale and Capitalisation of Borrowing Costs

Land held for re-sale, is stated at the lower of cost and net 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) 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.

(L) LAND:

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

(M) 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, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(N) INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT:

All infra-structure, property, plant and equipment under Council's control, (except for investment properties, water supplies network assets and sewerage services network assets, which are carried at fair value) is stated at cost, or deemed cost, less depreciation. Cost includes, expenditure that is directly attributable to the acquisition of the asset items.

Council's assets will be progressively revalued to fair value and in accordance with a staged implementation programme, as advised by the Department of Local Government.

Water Supplies Network	30th June, 2007	Property, Plant and Equipment	30th June, 2008
Sewerage Services Network	30th June, 2007	Land, Buildings and Other	30th June, 2008
Roads, Bridges, Footpaths and Drainage	30th June, 2009		

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, all other decreases are charged to the Income Statement.

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
Furniture and Fittings	3 to 5 years
Office Equipment	4 to 7 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
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.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(O) INVESTMENTS AND OTHER FINANCIAL ASSETS:

Classification

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, comprising principally marketable securities, are non-derivatives, that are either designated in this category, or are not classified within 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.

Recognition and Derecognition

Regular purchases and sales of financial assets 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 carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

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

Subsequent Measurement

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

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

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(O) INVESTMENTS AND OTHER FINANCIAL ASSETS:- (Continued)

Fair Value

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, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making inputs and relying as little as possible on entity-specific inputs.

Impairment

Council assesses at each balance date, whether there is objective evidence that a financial asset, or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security, below its cost, is considered 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.

Policy

Council has an approved investment policy, complying with Section 625 of the Local Government Act, and section 212 of the Local Government (General) Regulations 2005. Investments are placed and managed in accordance with that policy, and having particular regard to authorised investments prescribed under the Local Government Investment Order.

Council maintains an investment policy that complies with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

(P) 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.

(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, 2007

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 which 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 **94** 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 expense for the period ended 30th June, 2007, was \$99,499. The last valuation of the Scheme was performed by Mr. Martin Stevenson BSc, FIA, FIAA, on 19th June, 2007, which referred to the reporting period ended 30th June, 2006. This valuation found the Scheme's assets were \$3,291.10 million and its past liabilities were \$2,980.30 million, resulting in a surplus of \$310.80 million. The existence of this surplus has resulted in Councils contributing in 2006 / 2007 at 50.00 % of the previous level of contributions. The financial position of the Scheme is being independently 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, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(V) PROVISION FOR CLOSE-DOWN, RESTORATION AND ENVIRONMENTAL CLEAN-UP COSTS:

Restoration

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, are 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.

Rehabilitation

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-winding ” 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) 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.

(X) SELF-INSURANCE:

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

(Y) ROUNDING OF AMOUNTS:

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

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(Z) 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.

(AA) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS:

Certain new Accounting Standards, and Urgent Issues Group Interpretations have been published, and are not mandatory for 30th June, 2007 reporting period. Council's assessment of the impact of these new standards and interpretations, is detailed as follows:-

**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 upon the type of information disclosed within the financial instruments.

(AB) INTANGIBLE ASSETS:

Information Technology - Development and Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and /or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis, over periods generally ranging from three (3) to five (5) years.

Information Technology development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

(AC) CROWN RESERVES:

Crown Reserves under Council's care and control are recognised as assets. Whilst ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

A working party of interested representatives from both State and Local Government is being formed to consider the accounting issues related to Crown Reserves, with the intention of developing a consistent approach to their recognition and future accounting treatment across both tiers of Government.

(AD) RURAL FIRE SERVICE ASSETS:

Under Section 119 of the Rural Fire Services Act 1997, “ ***all fire fighting equipment purchased or constructed, wholly or from moneys to the credit of the Fund, is to be vested in the Council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed*** ”.

Until such time as discussions upon this matter have concluded, and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to exclude these assets, values and depreciation expense from these Financial Reports.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

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 RESULT FROM CONTINUING OPERATIONS			GRANTS INCLUDED IN REVENUES FROM CONTINUING OPERATIONS		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	Original Budget 2007 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Original Budget 2007 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Original Budget 2007 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)
Governance	1	1	1	182	184	180	(181)	(183)	(179)	0	0	0	0
Administration	283	399	478	627	625	576	(344)	(226)	(98)	0	0	7,229	7,379
Public Order and Safety	413	118	223	767	461	585	(354)	(343)	(362)	63	197	394	466
Health	14	14	13	229	215	217	(215)	(201)	(204)	7	0	392	409
Community Services and Education	2	23	1	132	135	107	(130)	(112)	(106)	22	1	65	70
Housing and Community Amenities	1,396	1,394	1,206	2,052	2,013	1,843	(656)	(619)	(637)	66	30	9,500	9,355
Water Supplies Network	2,265	2,775	2,520	2,115	2,115	1,933	150	660	587	45	49	17,989	7,973
Sewerage Services Network	1,695	1,601	1,635	735	594	620	960	1,007	1,015	38	153	12,577	6,349
Recreation and Culture	878	865	243	1,475	1,544	1,580	(597)	(679)	(1,337)	104	66	7,012	5,220
Mining, Manufacturing and Construction	89	113	109	203	242	228	(114)	(129)	(119)	0	0	555	504
Transport and Communication	2,934	4,322	3,639	5,306	5,097	5,038	(2,372)	(775)	(1,399)	2,295	1,913	59,719	57,422
Economic Affairs	526	549	563	784	802	821	(258)	(253)	(258)	3	3	2,031	1,988
Total Functions	10,496	12,174	10,631	14,607	14,027	13,728	(4,111)	(1,853)	(3,097)	2,643	2,412	117,463	97,135
General Purpose Revenues *	6,907	7,235	6,801	36	33	29	6,871	7,202	6,772	1,805	1,719	1,064	1,816
Surplus / (Deficit) from all Functions	17,403	19,409	17,432	14,643	14,060	13,757	2,760	5,349	3,675	4,448	4,131	118,527	98,951

* 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, 2007

Note No. 2 (b)

COMPONENTS OF FUNCTIONS

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

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, policy-making committees, public disclosure and compliance, area representation, and other governance-related activities.

ADMINISTRATION:

Corporate support services, engineering and supervision, works depot and store, 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, 2007

Note No. 3

INCOME FROM CONTINUING OPERATIONS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(A) ANNUAL RATES AND CHARGES:		
Ordinary Rates:-		
Farmland	1,811	1,751
Residential	1,970	1,872
Business	911	878
Mining	17	16
TOTAL ORDINARY RATES	4,709	4,517
Annual Charges:- pursuant to S. 496 and S. 501		
Waste Management Services - Domestic	521	496
Waste Management Services - Re-Cycling	141	133
Water Supplies Network	704	701
Sewerage Services Network	1,082	1,016
TOTAL ANNUAL CHARGES	2,448	2,346
TOTAL ANNUAL RATES AND CHARGES	7,157	6,863

In calculating its ordinary rates, Council has utilised land valuations, provided by the Valuer-General of N.S.W. The current land valuations (base-date 1st July, 2004), are provided to Council every three (3) years.

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(B) USER CHARGES AND FEES:		
User Charges:- pursuant to S. 502		
Waste Management Services - Domestic	133	3
Waste Management Services - Other	252	257
Water Supplies Network	1,674	1,408
Sewerage Services Network	121	120
TOTAL USER CHARGES	2,180	1,788
Fees:-		
Regulatory and Statutory Fees	255	243
Discretionary Fees		
- Private Works	234	279
- Public Cemeteries	116	120
- R.T.A. Works (State Roads not controlled by Council)	820	727
- Other	61	65
TOTAL FEES	1,486	1,434
TOTAL USER CHARGES AND FEES	3,666	3,222

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 3 - (Continued)

INCOME FROM CONTINUING OPERATIONS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(C) INTEREST AND INVESTMENT REVENUES:		
Developer Contributions		
- Urban Stormwater Drainage	2	0
- Parking Areas	1	1
- Water Supplies Network	7	5
- Sewerage Services Network	52	27
Investments		
- General Purpose Revenues	680	531
- Water Supplies Network	193	136
- Sewerage Services Network	200	234
Overdue Annual Rates and Charges		
- General Purpose Revenues	20	13
- Domestic Waste Management Services	5	11
- Water Supplies Network	4	1
- Sewerage Services Network	7	5
Other	15	10
TOTAL INTEREST AND INVESTMENT REVENUES	1,186	974
(D) OTHER REVENUES:		
Commission and Agency Fees	18	19
Fines and Costs	2	2
Insurance		
- Claims Refunds	30	45
- Dividend Payments (H.I.H. Insurance)	0	4
Lease Fees and Rentals	316	322
Legal Fees		
- Sundry Ratepayers'	20	20
Promotions and Trade Fairs	61	40
Sundry Sales and Services	36	26
Other	17	20
TOTAL OTHER REVENUES	500	498

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 3 - (Continued)

INCOME FROM CONTINUING OPERATIONS

	NON-CAPITAL Actual		CAPITAL Actual	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
(E) GRANTS:				
Financial Assistance Grant - Untied				
- Equalisation Component	1,690	1,606	0	0
- Local Roads Component	893	856	0	0
Pensioners' Rates Subsidies - Untied				
- General Purpose Revenues	115	113	0	0
Pensioners' Rates Subsidies				
- Domestic Waste Management Services	31	30	0	0
- Water Supplies Network	42	42	0	0
- Sewerage Services Network	38	38	0	0
Specific Purposes				
- Fire Protection	63	197	0	0
- Other Health Services	7	0	0	0
- Youth Services	0	1	0	0
- Other Community Services	22	0	0	0
- Town Planning	35	0	0	0
- Water Supplies Network	0	0	3	7
- Sewerage Services Network	0	0	0	115
- Public Libraries	37	35	9	10
- Other Cultural Services	8	8	0	0
- Sporting Grounds	0	0	50	0
- Public Parks, Gardens and Reserves	0	12	0	0
- Roadworks Network (Infra-Structure)	0	0	1,362	1,019
- Street Lighting	40	39	0	0
- Industrial Development and Promotions	3	3	0	0
TOTAL GRANTS	3,024	2,980	1,424	1,151
Comprising:-				
- Commonwealth Government	2,583	2,462	1,362	1,019
- State Government	441	518	62	132
	3,024	2,980	1,424	1,151

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 3 - (Continued)

INCOME FROM CONTINUING OPERATIONS

	NON-CAPITAL Actual		CAPITAL Actual	
	2007 (\$'000)	2006 (\$'000)	2007 (\$'000)	2006 (\$'000)
(F) CONTRIBUTIONS:				
Developer Contributions (pursuant to S. 94)				
- Urban Stormwater Drainage	0	0	3	8
- Parking Areas	0	0	0	4
Water Supplies Network				
- Developer Contributions (pursuant to S. 64)	0	0	33	35
- Other	0	0	40	147
Sewerage Services Network				
- Developer Contributions (pursuant to S. 64)	0	0	70	48
- Other	2	0	7	1
Specific Purposes				
- Governance	1	1	0	0
- Corporate Support Services	13	2	0	0
- Other Support Services	38	40	0	0
- Fire Protection	7	3	0	0
- Emergency Services	1	0	0	0
- Aged and Disabled	0	0	0	0
- Dwellings	0	0	0	0
- Urban Stormwater Drainage	1	0	0	0
- Public Halls	4	0	2	0
- Other Cultural Services	44	46	0	0
- Swimming Pools	0	0	0	12
- Sporting Grounds	0	0	625	12
- Public Parks, Gardens and Reserves	0	25	23	0
- Roadworks Network (Infra-Structure)	0	0	87	19
- Footpaths	0	0	50	0
- Bus Shelters and Services	1	0	0	0
- R.T.A. Contributions (Regional, Local and Block)	806	729	226	221
- Ancillary Services	0	0	20	10
- Tourism and Area Promotions	0	0	0	0
- Saleyards and Markets	2	1	0	0
- Industrial Development and Promotions	10	0	0	0
- Other Business Undertakings	4	7	0	0
TOTAL CONTRIBUTIONS	934	854	1,186	517
TOTAL GRANTS AND CONTRIBUTIONS	3,958	3,834	2,610	1,668

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 3 - (Continued)

INCOME 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 2007 (\$'000)	Actual 2006 (\$'000)
(G) GRANTS:			
Unexpended at the close of the previous reporting period.			
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
	6 (c)	526	79
Add: Amounts recognised as revenues in current reporting period, but not yet expended in accordance with the conditions.			
Healthy Shires Programme		6	0
Multi-Cultural Youth Festival Programme		0	2
Public Libraries Programme		0	10
Roads-to-Recovery Programme		67	466
Other		1	0
		74	478
Less: Expended during the current reporting period, from revenues recognised in previous reporting periods.			
Fire Protection		0	(1)
Multi-Cultural Youth Festival Programme		(2)	0
Public Libraries Programme		(10)	0
Taxi Rank Rehabilitation Programme		(14)	(30)
		(26)	(31)
Unexpended at the close of the current reporting period, and held as restricted assets.			
Healthy Shires Programme		6	0
Multi-Cultural Youth Festival Programme		0	2
Public Libraries Programme		0	10
Non-Urban Public Transport Programme		27	27
Roads-to-Recovery Programme		533	466
Taxi Rank Rehabilitation Programme		0	14
Other		8	7
TOTAL GRANTS UN-EXPENDED	6 (c)	574	526
NETT INCREASE OR (DECREASE) IN RESTRICTED ASSETS IN THE CURRENT REPORTING PERIOD		48	447

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 3 - (Continued)

INCOME 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 2007 (\$'000)	Actual 2006 (\$'000)
(H) CONTRIBUTIONS:			
Unexpended at the close of the previous reporting period.			
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
	6 (c)	589	461
Add: Amounts recognised as revenues in current reporting period, but not yet expended in accordance with the conditions.			
Section 94 - Urban Stormwater Drainage		5	8
Section 94 - Parking Areas		1	5
Section 64 - Water Supplies Network		40	40
Section 64 - Sewerage Services Network		122	75
		168	128
Less: Expended during the current reporting period, from revenues recognised in previous reporting periods.			
Section 94 - Urban Stormwater Drainage		(2)	0
Section 94 - Parking Areas		0	0
Section 64 - Water Supplies Network		0	0
Section 64 - Sewerage Services Network		0	0
		(2)	0
Unexpended at the close of the current reporting period, and held as restricted assets.			
Section 94 - Urban Stormwater Drainage		14	11
Section 94 - Parking Areas		25	24
Section 64 - Water Supplies Network		145	105
Section 64 - Sewerage Services Network		571	449
TOTAL CONTRIBUTIONS UN-EXPENDED	6 (c)	755	589
NETT INCREASE OR (DECREASE) IN RESTRICTED ASSETS IN THE CURRENT REPORTING PERIOD		166	128

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 4

EXPENSES FROM CONTINUING OPERATIONS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(A) EMPLOYEE BENEFITS AND ON-COSTS:		
Salaries, Wages and Allowances	4,094	3,886
Travelling Costs	80	82
Employees' Leave Entitlements	403	444
Superannuation	405	367
Workers' Compensation Insurance	166	51
Fringe Benefits Taxation	31	28
Training Costs (excluding Salaries, Wages and Allowances)	48	47
Other	54	54
Less: Capitalised and Distributed Employee Costs	(640)	(522)
TOTAL EMPLOYEE COSTS EXPENSED	4,641	4,437
(B) BORROWING COSTS:		
Interest		
- Overdraft	0	0
- Loans	355	376
Amortisation of Discounts and Premiums		
- Other Waste Management Services	11	10
- Quarries and Gravel Pits	9	9
TOTAL BORROWING COSTS EXPENSED	375	395
(C) MATERIALS AND CONTRACTS:		
Raw Materials and Consumables	2,812	3,082
Auditor's Remuneration		
- Audit Services	17	16
Consultants' Services	77	27
Lease Rentals - Operating		
- Non-Cancellable	30	34
Legal Expenses		
- Planning and Development	6	0
- Sundry Ratepayers'	20	20
- Other	4	4
Security Services	18	19
Valuation Fees		
- Land Rates	30	29
- Other	0	0
Water Acquisition Costs	1,418	1,268
TOTAL MATERIALS AND CONTRACTS EXPENSED	4,432	4,499

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 4 - (Continued)

EXPENSES FROM CONTINUING OPERATIONS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(D) DEPRECIATION AND AMORTISATION COSTS:		
Plant and Equipment	912	859
Office Equipment	24	22
Furniture and Fittings	1	4
Buildings and Improvements		
- Community	362	325
- Operational	142	141
Other Structures	40	39
Infra-Structure		
- Roads, Bridges, Footpaths etc.	1,072	1,043
- Urban Stormwater Drainage	101	100
- Water Supplies Network	187	181
- Sewerage Services Network	105	105
Other Assets		
- Other Waste Management Services	19	18
- Quarries and Gravel Pits	16	16
TOTAL DEPRECIATION COSTS EXPENSED	2,981	2,853
(E) OTHER EXPENSES:		
Other expenses for the reporting year, include the following:-		
Advertising Expenses	47	40
Bad and Doubtful Debtors	19	15
Bank Fees and Charges	26	23
Commission and Agency Fees	4	4
Computer Expenses	38	29
Contributions and Donations	436	431
Councillors'		
- Fees	75	73
- Expenses and Allowances	17	15
Electricity, Power and Heating	88	82
Insurance		
- Claims Excess	2	0
- Premiums	338	331
Mayoral Fee	18	18
Postage	26	23
Printing and Stationery	60	61
Promotions and Trade Fairs	123	116
Street Lighting	139	135
Subscriptions and Publications	45	37
Telephone Rental and Charges	55	54
Other	75	86
TOTAL OTHER EXPENSES	1,631	1,573

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 5

NETT GAIN OR (LOSS) ON DISPOSAL OF ASSETS

	Actual 2007 (\$'000)	Actual 2006 (\$'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	604	618
Less: Carrying amount of Asset Sales	(272)	(245)
NETT GAIN OR (LOSS) ON DISPOSAL	332	373
TOTAL NETT GAIN OR (LOSS) ON DISPOSAL OF ASSETS	332	373

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 6 (a)

CASH AND CASH EQUIVALENTS

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
CASH AND CASH EQUIVALENTS:				
Cash-on-Hand and at-Bank	142	0	14	0
Deposits at-Call	200	0	2,503	0
TOTAL CASH AND CASH EQUIVALENTS	342	0	2,517	0

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 6 (b)

INVESTMENTS

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

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
INVESTMENTS:				
Financial Assets at Fair Value (through Profit and Loss)	4,232	1,760	2,742	7,844
Investments Held-to-Maturity	1,500	8,000	1,000	0
Financial Assets Available-for-Sale	0	0	0	0
TOTAL INVESTMENTS	5,732	9,760	3,742	7,844
FINANCIAL ASSETS:- AT FAIR VALUE (THROUGH PROFIT AND LOSS)				
Balance as at the beginning of the Reporting Period	2,742	7,844	4,109	6,390
- Additions	1,490	0	0	1,454
- Disposals	0	(6,084)	(1,367)	0
Balance as at the end of the Reporting Period	4,232	1,760	2,742	7,844
Held for Trading:-				
- Managed Funds	992	0	0	0
- Collateralised Debt Obligations	3,240	1,760	2,742	7,844
- Floating Rate Notes	0	0	0	0
TOTAL FINANCIAL ASSETS AT FAIR VALUE	4,232	1,760	2,742	7,844
INVESTMENTS:- HELD-TO-MATURITY				
Balance as at the beginning of the Reporting Period	1,000	0	1,000	0
- Additions	500	8,000	0	0
- Disposals	0	0	0	0
Balance as at the end of the Reporting Period	1,500	8,000	1,000	0
Comprising:-				
- Equity-Linked Notes	0	8,000	0	0
- Term Deposits	1,500	0	1,000	0
TOTAL INVESTMENTS HELD-TO-MATURITY	1,500	8,000	1,000	0

The financial assets held as investments, are bearing floating interest rates between 4.90 % and 8.50 % (2006 - 5.45 % and 8.12 %)

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

Note No. 6 (c)

CASH, CASH EQUIVALENTS AND INVESTMENTS - RESTRICTED

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
CASH, CASH EQUIVALENTS AND INVESTMENTS:				
External Restrictions	449	9,760	90	7,844
Internal Restrictions	5,291	0	5,724	0
Unrestricted	334	0	445	0
TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS	6,074	9,760	6,259	7,844

DETAILS OF RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

		Balance as at 1st July, 2006 (\$'000)	Movements		Balance as at 30th June, 2007 (\$'000)
			Transfers to (\$'000)	Transfers from (\$'000)	
EXTERNAL RESTRICTIONS:					
Other- Included in Income					
Unexpended Grants - Specific Purposes	(a)	526	74	(26)	574
Developer Contributions	(b)	589	168	(2)	755
R.T.A. Contributions	(c)	690	586	(147)	1,129
Domestic Waste Management Services	(d)	0	0	0	0
Water Supplies Network	(e)	2,409	867	(244)	3,032
Sewerage Services Network	(f)	3,563	888	(198)	4,253
Other	(g)	157	336	(27)	466
TOTAL EXTERNAL RESTRICTIONS		7,934	2,919	(644)	10,209
INTERNAL RESTRICTIONS:					
Employees' Leave Entitlements		877	0	(29)	848
Buildings and Improvements		1,433	933	(1,458)	908
Communications Tower		30	6	0	36
Office Furniture and Equipment		200	0	(46)	154
Plant and Equipment		900	801	(801)	900
Quarries and Gravel Pits		62	49	0	111
Roadworks Network - Infra-Structure		961	545	(179)	1,327
Special Projects		402	239	(269)	372
Street Lighting		111	32	(30)	113
Swimming Pools		55	16	0	71
Urban Stormwater Drainage		111	63	(42)	132
Other Waste Management Services		156	36	(1)	191
Other		426	31	(329)	128
TOTAL INTERNAL RESTRICTIONS		5,724	2,751	(3,184)	5,291
TOTAL RESTRICTED CASH AND INVESTMENTS		13,658	5,670	(3,828)	15,500

- (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, 2007

Note No. 7

RECEIVABLES

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
RECEIVABLES:				
Annual Rates and Charges	473	0	359	0
Interest and Extra Charges	94	0	74	0
User Charges and Fees	700	0	768	0
Accrued Interest - Investments	270	0	109	0
Clearing Accounts - Taxation	128	0	79	0
Contributions	273	0	259	0
Deferred Payments Scheme	12	10	12	22
Government Grants and Subsidies	448	0	118	0
Other	49	0	91	0
Sub-Total	2,447	10	1,869	22
Less: Provision for Doubtful Debtors				
Annual Rates and Charges	(54)	0	(41)	0
User Charges and Fees	(20)	0	(15)	0
Sub-Total	(74)	0	(56)	0
TOTAL RECEIVABLES	2,373	10	1,813	22

DETAILS OF EXTERNALLY RESTRICTED RECEIVABLES

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
EXTERNALLY RESTRICTED RECEIVABLES:				
Domestic Waste Management Services	86	0	56	0
Water Supplies Network	664	0	631	0
Sewerage Services Network	228	0	227	0
TOTAL EXTERNALLY RESTRICTED RECEIVABLES	978	0	914	0
Unrestricted Receivables	1,395	10	899	22
TOTAL RECEIVABLES	2,373	10	1,813	22

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 8

INVENTORIES AND OTHER ASSETS

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
INVENTORIES:				
Stores and Materials	270	0	255	0
TOTAL INVENTORIES	270	0	255	0
OTHER ASSETS:				
Prepayments	0	0	318	0
TOTAL OTHER ASSETS	0	0	318	0

DETAILS OF EXTERNALLY RESTRICTED ASSETS

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
DOMESTIC WASTE MANAGEMENT SERVICES:				
Stores and Materials	0	0	0	0
Prepayments	0	0	0	0
TOTAL DOMESTIC WASTE MANAGEMENT SERVICES	0	0	0	0
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	270	0	573	0
TOTAL INVENTORIES AND OTHER ASSETS	270	0	573	0

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 9 (a)

INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT

BY ASSET TYPE	as at 1st July, 2006			MOVEMENTS DURING THE YEAR					as at 30th June, 2007		
	At Cost (\$'000)	Accumulated Depreciation (\$'000)	Written-Down Value (\$'000)	Asset ⁽¹⁾ Additions (\$'000)	Asset Disposals (\$'000)	Depreciation (\$'000)	Transfers and Adjustments (\$'000)	Nett Revaluation (\$'000)	At Cost (\$'000)	At Fair Valuation (\$'000)	Accumulated Depreciation (\$'000)
Plant and Equipment	8,444	(4,673)	3,771	1,376	(272)	(912)	0	0	8,766	0	(4,803)
Office Equipment	375	(221)	154	46	0	(24)	0	0	421	0	(245)
Furniture and Fittings	105	(101)	4	2	0	(1)	0	0	107	0	(102)
Land											
- Community	767	0	767	0	0	0	(25)	0	742	0	0
- Operational	2,147	0	2,147	176	0	0	25	0	2,348	0	0
Buildings and Improvements											
- Community	8,401	(3,480)	4,921	2,141	0	(362)	0	0	10,542	0	(3,842)
- Operational	3,526	(1,891)	1,635	28	0	(142)	0	0	3,554	0	(2,033)
Other Structures	604	(210)	394	16	0	(40)	0	0	620	0	(250)
Infra-Structure											
- Roads, Bridges, Footpaths etc.	80,454	(25,909)	54,545	2,141	0	(1,072)	0	0	82,595	0	(26,981)
- Urban Stormwater Drainage	8,043	(882)	7,161	42	0	(101)	0	0	8,085	0	(983)
- Water Supplies Network	7,576	(2,938)	4,638	239	0	(187)	0	9,281	0	23,279	(9,307)
- Sewerage Services Network	6,213	(4,241)	1,972	26	0	(105)	0	5,334	0	23,824	(16,598)
Other Assets											
- Other Waste Management Services	182	(36)	146	0	0	(19)	0	0	182	0	(55)
- Preliminary Investigation Expenses	56	0	56	5	0	0	0	0	61	0	0
- Quarries and Gravel Pits	161	(32)	129	0	0	(16)	0	0	161	0	(48)
TOTAL	127,054	(44,614)	82,440	6,238	(272)	(2,981)	0	14,615	118,184	47,103	(65,247)

(1) Asset additions for the year, are comprised of New Assets (\$ 2.818 million), and Asset Renewals and Replacement (\$ 3.420 million). Note:- this dissection is not mandatory for 2007.

Written-Down Value (\$'000)
3,963
176
5
742
2,348
6,700
1,521
370
55,614
7,102
13,972
7,226
127
61
113
100,040

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

Note No. 9 (b)

INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT - RESTRICTED

	2006			2007			
	At Cost (\$'000)	Accumulated Depreciation (\$'000)	Written-Down Value (\$'000)	At Cost (\$'000)	At Fair Valuation (\$'000)	Accumulated Depreciation (\$'000)	Written-Down Value (\$'000)
Water Supplies Network							
Land - Operational	6	0	6	6	0	0	6
Buildings and Improvements	19	(6)	13	19	0	(6)	13
Office Equipment	99	(16)	83	99	0	(19)	80
Plant and Equipment	262	(230)	32	138	0	(121)	17
Infra-Structure	7,576	(2,938)	4,638	0	23,279	(9,307)	13,972
Preliminary Investigation Expenses	56	0	56	60	0	0	60
Sub-Total	8,018	(3,190)	4,828	322	23,279	(9,453)	14,148
Sewerage Services Network							
Land - Operational	45	0	45	217	0	0	217
Buildings and Improvements	25	(12)	13	25	0	(13)	12
Plant and Equipment	201	(121)	80	201	0	(131)	70
Infra-Structure	6,213	(4,241)	1,972	0	23,824	(16,598)	7,226
Sub-Total	6,484	(4,374)	2,110	443	23,824	(16,742)	7,525
Domestic Waste Management Services							
Land - Operational	64	0	64	64	0	0	64
Buildings and Improvements	562	(113)	449	562	0	(135)	427
Plant and Equipment	85	(68)	17	85	0	(78)	7
Sub-Total	711	(181)	530	711	0	(213)	498
TOTAL RESTRICTIONS	15,213	(7,745)	7,468	1,476	47,103	(26,408)	22,171

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 10 (a)

PAYABLES, INTEREST BEARING LIABILITIES AND PROVISIONS

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
PAYABLES:				
Goods and Services	718	0	847	0
Payments Received in Advance	79	0	66	0
Accrued Interest - Loans	17	0	18	0
Clearing Accounts - Taxation	3	0	7	0
Deposits and Retentions	38	312	310	0
Other	0	0	1	0
TOTAL PAYABLES	855	312	1,249	0
INTEREST BEARING LIABILITIES:				
Bank Overdraft Facility	0	0	0	0
Loans				
- Secured ⁽¹⁾	291	3,982	269	4,273
TOTAL INTEREST BEARING LIABILITIES	291	3,982	269	4,273
PROVISIONS:				
Annual Leave ⁽²⁾	527	0	558	0
Long Service Leave ⁽²⁾	1,072	41	1,086	48
Sick Leave - Gratuities ⁽²⁾	16	41	0	62
Remediation Costs				
- Other Waste Management Services	0	212	0	201
- Quarries and Gravel Pits	0	187	0	178
TOTAL PROVISIONS	1,615	481	1,644	489

DETAILS OF EXTERNALLY RESTRICTED LIABILITIES

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
EXTERNALLY RESTRICTED LIABILITIES:				
Domestic Waste Management Services	12	0	0	0
Water Supplies Network	237	238	144	256
Sewerage Services Network	21	259	115	278
TOTAL EXTERNALLY RESTRICTED LIABILITIES	270	497	259	534

- (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). However, it is anticipated Employees' Leave Entitlements (amounting to \$ 1.174 million), although classified as current liabilities, will not be " settled " within the next twelve (12) months.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 10 (b)

DESCRIPTION AND MOVEMENTS IN PROVISIONS

	Balance as at 1st July, 2006 (\$'000)	Movements Transfers to (\$'000)	Transfers from (\$'000)	Balance as at 30th June, 2007 (\$'000)
PROVISIONS:				
Employees' Leave Entitlements				
- Annual Leave	558	321	(352)	527
- Long Service Leave	1,134	86	(107)	1,113
- Sick Leave (Gratuities)	62	2	(7)	57
Sub-Total	1,754	409	(466)	1,697
Rehabilitation and Remediation Costs				
- Other Waste Management Services	201	11	0	212
- Quarries and Gravel Pits	178	9	0	187
Sub-Total	379	20	0	399
TOTAL PROVISIONS	2,133	429	(466)	2,096

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 11

RECONCILIATION OF CASH FLOW MOVEMENTS

	Notes	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(A) RECONCILIATION OF CASH ASSETS:			
Total Cash, Cash Equivalents and Investments	6 (c)	15,834	14,103
Less: Bank Overdraft Facility	10 (a)	0	0
BALANCE AS PER STATEMENT OF CASH FLOW		15,834	14,103
(B) RECONCILIATION OF NETT OPERATING RESULT TO CASH, PROVIDED FROM CONTINUING OPERATIONS:			
Nett Operating Result from Income Statement		5,349	3,675
Add: Depreciation and Amortisation Costs		2,981	2,853
Decrease - Other Current Assets		318	0
Increase - Employees' Leave Entitlements		0	73
Increase - Payables		0	167
Increase - Provision for Asset Remediation		19	18
Increase - Provision for Doubtful Debtors		18	12
Sub-Total		8,685	6,798
Less: Decrease - Accrued Interest (Payable)		(1)	(1)
Decrease - Employees' Leave Entitlements		(56)	0
Decrease - Payables		(81)	0
Increase - Inventories		(15)	(95)
Increase - Receivables		(578)	(384)
Increase - Other Current Assets		0	(143)
Nett Gain - Disposal of Assets		(332)	(373)
Sub-Total		(1,063)	(996)
 NETT CASH PROVIDED FROM CONTINUING OPERATIONS		 7,622	 5,802

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 11 - (Continued)

STATEMENT OF CASH FLOWS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(C) NON-CASH FINANCING AND INVESTING ACTIVITIES:		
The following Non-Cash Grants were received, during the current reporting period.		
Grants - Non-Capital		
Fire Protection	0	0
	<u>0</u>	<u>0</u>
Grants - Capital		
Fire Protection	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, 2007

Note No. 12

COMMITMENTS FOR EXPENDITURE

	Actual 2007 (\$'000)	Actual 2006 (\$'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	111	17
	111	17
Not later than one (1) year	17	17
Later than one (1) year and not later than two (2) years	36	0
Later than two (2) years and not later than five (5) years	58	0
	111	17
(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	21
Later than one (1) year and not later than two (2) years	26	42
Later than two (2) years and not later than five (5) years	0	0
	47	63
(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	138	133
Later than one (1) year and not later than two (2) years	294	282
Later than two (2) years and not later than five (5) years	156	306
	588	721

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 13

STATEMENT OF PERFORMANCE MEASUREMENT

	Amounts (\$'000)	Indicators	2007	2006	2005	2004
CURRENT RATIO:						
<i>Factors</i>						
Current Assets	8,717	Ratio	3.16 : 1.00	2.73 : 1.00	2.68 : 1.00	2.60 : 1.00
Current Liabilities	2,761					

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

UNRESTRICTED CURRENT RATIO:

Factors

Current Assets less all External Restrictions	7,291	Ratio	5.54 : 1.00	4.75 : 1.00	4.75 : 1.00	4.54 : 1.00
Current Liabilities less Specific Purpose Liabilities	1,317					

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

DEBT SERVICE RATIO:

Factors

Debt Service Cost	625	Percentage	4.02 %	4.31 %	4.24 %	4.79 %
Revenues from Continuing Operations	15,541					

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

RATE COVERAGE RATIO:

Factors

Annual Rates and Charges	7,157	Percentage	36.88 %	39.37 %	42.68 %	43.37 %
Total Income from Continuing Operations	19,409					

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

ANNUAL RATES AND CHARGES OUTSTANDING:

Factors

Annual Rates and Charges Outstanding	513	Percentage	6.76 %	5.40 %	4.84 %	4.06 %
Annual Rates and Charges Collectable	7,586					

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

ASSET RENEWALS RATIO:

Factors

Asset Renewals	3,420	Ratio	1.15 : 1.00	: 1.00	: 1.00	: 1.00
Depreciation, Amortisation and Impairment	2,981					

To assess the rate at which assets are being renewed and replaced, against the rate at which they are depreciating.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

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, 2007

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.

2007	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	341	0	0	0	1	342
Investments	0	2,492	5,500	7,500	0	15,492
Receivables	0	419	22	0	1,942	2,383
TOTAL	341	2,911	5,522	7,500	1,943	18,217
Weighted Average Interest Rate	3.65 %	4.32 %	7.63 %	7.12 %	0.00 %	
FINANCIAL LIABILITIES:						
Payables	0	0	0	0	(1,167)	(1,167)
Interest Bearing Liabilities	0	0	0	(4,273)	0	(4,273)
TOTAL	0	0	0	(4,273)	(1,167)	(5,440)
Weighted Average Interest Rate	0.00 %	0.00 %	0.00 %	8.03 %	0.00 %	
NETT FINANCIAL ASSETS	341	2,911	5,522	3,227	776	12,777
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
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)
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

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

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 2007		Actual 2006	
	Carrying Amount (\$'000)	Aggregate Nett Fair Value (\$'000)	Carrying Amount (\$'000)	Aggregate Nett Fair Value (\$'000)
FINANCIAL ASSETS:				
Cash and Cash Equivalents	342	342	2,517	2,517
Investments	15,492	15,492	11,586	11,586
Receivables	2,383	2,383	1,835	1,835
Other Financial Assets	0	0	0	0
Sub-Total	18,217	18,217	15,938	15,938
FINANCIAL LIABILITIES:				
Payables	(1,167)	(1,167)	(1,249)	(1,249)
Interest Bearing Liabilities	(4,273)	(4,273)	(4,542)	(4,542)
Other Financial Liabilities	0	0	0	0
Sub-Total	(5,440)	(5,440)	(5,791)	(5,791)
NETT FINANCIAL ASSETS	12,777	12,777	10,147	10,147

(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, there is a risk, should Council desire to redeem the investment, before its date of maturity, 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, 2007

Note No. 16

MATERIAL BUDGET VARIATIONS

Council's Original Budget Estimates, was incorporated as part of the Management Plan, adopted by Council on 21st June, 2006. 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, was under-budget by an amount of \$582,664 (F) (3.98 %). 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 \$766,629 (F) (14.75 %).

This was primarily due to Council embarking upon a concerted effort towards a reduction of operational expenditure, and an increase in asset infra-structure 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 (\$297,084) (U) (11.07 %).

This was primarily due to Council acquiring and constructing assets, which has resulted in an increase of the 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, was over-budget by an amount of \$2,005,594 (F) (11.52 %).

3 User Charges and Fees

Actual User Charges and Fees received during the year, was over-budget by an amount of \$612,532 (F) (20.08 %).

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

- Waste Management Services - Domestic	\$	(32,124) (U)	- Water Supplies Network	\$	350,080 (F)
- Waste Management Services - Other	\$	(45,979) (U)	- Regulatory / Statutory Fees	\$	36,429 (F)
- Sewerage Services Network	\$	(2,560) (U)	- Private Works (R.T.A.)	\$	319,961 (F)
- Private Works (Section 67)	\$	(28,366) (U)	- Public Cemeteries	\$	3,116 (F)
			- Other	\$	12,324 (F)

4 Interest and Investment Revenues

Actual Interest and Investment Revenues received during the year, was over-budget by an amount of \$373,859 (F) (45.88 %).

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

5 Contributions - Non-Capital Purposes

Actual Contributions for Non-Capital Purposes received during the year, was over-budget by an amount of \$210,231 (F) (29.18 %).

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

Specific Purposes

- Corporate Support Services	\$	10,788 (F)	- Other Cultural Services	\$	(4,343) (U)
- Other Support Services	\$	26,391 (F)	- RTA Contributions	\$	155,684 (F)
- Fire Protection	\$	3,502 (F)	- Industrial Development	\$	9,824 (F)
- Public Halls	\$	3,591 (F)			

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

Note No. 16 - (Continued)

MATERIAL BUDGET VARIATIONS

INCOME: - (Continued)

6 Grants - Capital Purposes

Actual Grants for Capital Purposes received during the year, was over-budget by an amount of \$708,542 (F) (99.10 %).

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

Water Supplies Network	\$	2,941	(F)
Sewerage Services Network	\$	(165,000)	(U)
Public Libraries	\$	9,000	(F)
Roadworks Network - Infra-Structure	\$	861,601	(F)

7 Contributions - Capital Purposes

Actual Contributions for Capital Purposes received during the year, was over-budget by an amount of \$121,886 (F) (11.46 %).

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

Developer Contributions (pursuant to S. 94)			
- Urban Stormwater Drainage	\$	2,740	(F)
- Parking Areas	\$	3,900	(F)
Water Supplies Network			
- Developer Contributions (pursuant to S. 64)	\$	21,025	(F)
- Other	\$	9,682	(F)
Sewerage Services Network			
- Developer Contributions (pursuant to S. 64)	\$	34,991	(F)
- Other	\$	7,256	(F)
Specific Purposes			
- Emergency Services	\$	297	(F)
- Sporting Grounds	\$	1,000	(F)
- Public Parks, Gardens and Reserves	\$	23,000	(F)
- Roadworks Network (Infra-Structure)	\$	64,482	(F)
- Footpaths	\$	(378)	(U)
- R.T.A. Contributions (Regional, Local and Block)	\$	(54,000)	(U)
- Kerb and Guttering	\$	10,303	(F)

8 Other Revenues

Actual Other Revenues received during the year, was over-budget by an amount of \$108,932 (F) (27.84 %).

Commission and Agency Fees	\$	5,989	(F)
Fines and Costs	\$	654	(F)
Insurance			
- Claims Refunds	\$	29,444	(F)
Lease Fees and Rentals	\$	40,472	(F)
Legal Fees			
- Sundry Ratepayers'	\$	(1,235)	(U)
Promotions and Trade Fairs	\$	16,429	(F)
Sundry Sales and Services	\$	6,439	(F)
Other	\$	10,740	(F)

9 Gain from the Sale of Assets

Actual Gains from the Sale of Assets during the year, was over-budget by an amount of \$45,062 (F) (16.08 %).

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 period.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

Note No. 17

STATEMENT OF CONTRIBUTIONS PLANS

SUMMARY OF CONTRIBUTIONS PLANS

PURPOSE	OPENING BALANCE (\$'000)	CONTRIBUTIONS RECEIVED DURING YEAR ⁽¹⁾		INTEREST EARNED DURING YEAR ⁽²⁾ (\$'000)	EXPENDED DURING YEAR (\$'000)	EXPENDED IN ADVANCE (\$'000)	HELD AS RESTRICTED ASSETS ⁽³⁾ (\$'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 Contributions under plans	0	0	0	0	0	0	0	0
Total Contributions not under plans	35	3	0	3	(2)	0	39	(34)
Section 64 Contributions	554	103	0	59	0	0	716	0
TOTALS	589	106	0	62	(2)	0	755	(34)

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. 3 (C)
- (3) 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 ⁽²⁾ (\$'000)	EXPENDED DURING YEAR (\$'000)	EXPENDED IN ADVANCE (\$'000)	HELD AS RESTRICTED ASSETS ⁽³⁾ (\$'000)	WORKS PROVIDED TO-DATE (\$'000)
		CASH (\$'000)	NON-CASH (\$'000)					
Drainage	11	3	0	2	(2)	0	14	(34)
Parking Areas	24	0	0	1	0	0	25	0
TOTALS	35	3	0	3	(2)	0	39	(34)

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 18

CONTINGENCIES

CONTINGENT ASSETS:

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

CONTINGENT LIABILITIES:

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

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 19

INTERESTS IN JOINT VENTURES

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, 2007

Note No. 20

REVALUATION RESERVES AND RETAINED EARNINGS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(A) REVALUATION RESERVES:		
Revaluation Reserves		
- Infra-Structure, Property, Plant and Equipment	14,615	0
- Available-for-Sale Investments	0	0
TOTAL REVALUATION RESERVES	14,615	0
<i>Infra-Structure, Property, Plant and Equipment Revaluation Reserve:-</i>		
Balance as at the beginning of the Reporting Period	0	0
- Gross Asset Revaluation	33,049	0
- Gross Depreciation Transfer	(18,434)	0
BALANCE AS AT THE END OF THE REPORTING PERIOD	14,615	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 Asset 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	94,888	91,213
- Correction of previous years errors	(3,861)	0
- Adjustment following adoption of AASB 132 and AASB 139	0	0
- Nett Operating Result for the Year	5,349	3,675
BALANCE AS AT THE END OF THE REPORTING PERIOD	96,376	94,888
(C) NATURE AND PURPOSE OF RESERVES:		
<i>Infra-Structure, Property, Plant and Equipment Revaluation Reserve:-</i>		
The infra-structure, property, plant and equipment revaluation reserve, is used to record increments and / or decrements, upon the revaluation of non-current assets.		
<i>Available-for-Sale Investments Revaluation Reserve:-</i>		
Changes in fair value, are transferred to the available-for-sale investments revaluation reserve, as described within Note No. 1 (O). Amounts are recognised in the Income Statement, when the associated assets are disposed, and / or are impaired.		
(D) CORRECTION OF ERRORS IN PREVIOUS YEARS:		
<i>Infra-Structure, Property, Plant and Equipment:-</i>		
Council had previously under-stated the depreciation expense of network assets for Water Supplies and Sewerage Services. An adjustment has been made to the prior years accumulated depreciation for infra-structure, property, plant and equipment and retained earnings, to correct this error.		
	(3,861)	0
	(3,861)	0

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 21

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 2007 (\$'000)	Actual 2006 (\$'000)
WASTE DEPOTS AND TRANSFER STATIONS:			
		201	191
Add: Balance as at the beginning of the Reporting Period			
Amortisation of Discount - Expensed to Borrowing Costs	4 (B)	11	10
Balance as at the end of the Reporting Period	10 (a)	212	201
QUARRIES AND GRAVEL PITS:			
		178	169
Add: Balance as at the beginning of the Reporting Period			
Amortisation of Discount - Expensed to Borrowing Costs	4 (B)	9	9
Balance as at the end of the Reporting Period	10 (a)	187	178

GENERAL PURPOSE FINANCIAL STATEMENTS



YEAR ENDED

30th June, 2007

COUNCIL OF THE SHIRE OF YOUNG

GENERAL PURPOSE FINANCIAL REPORT for the year ended 30th June, 2007

TABLE OF CONTENTS		Page
* Auditor's Report - S. 417 (2)		1 - 2
* Auditor's Report - S. 417 (3)		1 - 15
* Statement by Councillors and Management		1
* Income Statement		2
* Balance Sheet		3
* Statement of Changes in Equity		4
* Statement of Cash Flow		5
* Notes to the Financial Statements		6 - 49

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 19th September, 2007. 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, 2007

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, these reports;

- (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 these reports false, or, misleading in any way.

Signed, in accordance with a resolution of Council, made on 19th September, 2007.

**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, 2007

INCOME STATEMENT

Original Budget 2007 (\$'000)	*	Notes	Actual 2007 (\$'000)	Actual 2006 (\$'000)
INCOME FROM CONTINUING OPERATIONS:				
Revenues				
7,124		3 (A)	7,157	6,863
3,053		3 (B)	3,666	3,222
813		3 (C)	1,186	974
3,234		3 (E)	3,024	2,980
723		3 (F)	934	854
715		3 (E)	1,424	1,151
1,064		3 (F)	1,186	517
391		3 (D)	500	498
17,117			19,077	17,059
Other Income				
286		5	332	373
286			332	373
17,403			19,409	17,432
EXPENSES FROM CONTINUING OPERATIONS:				
Expenses				
4,770		4 (A)	4,641	4,437
356		4 (B)	375	395
5,199		4 (C)	4,432	4,499
2,684		4 (D)	2,981	2,853
1,634		4 (E)	1,631	1,573
14,643			14,060	13,757
2,760			5,349	3,675
ATTRIBUTABLE TO:				
2,760			5,349	3,675
0			0	0
2,760			5,349	3,675
NETT OPERATING RESULT FOR THE YEAR PRIOR TO THE PROVISION OF GRANTS AND CONTRIBUTIONS FOR CAPITAL PURPOSES				
981			2,739	2,007

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

* The Original Budget, is as approved and adopted by Council, on 21st June, 2006 - refer to Note No. 16.

COUNCIL OF THE SHIRE OF YOUNG

GENERAL PURPOSE FINANCIAL REPORT

as at 30th June, 2007

BALANCE SHEET

	Notes	Actual 2007 (\$'000)	Actual 2006 (\$'000)
CURRENT ASSETS:			
Cash and Cash Equivalents	6 (a)	342	2,517
Investments	6 (b)	5,732	3,742
Receivables	7	2,373	1,813
Inventories	8	270	255
Other	8	0	318
TOTAL CURRENT ASSETS		8,717	8,645
NON-CURRENT ASSETS:			
Investments	6 (b)	9,760	7,844
Receivables	7	10	22
Infra-Structure, Property, Plant and Equipment	9	100,040	82,440
TOTAL NON-CURRENT ASSETS		109,810	90,306
TOTAL ASSETS		118,527	98,951
CURRENT LIABILITIES:			
Payables	10 (a)	855	1,249
Interest Bearing Liabilities	10 (a)	291	269
Provisions			
- Payable less than 12 months	10 (a)	441	350
- Payable greater than 12 months	10 (a)	1,174	1,294
TOTAL CURRENT LIABILITIES		2,761	3,162
NON-CURRENT LIABILITIES:			
Payables	10 (a)	312	0
Interest Bearing Liabilities	10 (a)	3,982	4,273
Provisions	10 (a)	481	489
TOTAL NON-CURRENT LIABILITIES		4,775	4,762
TOTAL LIABILITIES		7,536	7,924
TOTAL NETT ASSETS		110,991	91,027
EQUITY:			
Retained Earnings - Accumulated	20	100,237	91,027
Correction of Errors in Previous Years	20	(3,861)	0
Revaluation Reserves	20	14,615	0
TOTAL EQUITY		110,991	91,027

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, 2007

STATEMENT OF CHANGES IN EQUITY

	2007		2006	
	Accumulated Surplus (\$'000)	Total Equity (\$'000)	Accumulated Surplus (\$'000)	Total Equity (\$'000)
Balance as at the beginning of the Reporting Period	94,888	94,888	91,213	91,213
Correction of Errors in Previous Years	(3,861)	(3,861)	0	0
Revised Balance as at the beginning of the Reporting Period	91,027	91,027	91,213	91,213
Nett Operating Result for the Year	5,349	5,349	3,675	3,675
Transfer to Asset Revaluation Reserve	14,615	14,615	0	0
Balance as at the end of the Reporting Period	110,991	110,991	94,888	94,888

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, 2007

STATEMENT OF CASH FLOW

Original Budget 2007 (\$'000)		Notes	Actual 2007 (\$'000)	Actual 2006 (\$'000)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
	Receipts			
7,124	Annual Rates and Charges		7,057	6,846
3,053	User Charges and Fees		3,740	3,060
813	Interest and Investment Revenues		1,005	913
5,736	Grants and Contributions		6,223	5,476
391	Other Revenues		493	391
17,117	Sub-Total		18,518	16,686
	Payments			
(4,634)	Employee Benefits and On-Costs		(4,698)	(4,364)
(5,199)	Materials and Contracts		(4,563)	(4,415)
(356)	Borrowing Costs		(357)	(378)
(1,634)	Other Expenses		(1,278)	(1,727)
(11,823)	Sub-Total		(10,896)	(10,884)
5,294	NETT CASH PROVIDED FROM OPERATING ACTIVITIES	11 (B)	7,622	5,802
	CASH FLOWS FROM INVESTING ACTIVITIES:			
	Receipts			
548	Infra-Structure, Property, Plant and Equipment		604	618
12	Deferred Payments Scheme		12	12
560	Sub-Total		616	630
	Payments			
(6,983)	Infra-Structure, Property, Plant and Equipment		(6,238)	(4,503)
(6,983)	Sub-Total		(6,238)	(4,503)
(6,423)	NETT CASH USED IN INVESTING ACTIVITIES		(5,622)	(3,873)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
	Receipts			
0	Borrowing's		0	0
0	Sub-Total		0	0
	Payments			
(269)	Borrowing's		(269)	(248)
(269)	Sub-Total		(269)	(248)
(269)	NETT CASH USED IN FINANCING ACTIVITIES		(269)	(248)
	CASH, CASH EQUIVALENTS AND INVESTMENTS:			
14,103	Beginning of the current Reporting Period		14,103	12,422
(1,398)	Nett increase in Cash, Cash Equivalents and Investments		1,731	1,681
12,705	END OF THE CURRENT REPORTING PERIOD	11 (A)	15,834	14,103

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, 2007

TABLE OF CONTENTS

	Page	
Note No. 1	Summary of Significant Accounting Policies	6 - 15
Note No. 2 (a)	Functions	16
Note No. 2 (b)	Components of Functions	17
Note No. 3	Income from Continuing Operations	18 - 23
Note No. 4	Expenses from Continuing Operations	24 - 25
Note No. 5	Nett Gain (or Loss) on Disposal of Assets	26
Note No. 6 (a)	Cash and Cash Equivalents	27
Note No. 6 (b)	Investments	28
Note No. 6 (c)	Cash, Cash Equivalents and Investments - Restricted	29
Note No. 7	Receivables	30
Note No. 8	Inventories and Other Assets	31
Note No. 9 (a)	Infra-Structure, Property, Plant and Equipment	32
Note No. 9 (b)	Infra-Structure, Property, Plant and Equipment - Restricted	33
Note No. 10 (a)	Payables, Interest Bearing Liabilities and Provisions	34
Note No. 10 (b)	Description and Movements in Provisions	35
Note No. 11	Reconciliation of Cash Flow Movements	36 - 37
Note No. 12	Commitments for Expenditure	38
Note No. 13	Statement of Performance Measurement	39
Note No. 14	Investment Properties	40
Note No. 15	Financial Instruments	41 - 42
Note No. 16	Material Budget Variations	43 - 44
Note No. 17	Statement of Contributions Plans	45
Note No. 18	Contingencies	46
Note No. 19	Interests in Joint Ventures	47
Note No. 20	Revaluation Reserves and Retained Earnings	48
Note No. 21	Reinstatement, Rehabilitation and Restoration Liabilities	49

* NOTE:- Note No. 1 to Note No. 20 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, 2007

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

A Statement, summarising the significant accounting policies adopted by Council, is detailed within this Note, and are 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 Council's principal functions and operational 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, 2007. They include the Consolidated Fund, and other entities, through which Council controls resources to conduct its principal functions and operational activities.

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

(A) BASIS OF PREPARATION:

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

Australian Accounting Standard 27

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 to 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 infra-structure, property, plant, equipment and investment property.

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) 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

Marie McCormick Community Centre Committee
National Cherry Festival Committee
Young Healthy Shires Committee

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(B) PRINCIPLES OF CONSOLIDATION:- (Continued)

Consolidated Fund - (Continued)

The following committees, the transactions of which are considered immaterial, either by amount or nature, have been excluded:-

Annette's Place Inc.	Murringo Community Association
Bendick Murrell Community Association	Wirrimah Community Group
Bribbaree Water and Progress Association Inc.	Young Aero Club Committee
Koorawatha Progress Association	Young Child Care Centre Inc.
Monteagle Hall Committee	Young Pre-School Kindergarten Inc.
Mud Hut Playgroup Committee	Young Shire Youth Council Committee

The total revenue and expenditure from Continuing Operations, and the nett assets held by these Committees, is as follows:-

Total Income from Continuing Operations	\$ 45,000
Total Expenditure from Continuing Operations	\$ 40,000
Total Nett Assets Held - Equity	\$ 75,000

Note: Where actual figures are unavailable, best estimates have been applied.

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.

(C) REVENUE RECOGNITION:

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

Annual Rates and Charges

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.

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 by Council in full, is no longer probable.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(C) REVENUE RECOGNITION:- (Continued)

Grants and Contributions

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 transfer 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 not discharged 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.

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.

Sale of Infra-Structure, Property, Plant and Equipment

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

(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) 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.

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.

(F) 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.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(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, 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 net 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. Net realisable value, is the estimated selling price in the ordinary course of business, less the estimated costs of completion, and the estimated costs necessary to make the sale.

Land held for Re-Sale and Capitalisation of Borrowing Costs

Land held for re-sale, is stated at the lower of cost and net 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) 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.

(L) LAND:

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

(M) 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, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(N) INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT:

All infra-structure, property, plant and equipment under Council's control, (except for investment properties, water supplies network assets and sewerage services network assets, which are carried at fair value) is stated at cost, or deemed cost, less depreciation. Cost includes, expenditure that is directly attributable to the acquisition of the asset items.

Council's assets will be progressively revalued to fair value and in accordance with a staged implementation programme, as advised by the Department of Local Government.

Water Supplies Network	30th June, 2007	Property, Plant and Equipment	30th June, 2008
Sewerage Services Network	30th June, 2007	Land, Buildings and Other	30th June, 2008
Roads, Bridges, Footpaths and Drainage	30th June, 2009		

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, all other decreases are charged to the Income Statement.

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
Furniture and Fittings	3 to 5 years
Office Equipment	4 to 7 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
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.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(O) INVESTMENTS AND OTHER FINANCIAL ASSETS:

Classification

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, comprising principally marketable securities, are non-derivatives, that are either designated in this category, or are not classified within 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.

Recognition and Derecognition

Regular purchases and sales of financial assets 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 carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

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

Subsequent Measurement

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

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

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(O) INVESTMENTS AND OTHER FINANCIAL ASSETS:- (Continued)

Fair Value

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, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making inputs and relying as little as possible on entity-specific inputs.

Impairment

Council assesses at each balance date, whether there is objective evidence that a financial asset, or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security, below its cost, is considered 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.

Policy

Council has an approved investment policy, complying with Section 625 of the Local Government Act, and section 212 of the Local Government (General) Regulations 2005. Investments are placed and managed in accordance with that policy, and having particular regard to authorised investments prescribed under the Local Government Investment Order.

Council maintains an investment policy that complies with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

(P) 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.

(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, 2007

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 which 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 **94** 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 expense for the period ended 30th June, 2007, was \$99,499. The last valuation of the Scheme was performed by Mr. Martin Stevenson BSc, FIA, FIAA, on 19th June, 2007, which referred to the reporting period ended 30th June, 2006. This valuation found the Scheme's assets were \$3,291.10 million and its past liabilities were \$2,980.30 million, resulting in a surplus of \$310.80 million. The existence of this surplus has resulted in Councils contributing in 2006 / 2007 at 50.00 % of the previous level of contributions. The financial position of the Scheme is being independently 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, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(V) PROVISION FOR CLOSE-DOWN, RESTORATION AND ENVIRONMENTAL CLEAN-UP COSTS:

Restoration

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, are 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.

Rehabilitation

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-winding ” 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) 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.

(X) SELF-INSURANCE:

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

(Y) ROUNDING OF AMOUNTS:

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

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 1 - (Continued)

SIGNIFICANT ACCOUNTING POLICIES

(Z) 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.

(AA) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS:

Certain new Accounting Standards, and Urgent Issues Group Interpretations have been published, and are not mandatory for 30th June, 2007 reporting period. Council's assessment of the impact of these new standards and interpretations, is detailed as follows:-

**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 upon the type of information disclosed within the financial instruments.

(AB) INTANGIBLE ASSETS:

Information Technology - Development and Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and /or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis, over periods generally ranging from three (3) to five (5) years.

Information Technology development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

(AC) CROWN RESERVES:

Crown Reserves under Council's care and control are recognised as assets. Whilst ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

A working party of interested representatives from both State and Local Government is being formed to consider the accounting issues related to Crown Reserves, with the intention of developing a consistent approach to their recognition and future accounting treatment across both tiers of Government.

(AD) RURAL FIRE SERVICE ASSETS:

Under Section 119 of the Rural Fire Services Act 1997, “ ***all fire fighting equipment purchased or constructed, wholly or from moneys to the credit of the Fund, is to be vested in the Council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed*** ”.

Until such time as discussions upon this matter have concluded, and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to exclude these assets, values and depreciation expense from these Financial Reports.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

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 RESULT FROM CONTINUING OPERATIONS			GRANTS INCLUDED IN REVENUES FROM CONTINUING OPERATIONS		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	Original Budget 2007 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Original Budget 2007 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Original Budget 2007 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)	Actual 2007 (\$'000)	Actual 2006 (\$'000)
Governance	1	1	1	182	184	180	(181)	(183)	(179)	0	0	0	0
Administration	283	399	478	627	625	576	(344)	(226)	(98)	0	0	7,229	7,379
Public Order and Safety	413	118	223	767	461	585	(354)	(343)	(362)	63	197	394	466
Health	14	14	13	229	215	217	(215)	(201)	(204)	7	0	392	409
Community Services and Education	2	23	1	132	135	107	(130)	(112)	(106)	22	1	65	70
Housing and Community Amenities	1,396	1,394	1,206	2,052	2,013	1,843	(656)	(619)	(637)	66	30	9,500	9,355
Water Supplies Network	2,265	2,775	2,520	2,115	2,115	1,933	150	660	587	45	49	17,989	7,973
Sewerage Services Network	1,695	1,601	1,635	735	594	620	960	1,007	1,015	38	153	12,577	6,349
Recreation and Culture	878	865	243	1,475	1,544	1,580	(597)	(679)	(1,337)	104	66	7,012	5,220
Mining, Manufacturing and Construction	89	113	109	203	242	228	(114)	(129)	(119)	0	0	555	504
Transport and Communication	2,934	4,322	3,639	5,306	5,097	5,038	(2,372)	(775)	(1,399)	2,295	1,913	59,719	57,422
Economic Affairs	526	549	563	784	802	821	(258)	(253)	(258)	3	3	2,031	1,988
Total Functions	10,496	12,174	10,631	14,607	14,027	13,728	(4,111)	(1,853)	(3,097)	2,643	2,412	117,463	97,135
General Purpose Revenues *	6,907	7,235	6,801	36	33	29	6,871	7,202	6,772	1,805	1,719	1,064	1,816
Surplus / (Deficit) from all Functions	17,403	19,409	17,432	14,643	14,060	13,757	2,760	5,349	3,675	4,448	4,131	118,527	98,951

* 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, 2007

Note No. 2 (b)

COMPONENTS OF FUNCTIONS

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

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, policy-making committees, public disclosure and compliance, area representation, and other governance-related activities.

ADMINISTRATION:

Corporate support services, engineering and supervision, works depot and store, 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, 2007

Note No. 3

INCOME FROM CONTINUING OPERATIONS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(A) ANNUAL RATES AND CHARGES:		
Ordinary Rates:-		
Farmland	1,811	1,751
Residential	1,970	1,872
Business	911	878
Mining	17	16
TOTAL ORDINARY RATES	4,709	4,517
Annual Charges:- pursuant to S. 496 and S. 501		
Waste Management Services - Domestic	521	496
Waste Management Services - Re-Cycling	141	133
Water Supplies Network	704	701
Sewerage Services Network	1,082	1,016
TOTAL ANNUAL CHARGES	2,448	2,346
TOTAL ANNUAL RATES AND CHARGES	7,157	6,863

In calculating its ordinary rates, Council has utilised land valuations, provided by the Valuer-General of N.S.W. The current land valuations (base-date 1st July, 2004), are provided to Council every three (3) years.

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(B) USER CHARGES AND FEES:		
User Charges:- pursuant to S. 502		
Waste Management Services - Domestic	133	3
Waste Management Services - Other	252	257
Water Supplies Network	1,674	1,408
Sewerage Services Network	121	120
TOTAL USER CHARGES	2,180	1,788
Fees:-		
Regulatory and Statutory Fees	255	243
Discretionary Fees		
- Private Works	234	279
- Public Cemeteries	116	120
- R.T.A. Works (State Roads not controlled by Council)	820	727
- Other	61	65
TOTAL FEES	1,486	1,434
TOTAL USER CHARGES AND FEES	3,666	3,222

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 3 - (Continued)

INCOME FROM CONTINUING OPERATIONS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(C) INTEREST AND INVESTMENT REVENUES:		
Developer Contributions		
- Urban Stormwater Drainage	2	0
- Parking Areas	1	1
- Water Supplies Network	7	5
- Sewerage Services Network	52	27
Investments		
- General Purpose Revenues	680	531
- Water Supplies Network	193	136
- Sewerage Services Network	200	234
Overdue Annual Rates and Charges		
- General Purpose Revenues	20	13
- Domestic Waste Management Services	5	11
- Water Supplies Network	4	1
- Sewerage Services Network	7	5
Other	15	10
TOTAL INTEREST AND INVESTMENT REVENUES	1,186	974
(D) OTHER REVENUES:		
Commission and Agency Fees	18	19
Fines and Costs	2	2
Insurance		
- Claims Refunds	30	45
- Dividend Payments (H.I.H. Insurance)	0	4
Lease Fees and Rentals	316	322
Legal Fees		
- Sundry Ratepayers'	20	20
Promotions and Trade Fairs	61	40
Sundry Sales and Services	36	26
Other	17	20
TOTAL OTHER REVENUES	500	498

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 3 - (Continued)

INCOME FROM CONTINUING OPERATIONS

	NON-CAPITAL		CAPITAL	
	Actual		Actual	
	2007	2006	2007	2006
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
(E) GRANTS:				
Financial Assistance Grant - Untied				
- Equalisation Component	1,690	1,606	0	0
- Local Roads Component	893	856	0	0
Pensioners' Rates Subsidies - Untied				
- General Purpose Revenues	115	113	0	0
Pensioners' Rates Subsidies				
- Domestic Waste Management Services	31	30	0	0
- Water Supplies Network	42	42	0	0
- Sewerage Services Network	38	38	0	0
Specific Purposes				
- Fire Protection	63	197	0	0
- Other Health Services	7	0	0	0
- Youth Services	0	1	0	0
- Other Community Services	22	0	0	0
- Town Planning	35	0	0	0
- Water Supplies Network	0	0	3	7
- Sewerage Services Network	0	0	0	115
- Public Libraries	37	35	9	10
- Other Cultural Services	8	8	0	0
- Sporting Grounds	0	0	50	0
- Public Parks, Gardens and Reserves	0	12	0	0
- Roadworks Network (Infra-Structure)	0	0	1,362	1,019
- Street Lighting	40	39	0	0
- Industrial Development and Promotions	3	3	0	0
TOTAL GRANTS	3,024	2,980	1,424	1,151
Comprising:-				
- Commonwealth Government	2,583	2,462	1,362	1,019
- State Government	441	518	62	132
	3,024	2,980	1,424	1,151

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 3 - (Continued)

INCOME FROM CONTINUING OPERATIONS

	NON-CAPITAL		CAPITAL	
	Actual		Actual	
	2007	2006	2007	2006
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
(F) CONTRIBUTIONS:				
Developer Contributions (pursuant to S. 94)				
- Urban Stormwater Drainage	0	0	3	8
- Parking Areas	0	0	0	4
Water Supplies Network				
- Developer Contributions (pursuant to S. 64)	0	0	33	35
- Other	0	0	40	147
Sewerage Services Network				
- Developer Contributions (pursuant to S. 64)	0	0	70	48
- Other	2	0	7	1
Specific Purposes				
- Governance	1	1	0	0
- Corporate Support Services	13	2	0	0
- Other Support Services	38	40	0	0
- Fire Protection	7	3	0	0
- Emergency Services	1	0	0	0
- Aged and Disabled	0	0	0	0
- Dwellings	0	0	0	0
- Urban Stormwater Drainage	1	0	0	0
- Public Halls	4	0	2	0
- Other Cultural Services	44	46	0	0
- Swimming Pools	0	0	0	12
- Sporting Grounds	0	0	625	12
- Public Parks, Gardens and Reserves	0	25	23	0
- Roadworks Network (Infra-Structure)	0	0	87	19
- Footpaths	0	0	50	0
- Bus Shelters and Services	1	0	0	0
- R.T.A. Contributions (Regional, Local and Block)	806	729	226	221
- Ancillary Services	0	0	20	10
- Tourism and Area Promotions	0	0	0	0
- Saleyards and Markets	2	1	0	0
- Industrial Development and Promotions	10	0	0	0
- Other Business Undertakings	4	7	0	0
TOTAL CONTRIBUTIONS	934	854	1,186	517
TOTAL GRANTS AND CONTRIBUTIONS	3,958	3,834	2,610	1,668

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 3 - (Continued)

INCOME 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 2007 (\$'000)	Actual 2006 (\$'000)
(G) GRANTS:			
Unexpended at the close of the previous reporting period.			
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
	6 (c)	526	79
Add: Amounts recognised as revenues in current reporting period, but not yet expended in accordance with the conditions.			
Healthy Shires Programme		6	0
Multi-Cultural Youth Festival Programme		0	2
Public Libraries Programme		0	10
Roads-to-Recovery Programme		67	466
Other		1	0
		74	478
Less: Expended during the current reporting period, from revenues recognised in previous reporting periods.			
Fire Protection		0	(1)
Multi-Cultural Youth Festival Programme		(2)	0
Public Libraries Programme		(10)	0
Taxi Rank Rehabilitation Programme		(14)	(30)
		(26)	(31)
Unexpended at the close of the current reporting period, and held as restricted assets.			
Healthy Shires Programme		6	0
Multi-Cultural Youth Festival Programme		0	2
Public Libraries Programme		0	10
Non-Urban Public Transport Programme		27	27
Roads-to-Recovery Programme		533	466
Taxi Rank Rehabilitation Programme		0	14
Other		8	7
TOTAL GRANTS UN-EXPENDED	6 (c)	574	526
NETT INCREASE OR (DECREASE) IN RESTRICTED ASSETS IN THE CURRENT REPORTING PERIOD		48	447

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 3 - (Continued)

INCOME 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 2007 (\$'000)	Actual 2006 (\$'000)
(H) CONTRIBUTIONS:			
Unexpended at the close of the previous reporting period.			
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
	6 (c)	589	461
Add: Amounts recognised as revenues in current reporting period, but not yet expended in accordance with the conditions.			
Section 94 - Urban Stormwater Drainage		5	8
Section 94 - Parking Areas		1	5
Section 64 - Water Supplies Network		40	40
Section 64 - Sewerage Services Network		122	75
		168	128
Less: Expended during the current reporting period, from revenues recognised in previous reporting periods.			
Section 94 - Urban Stormwater Drainage		(2)	0
Section 94 - Parking Areas		0	0
Section 64 - Water Supplies Network		0	0
Section 64 - Sewerage Services Network		0	0
		(2)	0
Unexpended at the close of the current reporting period, and held as restricted assets.			
Section 94 - Urban Stormwater Drainage		14	11
Section 94 - Parking Areas		25	24
Section 64 - Water Supplies Network		145	105
Section 64 - Sewerage Services Network		571	449
TOTAL CONTRIBUTIONS UN-EXPENDED	6 (c)	755	589
NETT INCREASE OR (DECREASE) IN RESTRICTED ASSETS IN THE CURRENT REPORTING PERIOD		166	128

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 4

EXPENSES FROM CONTINUING OPERATIONS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(A) EMPLOYEE BENEFITS AND ON-COSTS:		
Salaries, Wages and Allowances	4,094	3,886
Travelling Costs	80	82
Employees' Leave Entitlements	403	444
Superannuation	405	367
Workers' Compensation Insurance	166	51
Fringe Benefits Taxation	31	28
Training Costs (excluding Salaries, Wages and Allowances)	48	47
Other	54	54
Less: Capitalised and Distributed Employee Costs	(640)	(522)
TOTAL EMPLOYEE COSTS EXPENSED	4,641	4,437
(B) BORROWING COSTS:		
Interest		
- Overdraft	0	0
- Loans	355	376
Amortisation of Discounts and Premiums		
- Other Waste Management Services	11	10
- Quarries and Gravel Pits	9	9
TOTAL BORROWING COSTS EXPENSED	375	395
(C) MATERIALS AND CONTRACTS:		
Raw Materials and Consumables	2,812	3,082
Auditor's Remuneration		
- Audit Services	17	16
Consultants' Services	77	27
Lease Rentals - Operating		
- Non-Cancellable	30	34
Legal Expenses		
- Planning and Development	6	0
- Sundry Ratepayers'	20	20
- Other	4	4
Security Services	18	19
Valuation Fees		
- Land Rates	30	29
- Other	0	0
Water Acquisition Costs	1,418	1,268
TOTAL MATERIALS AND CONTRACTS EXPENSED	4,432	4,499

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 4 - (Continued)

EXPENSES FROM CONTINUING OPERATIONS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(D) DEPRECIATION AND AMORTISATION COSTS:		
Plant and Equipment	912	859
Office Equipment	24	22
Furniture and Fittings	1	4
Buildings and Improvements		
- Community	362	325
- Operational	142	141
Other Structures	40	39
Infra-Structure		
- Roads, Bridges, Footpaths etc.	1,072	1,043
- Urban Stormwater Drainage	101	100
- Water Supplies Network	187	181
- Sewerage Services Network	105	105
Other Assets		
- Other Waste Management Services	19	18
- Quarries and Gravel Pits	16	16
TOTAL DEPRECIATION COSTS EXPENSED	2,981	2,853
(E) OTHER EXPENSES:		
Other expenses for the reporting year, include the following:-		
Advertising Expenses	47	40
Bad and Doubtful Debtors	19	15
Bank Fees and Charges	26	23
Commission and Agency Fees	4	4
Computer Expenses	38	29
Contributions and Donations	436	431
Councillors'		
- Fees	75	73
- Expenses and Allowances	17	15
Electricity, Power and Heating	88	82
Insurance		
- Claims Excess	2	0
- Premiums	338	331
Mayoral Fee	18	18
Postage	26	23
Printing and Stationery	60	61
Promotions and Trade Fairs	123	116
Street Lighting	139	135
Subscriptions and Publications	45	37
Telephone Rental and Charges	55	54
Other	75	86
TOTAL OTHER EXPENSES	1,631	1,573

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 5

NETT GAIN OR (LOSS) ON DISPOSAL OF ASSETS

	Actual 2007 (\$'000)	Actual 2006 (\$'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	604	618
Less: Carrying amount of Asset Sales	(272)	(245)
NETT GAIN OR (LOSS) ON DISPOSAL	332	373
TOTAL NETT GAIN OR (LOSS) ON DISPOSAL OF ASSETS	332	373

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 6 (a)

CASH AND CASH EQUIVALENTS

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
CASH AND CASH EQUIVALENTS:				
Cash-on-Hand and at-Bank	142	0	14	0
Deposits at-Call	200	0	2,503	0
TOTAL CASH AND CASH EQUIVALENTS	342	0	2,517	0

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 6 (b)

INVESTMENTS

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

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
INVESTMENTS:				
Financial Assets at Fair Value (through Profit and Loss)	4,232	1,760	2,742	7,844
Investments Held-to-Maturity	1,500	8,000	1,000	0
Financial Assets Available-for-Sale	0	0	0	0
TOTAL INVESTMENTS	5,732	9,760	3,742	7,844
FINANCIAL ASSETS:- AT FAIR VALUE (THROUGH PROFIT AND LOSS)				
Balance as at the beginning of the Reporting Period	2,742	7,844	4,109	6,390
- Additions	1,490	0	0	1,454
- Disposals	0	(6,084)	(1,367)	0
Balance as at the end of the Reporting Period	4,232	1,760	2,742	7,844
Held for Trading:-				
- Managed Funds	992	0	0	0
- Collateralised Debt Obligations	3,240	1,760	2,742	7,844
- Floating Rate Notes	0	0	0	0
TOTAL FINANCIAL ASSETS AT FAIR VALUE	4,232	1,760	2,742	7,844
INVESTMENTS:- HELD-TO-MATURITY				
Balance as at the beginning of the Reporting Period	1,000	0	1,000	0
- Additions	500	8,000	0	0
- Disposals	0	0	0	0
Balance as at the end of the Reporting Period	1,500	8,000	1,000	0
Comprising:-				
- Equity-Linked Notes	0	8,000	0	0
- Term Deposits	1,500	0	1,000	0
TOTAL INVESTMENTS HELD-TO-MATURITY	1,500	8,000	1,000	0

The financial assets held as investments, are bearing floating interest rates between 4.90 % and 8.50 % (2006 - 5.45 % and 8.12 %)

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

Note No. 6 (c)

CASH, CASH EQUIVALENTS AND INVESTMENTS - RESTRICTED

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
CASH, CASH EQUIVALENTS AND INVESTMENTS:				
External Restrictions	449	9,760	90	7,844
Internal Restrictions	5,291	0	5,724	0
Unrestricted	334	0	445	0
TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS	6,074	9,760	6,259	7,844

DETAILS OF RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

		Balance as at 1st July, 2006 (\$'000)	Movements		Balance as at 30th June, 2007 (\$'000)
			Transfers to (\$'000)	Transfers from (\$'000)	
EXTERNAL RESTRICTIONS:					
Other- Included in Income					
Unexpended Grants - Specific Purposes	(a)	526	74	(26)	574
Developer Contributions	(b)	589	168	(2)	755
R.T.A. Contributions	(c)	690	586	(147)	1,129
Domestic Waste Management Services	(d)	0	0	0	0
Water Supplies Network	(e)	2,409	867	(244)	3,032
Sewerage Services Network	(f)	3,563	888	(198)	4,253
Other	(g)	157	336	(27)	466
TOTAL EXTERNAL RESTRICTIONS		7,934	2,919	(644)	10,209
INTERNAL RESTRICTIONS:					
Employees' Leave Entitlements		877	0	(29)	848
Buildings and Improvements		1,433	933	(1,458)	908
Communications Tower		30	6	0	36
Office Furniture and Equipment		200	0	(46)	154
Plant and Equipment		900	801	(801)	900
Quarries and Gravel Pits		62	49	0	111
Roadworks Network - Infra-Structure		961	545	(179)	1,327
Special Projects		402	239	(269)	372
Street Lighting		111	32	(30)	113
Swimming Pools		55	16	0	71
Urban Stormwater Drainage		111	63	(42)	132
Other Waste Management Services		156	36	(1)	191
Other		426	31	(329)	128
TOTAL INTERNAL RESTRICTIONS		5,724	2,751	(3,184)	5,291
TOTAL RESTRICTED CASH AND INVESTMENTS		13,658	5,670	(3,828)	15,500

- (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, 2007

Note No. 7

RECEIVABLES

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
RECEIVABLES:				
Annual Rates and Charges	473	0	359	0
Interest and Extra Charges	94	0	74	0
User Charges and Fees	700	0	768	0
Accrued Interest - Investments	270	0	109	0
Clearing Accounts - Taxation	128	0	79	0
Contributions	273	0	259	0
Deferred Payments Scheme	12	10	12	22
Government Grants and Subsidies	448	0	118	0
Other	49	0	91	0
Sub-Total	2,447	10	1,869	22
Less: Provision for Doubtful Debtors				
Annual Rates and Charges	(54)	0	(41)	0
User Charges and Fees	(20)	0	(15)	0
Sub-Total	(74)	0	(56)	0
TOTAL RECEIVABLES	2,373	10	1,813	22

DETAILS OF EXTERNALLY RESTRICTED RECEIVABLES

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
EXTERNALLY RESTRICTED RECEIVABLES:				
Domestic Waste Management Services	86	0	56	0
Water Supplies Network	664	0	631	0
Sewerage Services Network	228	0	227	0
TOTAL EXTERNALLY RESTRICTED RECEIVABLES	978	0	914	0
Unrestricted Receivables	1,395	10	899	22
TOTAL RECEIVABLES	2,373	10	1,813	22

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 8

INVENTORIES AND OTHER ASSETS

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
INVENTORIES:				
Stores and Materials	270	0	255	0
TOTAL INVENTORIES	270	0	255	0
OTHER ASSETS:				
Prepayments	0	0	318	0
TOTAL OTHER ASSETS	0	0	318	0

DETAILS OF EXTERNALLY RESTRICTED ASSETS

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
DOMESTIC WASTE MANAGEMENT SERVICES:				
Stores and Materials	0	0	0	0
Prepayments	0	0	0	0
TOTAL DOMESTIC WASTE MANAGEMENT SERVICES	0	0	0	0
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	270	0	573	0
TOTAL INVENTORIES AND OTHER ASSETS	270	0	573	0

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 9 (a)

INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT

BY ASSET TYPE	as at 1st July, 2006			MOVEMENTS DURING THE YEAR					as at 30th June, 2007		
	At Cost (\$'000)	Accumulated Depreciation (\$'000)	Written-Down Value (\$'000)	Asset ⁽¹⁾ Additions (\$'000)	Asset Disposals (\$'000)	Depreciation (\$'000)	Transfers and Adjustments (\$'000)	Nett Revaluation (\$'000)	At Cost (\$'000)	At Fair Valuation (\$'000)	Accumulated Depreciation (\$'000)
Plant and Equipment	8,444	(4,673)	3,771	1,376	(272)	(912)	0	0	8,766	0	(4,803)
Office Equipment	375	(221)	154	46	0	(24)	0	0	421	0	(245)
Furniture and Fittings	105	(101)	4	2	0	(1)	0	0	107	0	(102)
Land											
- Community	767	0	767	0	0	0	(25)	0	742	0	0
- Operational	2,147	0	2,147	176	0	0	25	0	2,348	0	0
Buildings and Improvements											
- Community	8,401	(3,480)	4,921	2,141	0	(362)	0	0	10,542	0	(3,842)
- Operational	3,526	(1,891)	1,635	28	0	(142)	0	0	3,554	0	(2,033)
Other Structures	604	(210)	394	16	0	(40)	0	0	620	0	(250)
Infra-Structure											
- Roads, Bridges, Footpaths etc.	80,454	(25,909)	54,545	2,141	0	(1,072)	0	0	82,595	0	(26,981)
- Urban Stormwater Drainage	8,043	(882)	7,161	42	0	(101)	0	0	8,085	0	(983)
- Water Supplies Network	7,576	(2,938)	4,638	239	0	(187)	0	9,281	0	23,279	(9,307)
- Sewerage Services Network	6,213	(4,241)	1,972	26	0	(105)	0	5,334	0	23,824	(16,598)
Other Assets											
- Other Waste Management Services	182	(36)	146	0	0	(19)	0	0	182	0	(55)
- Preliminary Investigation Expenses	56	0	56	5	0	0	0	0	61	0	0
- Quarries and Gravel Pits	161	(32)	129	0	0	(16)	0	0	161	0	(48)
TOTAL	127,054	(44,614)	82,440	6,238	(272)	(2,981)	0	14,615	118,184	47,103	(65,247)

(1) Asset additions for the year, are comprised of New Assets (\$ 2.818 million), and Asset Renewals and Replacement (\$ 3.420 million). Note:- this dissection is not mandatory for 2007.

Written-Down Value (\$'000)
3,963
176
5
742
2,348
6,700
1,521
370
55,614
7,102
13,972
7,226
127
61
113
100,040

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

Note No. 9 (b)

INFRA-STRUCTURE, PROPERTY, PLANT AND EQUIPMENT - RESTRICTED

	2006			2007			
	At Cost (\$'000)	Accumulated Depreciation (\$'000)	Written-Down Value (\$'000)	At Cost (\$'000)	At Fair Valuation (\$'000)	Accumulated Depreciation (\$'000)	Written-Down Value (\$'000)
Water Supplies Network							
Land - Operational	6	0	6	6	0	0	6
Buildings and Improvements	19	(6)	13	19	0	(6)	13
Office Equipment	99	(16)	83	99	0	(19)	80
Plant and Equipment	262	(230)	32	138	0	(121)	17
Infra-Structure	7,576	(2,938)	4,638	0	23,279	(9,307)	13,972
Preliminary Investigation Expenses	56	0	56	60	0	0	60
Sub-Total	8,018	(3,190)	4,828	322	23,279	(9,453)	14,148
Sewerage Services Network							
Land - Operational	45	0	45	217	0	0	217
Buildings and Improvements	25	(12)	13	25	0	(13)	12
Plant and Equipment	201	(121)	80	201	0	(131)	70
Infra-Structure	6,213	(4,241)	1,972	0	23,824	(16,598)	7,226
Sub-Total	6,484	(4,374)	2,110	443	23,824	(16,742)	7,525
Domestic Waste Management Services							
Land - Operational	64	0	64	64	0	0	64
Buildings and Improvements	562	(113)	449	562	0	(135)	427
Plant and Equipment	85	(68)	17	85	0	(78)	7
Sub-Total	711	(181)	530	711	0	(213)	498
TOTAL RESTRICTIONS	15,213	(7,745)	7,468	1,476	47,103	(26,408)	22,171

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 10 (a)

PAYABLES, INTEREST BEARING LIABILITIES AND PROVISIONS

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
PAYABLES:				
Goods and Services	718	0	847	0
Payments Received in Advance	79	0	66	0
Accrued Interest - Loans	17	0	18	0
Clearing Accounts - Taxation	3	0	7	0
Deposits and Retentions	38	312	310	0
Other	0	0	1	0
TOTAL PAYABLES	855	312	1,249	0
INTEREST BEARING LIABILITIES:				
Bank Overdraft Facility	0	0	0	0
Loans				
- Secured ⁽¹⁾	291	3,982	269	4,273
TOTAL INTEREST BEARING LIABILITIES	291	3,982	269	4,273
PROVISIONS:				
Annual Leave ⁽²⁾	527	0	558	0
Long Service Leave ⁽²⁾	1,072	41	1,086	48
Sick Leave - Gratuities ⁽²⁾	16	41	0	62
Remediation Costs				
- Other Waste Management Services	0	212	0	201
- Quarries and Gravel Pits	0	187	0	178
TOTAL PROVISIONS	1,615	481	1,644	489

DETAILS OF EXTERNALLY RESTRICTED LIABILITIES

	Actual 2007		Actual 2006	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
EXTERNALLY RESTRICTED LIABILITIES:				
Domestic Waste Management Services	12	0	0	0
Water Supplies Network	237	238	144	256
Sewerage Services Network	21	259	115	278
TOTAL EXTERNALLY RESTRICTED LIABILITIES	270	497	259	534

- (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). However, it is anticipated Employees' Leave Entitlements (amounting to \$ 1.174 million), although classified as current liabilities, will not be " settled " within the next twelve (12) months.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 10 (b)

DESCRIPTION AND MOVEMENTS IN PROVISIONS

	Balance as at 1st July, 2006 (\$'000)	Movements Transfers to (\$'000)	Transfers from (\$'000)	Balance as at 30th June, 2007 (\$'000)
PROVISIONS:				
Employees' Leave Entitlements				
- Annual Leave	558	321	(352)	527
- Long Service Leave	1,134	86	(107)	1,113
- Sick Leave (Gratuities)	62	2	(7)	57
Sub-Total	1,754	409	(466)	1,697
Rehabilitation and Remediation Costs				
- Other Waste Management Services	201	11	0	212
- Quarries and Gravel Pits	178	9	0	187
Sub-Total	379	20	0	399
TOTAL PROVISIONS	2,133	429	(466)	2,096

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 11

RECONCILIATION OF CASH FLOW MOVEMENTS

	Notes	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(A) RECONCILIATION OF CASH ASSETS:			
Total Cash, Cash Equivalents and Investments	6 (c)	15,834	14,103
Less: Bank Overdraft Facility	10 (a)	0	0
BALANCE AS PER STATEMENT OF CASH FLOW		15,834	14,103
(B) RECONCILIATION OF NETT OPERATING RESULT TO CASH, PROVIDED FROM CONTINUING OPERATIONS:			
Nett Operating Result from Income Statement		5,349	3,675
Add: Depreciation and Amortisation Costs		2,981	2,853
Decrease - Other Current Assets		318	0
Increase - Employees' Leave Entitlements		0	73
Increase - Payables		0	167
Increase - Provision for Asset Remediation		19	18
Increase - Provision for Doubtful Debtors		18	12
Sub-Total		8,685	6,798
Less: Decrease - Accrued Interest (Payable)		(1)	(1)
Decrease - Employees' Leave Entitlements		(56)	0
Decrease - Payables		(81)	0
Increase - Inventories		(15)	(95)
Increase - Receivables		(578)	(384)
Increase - Other Current Assets		0	(143)
Nett Gain - Disposal of Assets		(332)	(373)
Sub-Total		(1,063)	(996)
 NETT CASH PROVIDED FROM CONTINUING OPERATIONS		7,622	5,802

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 11 - (Continued)

STATEMENT OF CASH FLOWS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(C) NON-CASH FINANCING AND INVESTING ACTIVITIES:		
The following Non-Cash Grants were received, during the current reporting period.		
Grants - Non-Capital		
Fire Protection	0	0
	<u>0</u>	<u>0</u>
Grants - Capital		
Fire Protection	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, 2007

Note No. 12

COMMITMENTS FOR EXPENDITURE

	Actual 2007 (\$'000)	Actual 2006 (\$'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	111	17
	111	17
Not later than one (1) year	17	17
Later than one (1) year and not later than two (2) years	36	0
Later than two (2) years and not later than five (5) years	58	0
	111	17
(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	21
Later than one (1) year and not later than two (2) years	26	42
Later than two (2) years and not later than five (5) years	0	0
	47	63
(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	138	133
Later than one (1) year and not later than two (2) years	294	282
Later than two (2) years and not later than five (5) years	156	306
	588	721

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 13

STATEMENT OF PERFORMANCE MEASUREMENT

	Amounts (\$'000)	Indicators	2007	2006	2005	2004
CURRENT RATIO:						
<i>Factors</i>						
Current Assets	8,717	Ratio	3.16 : 1.00	2.73 : 1.00	2.68 : 1.00	2.60 : 1.00
Current Liabilities	2,761					

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

UNRESTRICTED CURRENT RATIO:

Factors

Current Assets less all External Restrictions	7,291	Ratio	5.54 : 1.00	4.75 : 1.00	4.75 : 1.00	4.54 : 1.00
Current Liabilities less Specific Purpose Liabilities	1,317					

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

DEBT SERVICE RATIO:

Factors

Debt Service Cost	625	Percentage	4.02 %	4.31 %	4.24 %	4.79 %
Revenues from Continuing Operations	15,541					

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

RATE COVERAGE RATIO:

Factors

Annual Rates and Charges	7,157	Percentage	36.88 %	39.37 %	42.68 %	43.37 %
Total Income from Continuing Operations	19,409					

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

ANNUAL RATES AND CHARGES OUTSTANDING:

Factors

Annual Rates and Charges Outstanding	513	Percentage	6.76 %	5.40 %	4.84 %	4.06 %
Annual Rates and Charges Collectable	7,586					

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

ASSET RENEWALS RATIO:

Factors

Asset Renewals	3,420	Ratio	1.15 : 1.00	: 1.00	: 1.00	: 1.00
Depreciation, Amortisation and Impairment	2,981					

To assess the rate at which assets are being renewed and replaced, against the rate at which they are depreciating.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

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, 2007

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.

2007	Floating Interest Rate	Fixed Interest Maturing			Non - Interest Bearing	Total
	(< \$'000)	< 1 year (< \$'000)	> 1 year < 5 years (< \$'000)	> 5 years (< \$'000)	(< \$'000)	(< \$'000)
FINANCIAL ASSETS:						
Cash and Cash Equivalents	341	0	0	0	1	342
Investments	0	2,492	5,500	7,500	0	15,492
Receivables	0	419	22	0	1,942	2,383
TOTAL	341	2,911	5,522	7,500	1,943	18,217
Weighted Average Interest Rate	3.65 %	4.32 %	7.63 %	7.12 %	0.00 %	
FINANCIAL LIABILITIES:						
Payables	0	0	0	0	(1,167)	(1,167)
Interest Bearing Liabilities	0	0	0	(4,273)	0	(4,273)
TOTAL	0	0	0	(4,273)	(1,167)	(5,440)
Weighted Average Interest Rate	0.00 %	0.00 %	0.00 %	8.03 %	0.00 %	
NETT FINANCIAL ASSETS	341	2,911	5,522	3,227	776	12,777
2006	Floating Interest Rate	Fixed Interest Maturing			Non - Interest Bearing	Total
	(< \$'000)	< 1 year (< \$'000)	> 1 year < 5 years (< \$'000)	> 5 years (< \$'000)	(< \$'000)	(< \$'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
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)
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

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

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 2007		Actual 2006	
	Carrying Amount	Aggregate Nett Fair Value	Carrying Amount	Aggregate Nett Fair Value
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
FINANCIAL ASSETS:				
Cash and Cash Equivalents	342	342	2,517	2,517
Investments	15,492	15,492	11,586	11,586
Receivables	2,383	2,383	1,835	1,835
Other Financial Assets	0	0	0	0
Sub-Total	18,217	18,217	15,938	15,938
FINANCIAL LIABILITIES:				
Payables	(1,167)	(1,167)	(1,249)	(1,249)
Interest Bearing Liabilities	(4,273)	(4,273)	(4,542)	(4,542)
Other Financial Liabilities	0	0	0	0
Sub-Total	(5,440)	(5,440)	(5,791)	(5,791)
NETT FINANCIAL ASSETS	12,777	12,777	10,147	10,147

(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, there is a risk, should Council desire to redeem the investment, before its date of maturity, 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, 2007

Note No. 16

MATERIAL BUDGET VARIATIONS

Council's Original Budget Estimates, was incorporated as part of the Management Plan, adopted by Council on 21st June, 2006. 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, was under-budget by an amount of \$582,664 (F) (3.98 %). 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 \$766,629 (F) (14.75 %).

This was primarily due to Council embarking upon a concerted effort towards a reduction of operational expenditure, and an increase in asset infra-structure 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 (\$297,084) (U) (11.07 %).

This was primarily due to Council acquiring and constructing assets, which has resulted in an increase of the 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, was over-budget by an amount of \$2,005,594 (F) (11.52 %).

3 User Charges and Fees

Actual User Charges and Fees received during the year, was over-budget by an amount of \$612,532 (F) (20.08 %).

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

- Waste Management Services - Domestic	\$	(32,124) (U)	- Water Supplies Network	\$	350,080 (F)
- Waste Management Services - Other	\$	(45,979) (U)	- Regulatory / Statutory Fees	\$	36,429 (F)
- Sewerage Services Network	\$	(2,560) (U)	- Private Works (R.T.A.)	\$	319,961 (F)
- Private Works (Section 67)	\$	(28,366) (U)	- Public Cemeteries	\$	3,116 (F)
			- Other	\$	12,324 (F)

4 Interest and Investment Revenues

Actual Interest and Investment Revenues received during the year, was over-budget by an amount of \$373,859 (F) (45.88 %).

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

5 Contributions - Non-Capital Purposes

Actual Contributions for Non-Capital Purposes received during the year, was over-budget by an amount of \$210,231 (F) (29.18 %).

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

Specific Purposes

- Corporate Support Services	\$	10,788 (F)	- Other Cultural Services	\$	(4,343) (U)
- Other Support Services	\$	26,391 (F)	- RTA Contributions	\$	155,684 (F)
- Fire Protection	\$	3,502 (F)	- Industrial Development	\$	9,824 (F)
- Public Halls	\$	3,591 (F)			

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

Note No. 16 - (Continued)

MATERIAL BUDGET VARIATIONS

INCOME: - (Continued)

6 Grants - Capital Purposes

Actual Grants for Capital Purposes received during the year, was over-budget by an amount of \$708,542 (F) (99.10 %).

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

Water Supplies Network	\$	2,941	(F)
Sewerage Services Network	\$	(165,000)	(U)
Public Libraries	\$	9,000	(F)
Roadworks Network - Infra-Structure	\$	861,601	(F)

7 Contributions - Capital Purposes

Actual Contributions for Capital Purposes received during the year, was over-budget by an amount of \$121,886 (F) (11.46 %).

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

Developer Contributions (pursuant to S. 94)			
- Urban Stormwater Drainage	\$	2,740	(F)
- Parking Areas	\$	3,900	(F)
Water Supplies Network			
- Developer Contributions (pursuant to S. 64)	\$	21,025	(F)
- Other	\$	9,682	(F)
Sewerage Services Network			
- Developer Contributions (pursuant to S. 64)	\$	34,991	(F)
- Other	\$	7,256	(F)
Specific Purposes			
- Emergency Services	\$	297	(F)
- Sporting Grounds	\$	1,000	(F)
- Public Parks, Gardens and Reserves	\$	23,000	(F)
- Roadworks Network (Infra-Structure)	\$	64,482	(F)
- Footpaths	\$	(378)	(U)
- R.T.A. Contributions (Regional, Local and Block)	\$	(54,000)	(U)
- Kerb and Guttering	\$	10,303	(F)

8 Other Revenues

Actual Other Revenues received during the year, was over-budget by an amount of \$108,932 (F) (27.84 %).

Commission and Agency Fees	\$	5,989	(F)
Fines and Costs	\$	654	(F)
Insurance			
- Claims Refunds	\$	29,444	(F)
Lease Fees and Rentals	\$	40,472	(F)
Legal Fees			
- Sundry Ratepayers'	\$	(1,235)	(U)
Promotions and Trade Fairs	\$	16,429	(F)
Sundry Sales and Services	\$	6,439	(F)
Other	\$	10,740	(F)

9 Gain from the Sale of Assets

Actual Gains from the Sale of Assets during the year, was over-budget by an amount of \$45,062 (F) (16.08 %).

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 period.

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June, 2007

Note No. 17

STATEMENT OF CONTRIBUTIONS PLANS

SUMMARY OF CONTRIBUTIONS PLANS

PURPOSE	OPENING BALANCE (\$'000)	CONTRIBUTIONS RECEIVED DURING YEAR ⁽¹⁾		INTEREST EARNED DURING YEAR ⁽²⁾ (\$'000)	EXPENDED DURING YEAR (\$'000)	EXPENDED IN ADVANCE (\$'000)	HELD AS RESTRICTED ASSETS ⁽³⁾ (\$'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 Contributions under plans	0	0	0	0	0	0	0	0
Total Contributions not under plans	35	3	0	3	(2)	0	39	(34)
Section 64 Contributions	554	103	0	59	0	0	716	0
TOTALS	589	106	0	62	(2)	0	755	(34)

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. 3 (C)
- (3) 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 ⁽²⁾ (\$'000)	EXPENDED DURING YEAR (\$'000)	EXPENDED IN ADVANCE (\$'000)	HELD AS RESTRICTED ASSETS ⁽³⁾ (\$'000)	WORKS PROVIDED TO-DATE (\$'000)
		CASH (\$'000)	NON-CASH (\$'000)					
Drainage	11	3	0	2	(2)	0	14	(34)
Parking Areas	24	0	0	1	0	0	25	0
TOTALS	35	3	0	3	(2)	0	39	(34)

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 18

CONTINGENCIES

CONTINGENT ASSETS:

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

CONTINGENT LIABILITIES:

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

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 19

INTERESTS IN JOINT VENTURES

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, 2007

Note No. 20

REVALUATION RESERVES AND RETAINED EARNINGS

	Actual 2007 (\$'000)	Actual 2006 (\$'000)
(A) REVALUATION RESERVES:		
Revaluation Reserves		
- Infra-Structure, Property, Plant and Equipment	14,615	0
- Available-for-Sale Investments	0	0
TOTAL REVALUATION RESERVES	14,615	0
Infra-Structure, Property, Plant and Equipment Revaluation Reserve:-		
Balance as at the beginning of the Reporting Period	0	0
- Gross Asset Revaluation	33,049	0
- Gross Depreciation Transfer	(18,434)	0
BALANCE AS AT THE END OF THE REPORTING PERIOD	14,615	0
Available-for-Sale Investments Revaluation Reserve:-		
Balance as at the beginning of the Reporting Period	0	0
- Adjustment following adoption of AASB 132 and AASB 139	0	0
- Gross Asset Revaluation	0	0
- Gross Transfer to Nett Profit	0	0
BALANCE AS AT THE END OF THE REPORTING PERIOD	0	0
(B) RETAINED EARNINGS:		
Movements in Retained Earnings is as follows:-		
Balance as at the beginning of the Reporting Period	94,888	91,213
- Correction of previous years errors	(3,861)	0
- Adjustment following adoption of AASB 132 and AASB 139	0	0
- Nett Operating Result for the Year	5,349	3,675
BALANCE AS AT THE END OF THE REPORTING PERIOD	96,376	94,888
(C) NATURE AND PURPOSE OF RESERVES:		
Infra-Structure, Property, Plant and Equipment Revaluation Reserve:-		
The infra-structure, property, plant and equipment revaluation reserve, is used to record increments and / or decrements, upon the revaluation of non-current assets.		
Available-for-Sale Investments Revaluation Reserve:-		
Changes in fair value, are transferred to the available-for-sale investments revaluation reserve, as described within Note No. 1 (O). Amounts are recognised in the Income Statement, when the associated assets are disposed, and / or are impaired.		
(D) CORRECTION OF ERRORS IN PREVIOUS YEARS:		
Infra-Structure, Property, Plant and Equipment:-		
Council had previously under-stated the depreciation expense of network assets for Water Supplies and Sewerage Services. An adjustment has been made to the prior years accumulated depreciation for infra-structure, property, plant and equipment and retained earnings, to correct this error.		
	(3,861)	0
	(3,861)	0

COUNCIL OF THE SHIRE OF YOUNG

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30th June, 2007

Note No. 21

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 2007 (\$'000)	Actual 2006 (\$'000)
WASTE DEPOTS AND TRANSFER STATIONS:			
		201	191
Add: Balance as at the beginning of the Reporting Period			
Amortisation of Discount - Expensed to Borrowing Costs	4 (B)	11	10
Balance as at the end of the Reporting Period	10 (a)	212	201
QUARRIES AND GRAVEL PITS:			
		178	169
Add: Balance as at the beginning of the Reporting Period			
Amortisation of Discount - Expensed to Borrowing Costs	4 (B)	9	9
Balance as at the end of the Reporting Period	10 (a)	187	178