



# ANNUAL REPORT

2021 - 2022



Adopted April 2023

# Contents

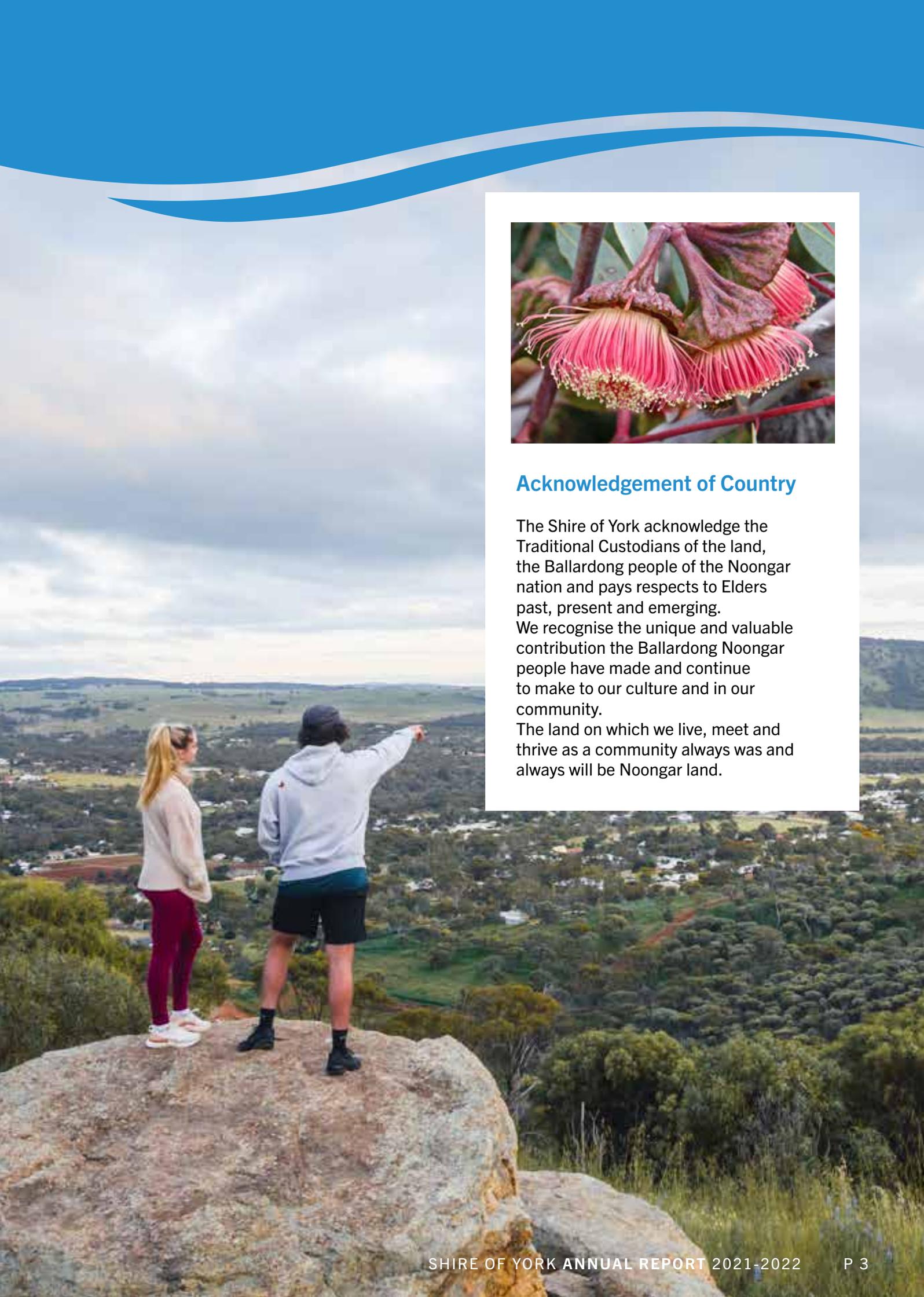
|  |    |
|--|----|
| Shire President's Report                 | 4  |
| CEO's Report                             | 6  |
| Councillors                              | 8  |
| Our Vision                               | 10 |
| 2021/22 Year in Review                   | 11 |
| The Place to Live                        | 12 |
| Driving the York Economy Forward         | 16 |
| A Leader in Sustainable Environment      | 18 |
| Built for Lifestyle and Resilience       | 20 |
| Strong Leadership and Governance         | 22 |
| Organisational Chart 2021/22             | 26 |
| Appendix 1: Audited Financial Statements | 27 |

This document is available in alternative formats upon request at the Shire Administration Office.



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### Acknowledgement of Country

The Shire of York acknowledge the Traditional Custodians of the land, the Ballardong people of the Noongar nation and pays respects to Elders past, present and emerging.

We recognise the unique and valuable contribution the Ballardong Noongar people have made and continue to make to our culture and in our community.

The land on which we live, meet and thrive as a community always was and always will be Noongar land.

# Shire President's Report

As far as places to live go, it doesn't get much better than York. Not only is it a beautiful part of the world with rolling hills and the river, it is home to a vibrant community with plenty of activities for everyone.

## YRCC Management

At the start of the financial year a Special Electors Meeting held to address the concerns of members of the community regarding the management of York Recreation & Convention Centre (YRCC). Council considered the management of the YRCC and endorsed the future contract with Belgravia Leisure at its September 2021 Ordinary Meeting.

## Elections

The local government ordinary elections were held in October 2021 with three vacant positions on Council. There was strong interest from the community with ten nominations. I would like to congratulate Councillors Denis Warnick and Kevin Trent who were successfully re-elected, and Cr Peter Wright who was newly elected. I'd also like to thank Jane Ferro for her time and efforts while serving on Council. A presentation was made to Jane at Council's November 2021 Ordinary Meeting.

## Noongar Cultural Heritage Survey

At its November 2021 Ordinary Meeting, Council accepted the Noongar Cultural Heritage Survey. The Survey acknowledges the culturally significant sites of the Gogulgar Bilya/Avon River, Wongborel/Mt Brown and Walwalying/Mt Bakewell. The latter two sites were subsequently submitted to the Department of Planning Lands & Heritage for listing as Aboriginal Heritage Sites under the Aboriginal Heritage Act 1972 (Gogulgar Bilya/Avon River is already listed) which affords protections around the future use and activity of the sites. This ensures the Shire of York is not only complying with its obligations but demonstrates that respect and the value of Aboriginal cultural heritage will inform our Reconciliation Action Plan.

## COVID-19

The pandemic continued to roll on throughout 2021/22 with various mandates and restrictions in place. While we can be grateful York remained relatively unscathed compared to other parts of the world and Australia, there were some in the community who were concerned with aspects of the State Government's response. A Special Electors Meeting was called and held in April 2022, with Council considering the subsequent motions at its May 2022 Ordinary Meeting. Thankfully, most of the restrictions and mandates have since lifted and society is starting to return to the 'old normal' once again.

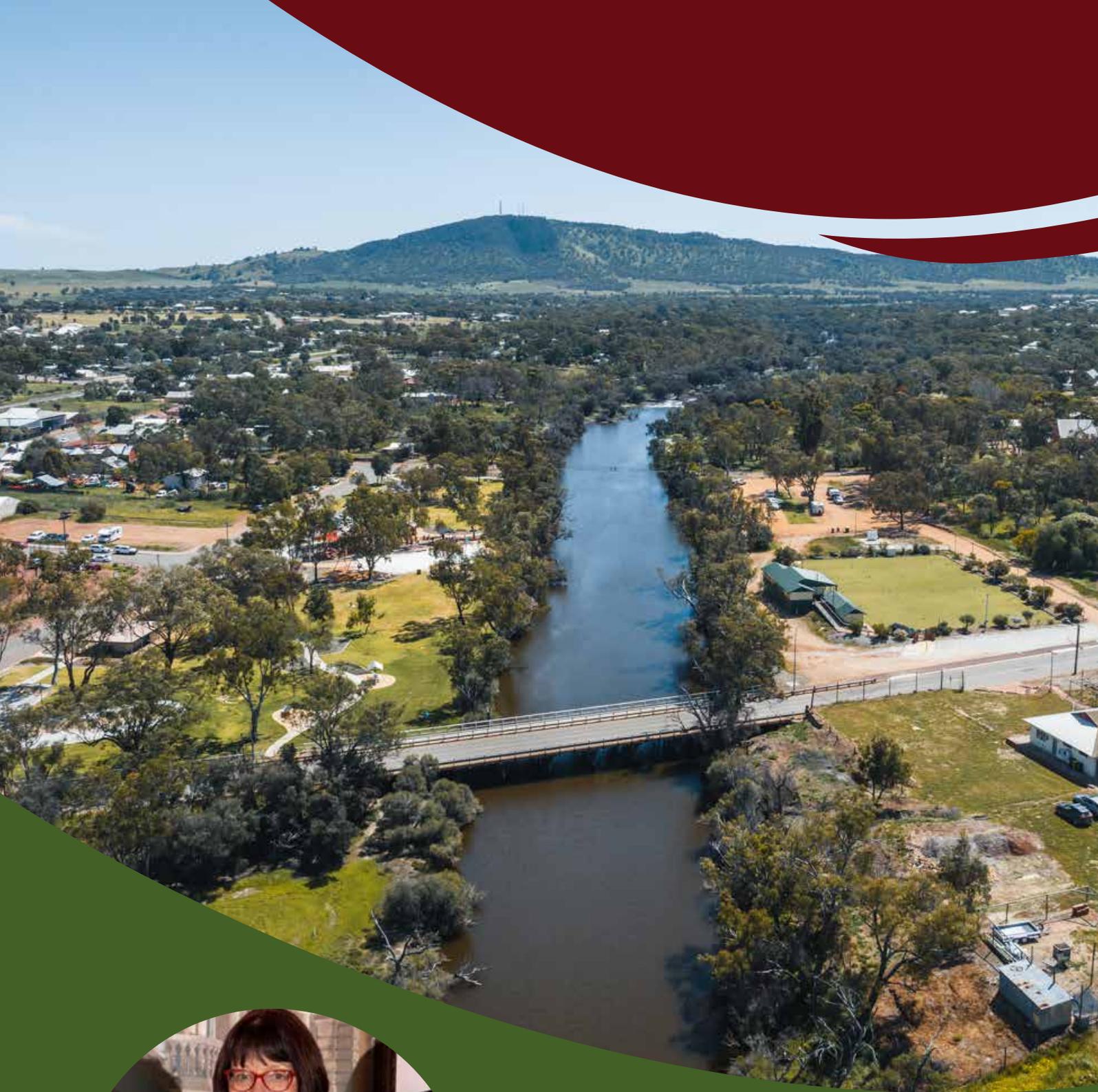
## Festival Season

Spring 2021 was a giant celebration with many events and activities occurring, especially the York Festival which continues to grow year on year. Other memorable events included the Medieval Fayre, the York Cup, the York Show, York Motor Show, Spring Dance Festival and the Arts & Craft Awards. These events bring so much vitality to our town and it is pleasing to see the many people who visit and enjoy our hospitality

## In Closing

Sincere thanks to my fellow Councillors and Shire staff for their hard work, dedication and on-going support. I am proud of what we have achieved over the past year. I look forward to continuing to work closely with the community to ensure York continues to thrive.

**Cr Denese Smythe**  
Shire President



“

“Shire President Cr Denese Smythe receiving the prestigious Winner’s Award in the category ‘Conservation or Adaptive Re-Use of a State Registered Heritage Place’ at the Western Australian Heritage Awards held in November 2021.”

# CEO's Report

I am pleased to present this Annual Report which provides an outline of the Shire's activities during the 2021/22 Financial Year, detailing what has been achieved on behalf of our community.

## Multi Award Winning Museum

Following its recent restoration, the York Residency Museum was the star attraction at various awards ceremonies throughout the year. The project co-won the 'Conservation or Adaptive Re-Use of a State Registered Heritage Place' at the WA State Heritage Awards in November 2021, which was followed by the Institute of Public Works Engineering Australasia, Western Australian Division Annual Excellence Awards in March 2022 where it won the 'WA Best Public Works Project (less than \$2M - Regional) Award' as well as the 'G.K. Watters Local Government Engineering Excellence Award'. All those involved can be very proud of their achievements and the work undertaken, building on York's commitment to preserving its exceptional built heritage.

## Workforce

Following on from last year's report, we were pleased to welcome Ms Sinead McGuire to the position of Executive Manager Infrastructure & Development Services in July 2021. Additionally, work continued with staff to bring our organisational values of courage, empathy, respect and excellence into our every day. Professional Development Workshops were held throughout the year supporting the development of a positive and supportive culture and significant benefits to the organisation, enhancing its ability to adapt to, and deliver on, the community's aspirations.

## Organisational Realignment

In 2020 the Shire carried out a major review of the Strategic Community Plan (SCP) which reset some of the community aspirations. To progress these revised aspirations and to better deliver on the Shire's strategic direction the workforce structure was reviewed. The review utilised current vacancies and new positions to improve

the effectiveness in delivering our projects, programs and services. The organisational realignment was presented to Council's April 2022 Ordinary Meeting and is expected to be implemented by the end of 2022.

## Have Your Say Days

The Shire conducted several community engagement sessions in May and June 2022 giving community members a chance to contribute their views on various important projects the Shire was seeking input on, such as Avon Terrace and the CBD Revitalisation, Community Engagement, Access and Inclusion, the York Cemetery and the York Swimming Pool. The sessions were well attended and provided valuable information for staff going forward. Hard copy and electronic surveys were also available for the community to provide input.

## Significant Projects

The York Light Industrial Area (LIA) Access Upgrade Project was awarded \$8 million dollars as part of the Federal Government's 2022/23 budget, with an additional \$1 million provided by the State Government and the Shire contributing its own \$1 million. The project will see improved road access (RAV 4), improved drainage and service relocation being developed within the LIA. A heavy vehicle rest area has also been considered. The Shire was pleased to work collaboratively with local businesses and Main Roads WA on an acceptable solution to allow the project to be realised.

## In Closing

I would like to acknowledge the cohesive nature in which Council are willing to work together for the best outcomes of our community. Thank you also to all the staff at the Shire of York who work tirelessly to keep our Shire going, supporting our community members and maintaining our values, even in challenging times.

**Chris Linnell**  
Chief Executive Officer



“

“The York Light Industrial Area (LIA) Access Upgrade Project was awarded \$8 million dollars as part of the Federal Government’s 2022/23 budget, with an additional \$1 million provided by the State Government and the Shire contributing its own \$1 million.”

# Councillors



The Shire of York Councillors are:

Cr Denese Smythe  
Shire President  
Expiry of Term:  
October 2023

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Cr Denis Warnick  
Deputy Shire President  
Expiry of Term:  
October 2025

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Cr Ashley Garratt  
Councillor  
Expiry of Term:  
October 2023

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Cr Kevin Trent OAM; RFD;  
Councillor  
Expiry of Term:  
October 2025

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Cr Pamela Heaton  
Councillor  
Expiry of Term:  
October 2023

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Cr Peter Wright  
Councillor  
Expiry of Term:  
October 2025

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Cr Stephen Muhleisen  
Councillor  
Expiry of Term:  
October 2023

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Ex-Cr Jane Ferro  
Expiry of Term:  
October 2021  
(Not re-elected)

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## Register of Complaints about Conduct of Members

Section 5.121 of the *Local Government Act 1995* requires the Complaints Officer of the local government to maintain a register of complaints which records all complaints that result in a finding under Section 5.110(2)(a) that a minor breach has occurred.

The Complaints Officer received two complaints during the 2021/22 financial year, with one resulting in no finding of a minor breach (Council Resolution 150222). The second complaint was received on 24 June 2022 and is under investigation.

## Councillor Demographics

Regulation 19B(2)(h) of the *Local Government (Administration) Regulations 1996* requires a local government to include in its Annual Report, the age of Councillors (if available).

| Age Range 30 June 2022        | Elected Members |
|-------------------------------|-----------------|
| Between 18 years and 24 years | 0               |
| Between 25 years and 34 years | 0               |
| Between 35 years and 44 years | 2               |
| Between 45 years and 54 years | 0               |
| Between 55 years and 64 years | 0               |
| Over 64 years                 | 5               |

## Council & Committee Meeting Attendance

| Councillor           | Ordinary (11) | Special (3) | Annual Electors (1) | Audit and Risk Committee (6) |
|----------------------|---------------|-------------|---------------------|------------------------------|
| Cr Denese Smythe     | 11            | 3           | 1                   | 6                            |
| Cr Denis Warnick     | 11            | 3           | 0                   | 2                            |
| Cr Ashley Garratt    | 11            | 3           | 1                   | N/A                          |
| Cr Pam Heaton        | 11            | 2           | 1                   | 1                            |
| Cr Stephen Muhleisen | 10            | 3           | 1                   | 1                            |
| Cr Kevin Trent       | 11            | 3           | 1                   | 6                            |
| Cr Peter Wright      | 8             | 2           | 1                   | N/A                          |
| Ex Cr Jane Ferro     | 3             | 1           | N/A                 | 1                            |

## Elections

The local government elections were held on 16 October 2021.

The Western Australian Electoral Commission was appointed to conduct the election as a postal election for the Shire of York.

Ten candidates nominated to fill three vacant positions, with the following people successfully elected:

- Kevin TRENT
- Denis WARNICK
- Peter WRIGHT

# Our Vision

**Vision** “A vibrant and inviting agricultural, heritage and tourist town and Shire, and a community that is focused on and works collaboratively to improve and promote the town and the Shire of York as a destination and wonderful place to live.”



## We aspire to be:



### The Place to Be

To be a close knit community, full of life, in a welcoming and accessible place for all.



### Driving the York Economy Forward

To have a vibrant, diverse and prosperous local economy which creates local jobs, business opportunities and a positive image for the Shire.



### A Leader in Sustainable Environment

To be a place which is renowned for the quality of its natural environment, the astounding beauty of the landscape, and the care taken by the community



### Built for Lifestyle and Resilience

To have a built environment which supports community, economy and the environment, respects the past and creates a resilient future.



### Strong Leadership and Governance

To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together

# 2021/22 Year in Review

This report summarises the Shire of York's progress during the 2021/22 financial year towards attaining the objectives, outcomes and actions set out in the Shire's 2020 – 2030 Strategic Community Plan



# A Place to Be

***To be a close knit community,  
full of life, in a welcoming and  
accessible place for all***

## Priorities



Engage children and young people in their place and future



Increase disability access and senior's services



Support community led development

## Highlights

- YORKids - The Shire delivered family friendly weekend of activity, June 2022
- Australia Day 2022 - Secured \$30,000 grant from the National Australia Day to contribute to delivery of the Australia Day 2022 event and the Inaugural Ballardong Boodja Event 2022
- This Bay is Someone's Day - Park Right Day and Night, a campaign launched in York in September 2021 to focus on the impact that parking illegally in an ACROD bay can have on someone's day.
- York Recreation and Convention Centre - In November 2021, management of the YRCC was transitioned to Belgravia Leisure to increase the usage and range of activities available at the YRCC.
- Library Services - The online catalogue launched for the library. The library issued 21539 items in 21/22. There are 1176 active memberships, and 3464 new stock items were added with the help of donations.
- York Swimming Pool - Total Public Pool attendance was 15,262 with 426 people attending the Australia Day Celebrations and approximately 580 people attending the York Open.
- Reconciliation Action Plan development working group formed and regularly meeting and the Noongar Cultural Heritage Survey completed
- COVID Response - Shire, community and service providers collaborated to produce the COVID Information Pack mailed to all residents of York
- Community Wellbeing Survey was undertaken to inform development of a Community Wellbeing Plan
- Disability Access and Inclusion Plan (DAIP) Progress Report 2021/2022 - highlights included accessible desk for wheelchair users in the York Public Library, launch of e-newsletter and Community mailout providing local information relating to Covid-19



## Funding provided to support community focused activities

|                                       |  |          |
|---------------------------------------|--|----------|
| <b>Flour Mill Emporium</b>            | Youth & Indigenous Arts Space—Intersections Program                              | \$2,000  |
| <b>York Golf Club</b>                 | Upgrade course fairways and surrounds of greens                                  | \$3,000  |
| <b>Holy Trinity Church</b>            | Assistance to deliver eight Sustainable Living Programs                          | \$1,999  |
| <b>St John Ambulance York</b>         | Assistance to acquire a Community Transport Vehicle                              | \$10,000 |
| <b>Paint York REaD</b>                | Paint York REaD Welcome Packs to new residential families                        | \$1,027  |
| <b>York Community Resource Centre</b> | Delivery of Business, Community & Vulnerable group programs                      | \$24,000 |
| <b>York RSL</b>                       | Annual ANZAC Day commemorations  | \$3,000  |
| <b>York District High School</b>      | End of Year Award Presentations  | \$2,000  |
| <b>York Community Radio</b>           | Delivery of 52 hours or more free for community groups radio broadcasting a year | \$3,000  |
| <b>York Christmas Festival</b>        | Christmas Festival & Residential Lights Competition                              | \$12,750 |

# A Place to Be



ACROD Parking - Community Awareness Campaign



Have Your Say Days - Community Engagement Sessions



Avon Terrace Guided Tours - York Visitor Centre



Australia Day Presentations - 2022

## New Dog Registrations



**127**

Complaints **127**  
 Impounded **69**  
 Released **37**  
 Rehomed **21**

## New Cat Registrations



**25**

Complaints **18**  
 Impounded **47**  
 Released/  
 Rehomed **41**

## Parking Complaints



**22**

Parking Patrols **53**  
 Vehicle Complaints **3**  
 Vehicles Removed **2**  
 Vehicles Impounded **2**

## Australia Day 2022

### Congratulations to the award winners:

- Community Citizen of the Year – Jenny Garroun
- Community Citizen of the Year, Senior (65 or over) – Pat & Bruce McGregor
- Active Citizenship award – Greenhills Progress Association
- Senior Sports Star of the Year - Jacqui McNamara
- Junior Sports Star of the Year – Tyson Jones



*Citizen of the Year - Jenny Garroun*



*Active Citizenship - Greenhills Progress Association*



*Senior Citizen of the Year - Bruce and Pat McGregor*



*Tyson Jones, Junior Sportstar of the Year*



*Jacqui McNamara, Senior Sportstar of the Year*

### Looking forward 2022/23:

- Creation of Community & Place Coordinator role to achieve broader community development goals and objectives
- Traineeships offered for Civil Construction Apprentice and Business Administration Trainee.
- Delivery of Community Wellbeing Plan, as required under the *Public Health Act 2016*

# Driving the York Economy Forward

*To have a vibrant, diverse and prosperous local economy which creates local jobs, business opportunities and a positive image for the Shire.*

## Priorities



Support tourism and business development

## Highlights

- 300 visitors took a paid guided tour of the Town Hall or Main Street walking and Bus Tours
- In conjunction with Destination Perth, Beverley, Northam, Toodyay and Goomalling, York rolled out an extensive Destination Marketing Campaign which included bus backs showcasing the iconic locations across the Avon Valley, new Avon Valley brand and style guide and the production of 10,000 Avon Valley brochures.
- Paid advertising to promote York in Destination Perth Annual Planner and sponsored 2 x 3 minute TV segments on DestinationWA and 1 x 3 Minute segment on nationwide Getaway TV show.

## Funding provided to drive economic activity

|                              |  |          |
|------------------------------|--|----------|
| York Agricultural Society    | York Agricultural Show                       | \$11,000 |
| Premiere Events              | 2 day York Motorcycle Festival               | \$22,500 |
| York Veteran Car Club        | Annual York Motor Show                       | \$10,00  |
| York Medieval Fayre          | Annual York Medieval Fayre                   | \$8,000  |
| Wheatbelt Arts & Events, Inc | Annual three weekend/ two week York Festival | \$23,500 |
| York Society                 | Annual Art & Craft Awards                    | \$6,500  |

## Looking forward 2022/23:

- Continuation of community engagement and start of delivery of CBD Revitalisation Project
- Development of Experience York Destination Promotion App





# A Leader in Sustainable Environment

*To be a place which is renowned for the quality of its natural environment, the astounding beauty of the landscape, and the care taken by the community*

## Priorities



Improve the ecology and enjoyment of the river



## Highlights

- River Conservation Society continuing to make improvements to the leased Shire facility at Glebe Street
- Community planting days undertaken on Shire managed reserves
- Response to localised flooding events and undertook significant emergency repairs to ensure safety of infrastructure for community
- Trails Concept Plan completed
- Representing the Wheatbelt on the Local Government Roadside Clearing, Regulation Working Group to advocate for strategic improvements into roadside clearing processes
- Audit of Hockey Stick locations marking endangered flora enabling improved practices



## Looking forward 2022/23:

- Continue upskilling volunteers with Bushfire Brigade training
- Identify and Seek grant funding to develop trails
- Pursue Federal Government grant fund replacing Building Better Regions Fund and work with State and LotteryWest to secure funding to implement Concept Plan
- Commence Traditional Aboriginal Mosaic Burning Programme on Ballardong Country in Shire of York
- Apply for Aboriginal Ranger Program to support restoration of Country through native flora and fauna management



**1100.17**  
tonnes of  
waste was  
transported  
to Shire of  
Northam  
landfill site and  
**230.18**  
tonnes of  
recyclable  
material  
was collected



Containers  
for Change  
total containers  
collected  
**1,484,011**

# Built for Lifestyle and Resilience

*To have a built environment which supports community, economy and the environment, respects the past and creates a resilient future.*

## Priorities



Upgrade roads and complete footpaths network



Enhance streetscape with a focus on trees



Revitalise Avon Terrace and restore heritage

## Highlights

- Earthquake Building Mitigation Project Awards:
  - Winner State Heritage Award, Conservation or Adaptive re-use of a State Registered Heritage Place
  - The Institute of Public Works Engineering Australasia, Western Australian Division Best Public Works Project (less than \$2M) Award and G.K.Watters Local Government Engineering Excellence 'best of the best' Overall Award 2021
- Contribution of \$90k to York Agricultural Society for new Poultry Shed
- Purchase of new road sweeper and grader
- Secured \$9 million dollar investment for Light Industrial Area access improvements
- Video capture of entire road network and integration of data with MRWA RoadView to inform future funding applications
- Data collection of entire footpath network and integration of data with Shire internal asset management system

## Looking forward 2022/23:

- Continuation of Swimming Pool replacement project
- Detailed design progress for delivery of Light Industrial Area project
- Significant budget increase for the delivery of vegetation clearing, tree pruning and weed spraying on rural roads network

## Roadworks

- Resheeting of Karabine Road and Wilberforce Crossing
- Significant resheeting and drainage upgrades to Waterfall Road
- Pavement repairs to Talbot West and Top Beverley Roads
- Resealing of Qualen West and Suburban Road/Pool Street



**174**   
 Building Permits Issued

**14**   
 Subdivisions Referrals

 **\$12,044,746**  
 Approximate value of approved building works in the Shire in 2021/22

**62**   
 Planning Approvals Issued

**37**   
 Effluent Approvals Issued

 **Percentage split of building approvals**

- 17.24%** Dwellings

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- 64.95%** Outbuildings

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- 4.02%** Additions/Alterations

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- 2.3%** Swimming Pools

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- 1.15%** Sea Container/Flag Pole

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- 3.45%** Retaining Wall/Fence

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- 4.02%** Water Tanks

---

- 2.30%** Commercial/Public

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- 0.57%** Earthworks

# Strong Leadership and Governance

*To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together*

## Priorities



Continuous improvement of community engagement



Explore establishment of a contemporary, accessible Council Chamber



Continuous improvement of governance



## Highlights

- Have Your Say Day community engagement sessions used as an opportunity to trial formats (evening, daytime, breakfast) and to target different sectors ( Farmers, Early Years etc ) as part of the ongoing development of a Community Engagement Framework.
- Monthly eNewsletter launched to provide a further channel for to engage community
- Procurement, record keeping and payroll systems were digitised
- Upgrade to Council Chamber technology to allow Council and Gallery to view minutes live, sound amplification to allow gallery to hear

## Community Engagement

The Shire of York undertook a series of community engagement Have Your Say Day sessions including drop-in sessions, workshops and surveys seeking feedback into a number of important projects: Revitalisation of the CDB, Redevelopment of the Swimming Pool, Community Engagement preferences, Access & Inclusion working group ideas and future development of York Cemetery.

There were 94 attendees across the various sessions, 34% of attendees were under 61 and the remainder were over. Whilst the number of attendees to the open sessions at midday and late afternoon were very similar, 38 and 34 respectively, the 7am breakfast session was well attended indicating that this time slot is attractive to the community.

## HR

- Sinead McGuire was employed as Executive Manager Development and Infrastructure Services 26/07/21
- Employees in three positions were entitled to an annual cash salary of \$100,000 or more with one position in the \$130,000 to \$139,000 band, one in the \$150,000 - \$159,000 band and one in the \$180,000 - \$189,000 band
- Development of staff:
- Hosted MRWA road counter training for staff and surround local governments (June 2022)
- IPWEA asset management course professional certificate completion (June 2022)
- Investment of Road Safety Course with three staff members (ongoing)
- Procurement Training
- Rates & Property Essentials WA
- First Aid Training
- Basic Work site Traffic Management
- Iris Consulting - eSentencing, Disposal & Archiving
- Asset Management Foundations
- Fork Lift Course
- LGIS - SWMS Workshop
- Planning Institute of Australia
- Executive Network Support
- Corporate Cultural Training

# Strong Leadership and Governance



## Governance

- Four new FOI applications were received with no internal reviews being carried out
- Reviewing and updating three policies:
  - G5 Comprehensive Complaints
  - P6 Heritage Conservation & Development
  - E3 Councillor: Travel & Accommodation
- Approving four new policies:
  - G15 Public Interest Disclosure
  - P13 Outbuildings in R Coded Areas
  - P14 Outbuilding in rural Zones
  - G31 Flags
- Five leases approved:
  - Wheatbelt Women's Health hub
  - York Early Years Hub
  - York Hockey Club
  - York Agricultural Society
  - York Golf Club
- Management Contract for York Recreation & Convention Centre approved with Belgravia Leisure
- Eight licence agreements were entered into for use of the York Recreation Convention Centre (YRCC) for the period 1 July 2021 to 30 June 2022, for the following local community groups:
  - York Seniors Mobility Group
  - York Badminton Club
  - York Junior Football Club
  - York Lawn Tennis Club
  - York Seniors Football Club
  - York Imperial Cricket Club
  - York Agricultural Society
  - York Bowling Club

## Looking forward 2022/23:

Development of Community Engagement Framework

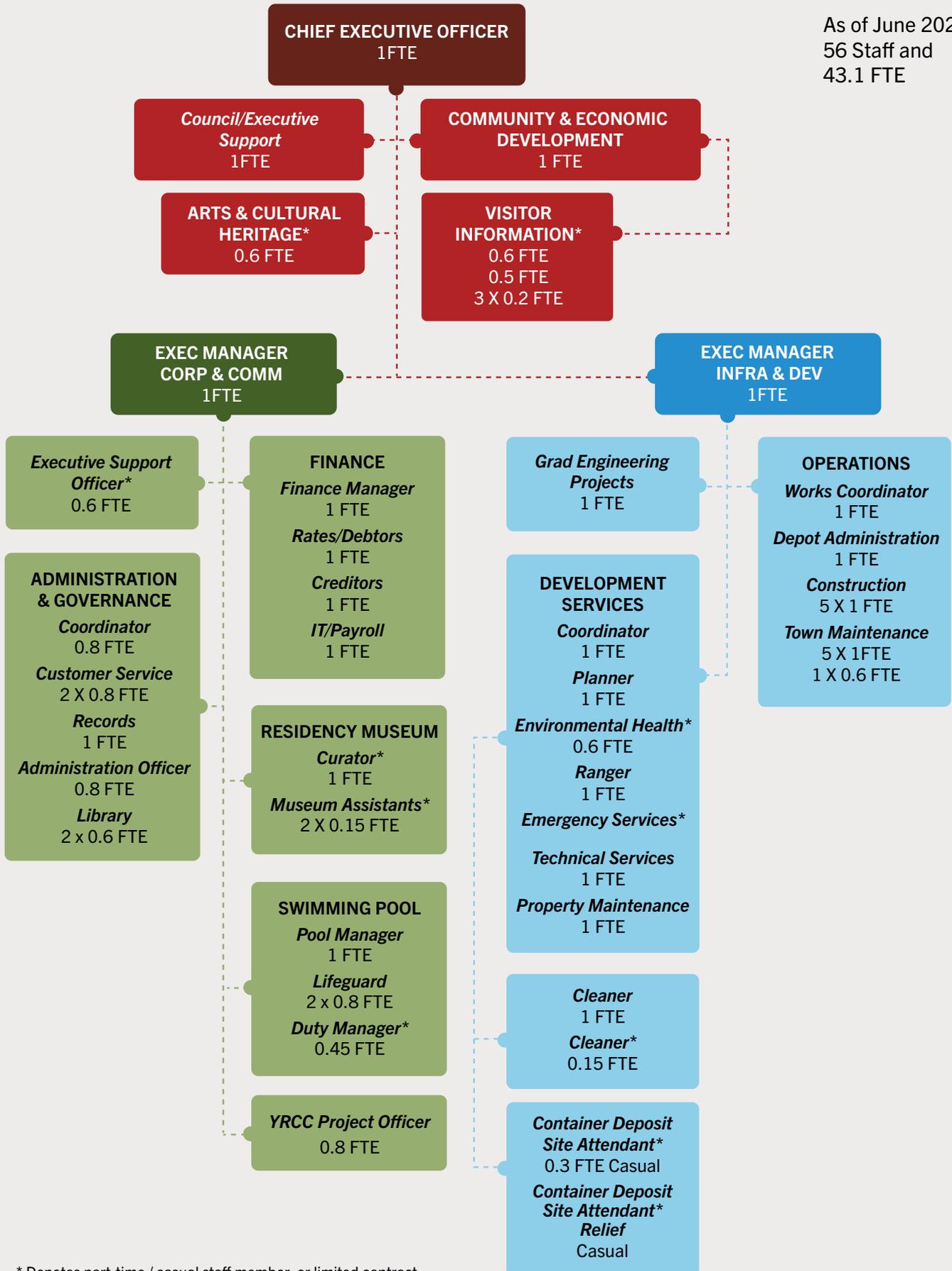
Implementation of Government Frameworks Software for strategy management, performance management, project and portfolio management, governance, risk, and compliance.

Phase two upgrade of technology in Council Chambers to allow virtual Councillor attendance and facility to visually record and live stream meetings. Manage any outcomes of the Local Government Act review process.

# Organisational Chart 2021/22



As of June 2022  
56 Staff and  
43.1 FTE



\* Denotes part-time / casual staff member, or limited contract



# **Appendix 1**

## **Audited Financial Statements**

**SHIRE OF YORK**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|   |    |
|---|----|
| Certification of Financial Report                   | 2  |
| Statement of Comprehensive Income by Nature or Type | 3  |
| Statement of Financial Position                     | 4  |
| Statement of Changes in Equity                      | 5  |
| Statement of Cash Flows                             | 6  |
| Rate Setting Statement                              | 7  |
| Index of Notes to the Financial Report              | 8  |
| Independent Auditor's Report                        | 49 |

The Shire of York conducts the operations of a local government with the following community vision:

*A vibrant and inviting agriculture, heritage and tourist town and a Shire community that is focused on and works collaboratively to improve and promote the town and the Shire of York as a destination and wonderful place to live.*

Principal place of business:  
1 Joaquina Street  
York WA 6302

**SHIRE OF YORK  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of York for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of York at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

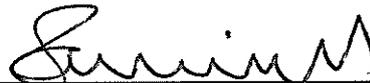
Signed on the

06

day of

April

2023



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Chief Executive Officer

Chris Linnell

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Name of Chief Executive Officer

**SHIRE OF YORK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|   | NOTE       | 2022<br>Actual    | 2022<br>Budget   | 2021<br>Actual   |
|---|------------|-------------------|------------------|------------------|
|   |            | \$                | \$               | \$               |
| <b>Revenue</b>  |            |                   |                  |                  |
| Rates   | 24(a),2(a) | 6,325,773         | 6,323,098        | 5,956,375        |
| Operating grants, subsidies and contributions                                   | 2(a)       | 2,215,977         | 1,047,688        | 1,785,935        |
| Fees and charges  | 23(c),2(a) | 1,359,160         | 1,185,255        | 1,490,543        |
| Interest earnings   | 2(a)       | 113,650           | 89,200           | 74,620           |
| Other revenue   | 2(a)       | 269,506           | 211,616          | 216,732          |
|   |            | 10,284,066        | 8,856,857        | 9,524,205        |
| <b>Expenses</b>   |            |                   |                  |                  |
| Employee costs  |            | (4,170,020)       | (4,391,976)      | (3,886,004)      |
| Materials and contracts   |            | (2,860,095)       | (3,041,331)      | (2,315,304)      |
| Utility charges   |            | (371,987)         | (393,382)        | (387,264)        |
| Depreciation  | 9(a)       | (2,953,967)       | (2,585,950)      | (2,865,589)      |
| Finance costs   | 2(b)       | (81,215)          | (83,383)         | (92,628)         |
| Insurance   |            | (289,869)         | (240,340)        | (286,049)        |
| Other expenditure   | 2(b)       | (684,864)         | (454,308)        | (637,111)        |
|   |            | (11,412,017)      | (11,190,670)     | (10,469,949)     |
|   |            | (1,127,951)       | (2,333,813)      | (945,744)        |
| Capital grants, subsidies and contributions                                     | 2(a)       | 920,662           | 1,585,953        | 684,728          |
| Profit on asset disposals   | 9(b)       | 11,260            | 0                | 5,702            |
| Loss on asset disposals   | 9(b)       | (74,538)          | (248,950)        | (13,466)         |
| Fair value adjustments to financial assets at fair value through profit or loss |            | 0                 | 0                | 2,586            |
|   |            | 857,384           | 1,337,003        | 679,550          |
| <b>Net result for the period</b>  | 23(b)      | <b>(270,567)</b>  | <b>(996,810)</b> | <b>(266,194)</b> |
| <b>Other comprehensive income for the period</b>                                |            |                   |                  |                  |
| <i>Items that will not be reclassified subsequently to profit or loss</i>       |            |                   |                  |                  |
| Changes in asset revaluation surplus  | 15         | 42,466,560        | 0                | 0                |
| <b>Total other comprehensive income for the period</b>                          | 15         | <b>42,466,560</b> | <b>0</b>         | <b>0</b>         |
| <b>Total comprehensive income for the period</b>                                |            | <b>42,195,993</b> | <b>(996,810)</b> | <b>(266,194)</b> |

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF YORK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

|                                      | NOTE | 2022               | 2021               |
|--------------------------------------|------|--------------------|--------------------|
|                                      |      | \$                 | \$                 |
| <b>CURRENT ASSETS</b>                |      |                    |                    |
| Cash and cash equivalents            | 3    | 8,003,482          | 7,018,678          |
| Trade and other receivables          | 5    | 1,184,159          | 943,258            |
| Inventories                          | 6    | 34,223             | 34,901             |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>9,221,864</b>   | <b>7,996,837</b>   |
| <b>NON-CURRENT ASSETS</b>            |      |                    |                    |
| Trade and other receivables          | 5    | 139,411            | 124,589            |
| Other financial assets               | 4    | 73,807             | 73,807             |
| Property, plant and equipment        | 7    | 31,870,650         | 32,294,386         |
| Infrastructure                       | 8    | 145,324,062        | 104,247,781        |
| Right-of-use assets                  | 10   | 1,031,440          | 970,499            |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>178,439,370</b> | <b>137,711,062</b> |
| <b>TOTAL ASSETS</b>                  |      | <b>187,661,234</b> | <b>145,707,899</b> |
| <b>CURRENT LIABILITIES</b>           |      |                    |                    |
| Trade and other payables             | 11   | 1,370,032          | 1,705,643          |
| Other liabilities                    | 12   | 1,013,530          | 556,588            |
| Borrowings                           | 13   | 197,908            | 251,899            |
| Employee related provisions          | 14   | 823,865            | 916,209            |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>3,405,335</b>   | <b>3,430,339</b>   |
| <b>NON-CURRENT LIABILITIES</b>       |      |                    |                    |
| Borrowings                           | 13   | 1,175,008          | 1,372,916          |
| Employee related provisions          | 14   | 98,316             | 118,062            |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>1,273,324</b>   | <b>1,490,978</b>   |
| <b>TOTAL LIABILITIES</b>             |      | <b>4,678,659</b>   | <b>4,921,317</b>   |
| <b>NET ASSETS</b>                    |      | <b>182,982,575</b> | <b>140,786,582</b> |
| <b>EQUITY</b>                        |      |                    |                    |
| Retained surplus                     |      | 33,418,350         | 33,615,369         |
| Reserve accounts                     | 27   | 2,585,273          | 2,658,821          |
| Revaluation surplus                  | 15   | 146,978,952        | 104,512,392        |
| <b>TOTAL EQUITY</b>                  |      | <b>182,982,575</b> | <b>140,786,582</b> |

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF YORK**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|   | NOTE | RETAINED<br>SURPLUS<br>\$ | RESERVE<br>ACCOUNTS<br>\$ | REVALUATION<br>SURPLUS<br>\$ | TOTAL<br>EQUITY<br>\$ |
|---|------|---------------------------|---------------------------|------------------------------|-----------------------|
| <b>Balance as at 1 July 2020</b>          |      | <b>33,517,034</b>         | <b>3,023,350</b>          | <b>104,512,392</b>           | <b>141,052,776</b>    |
| Comprehensive income for the period       |      |                           |                           |                              |                       |
| Net result for the period                 |      | (266,194)                 | 0                         | 0                            | (266,194)             |
| Total comprehensive income for the period |      | (266,194)                 | 0                         | 0                            | (266,194)             |
| Transfers from reserves                   | 27   | 546,274                   | (546,274)                 | 0                            | 0                     |
| Transfers to reserves                     | 27   | (181,745)                 | 181,745                   | 0                            | 0                     |
| <b>Balance as at 30 June 2021</b>         |      | <b>33,615,369</b>         | <b>2,658,821</b>          | <b>104,512,392</b>           | <b>140,786,582</b>    |
| Comprehensive income for the period       |      |                           |                           |                              |                       |
| Net result for the period                 |      | (270,567)                 | 0                         | 0                            | (270,567)             |
| Other comprehensive income for the period | 15   | 0                         | 0                         | 42,466,560                   | 42,466,560            |
| Total comprehensive income for the period |      | (270,567)                 | 0                         | 42,466,560                   | 42,195,993            |
| Transfers from reserves                   | 27   | 635,000                   | (635,000)                 | 0                            | 0                     |
| Transfers to reserves                     | 27   | (561,452)                 | 561,452                   | 0                            | 0                     |
| <b>Balance as at 30 June 2022</b>         |      | <b>33,418,350</b>         | <b>2,585,273</b>          | <b>146,978,952</b>           | <b>182,982,575</b>    |

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF YORK  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

|  | NOTE  | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|--|-------|----------------------|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |       |                      |                      |                      |
| <b>Receipts</b>  |       |                      |                      |                      |
| Rates  |       | 6,234,153            | 6,323,098            | 6,025,089            |
| Operating grants, subsidies and contributions              |       | 2,022,142            | 1,057,031            | 2,514,713            |
| Fees and charges   |       | 1,466,504            | 985,255              | 1,490,543            |
| Interest received  |       | 113,650              | 89,200               | 74,620               |
| Goods and services tax received                            |       | 316,037              | 0                    | 0                    |
| Other revenue  |       | 269,506              | 211,616              | 216,732              |
|  |       | 10,421,992           | 8,666,200            | 10,321,697           |
| <b>Payments</b>  |       |                      |                      |                      |
| Employee costs   |       | (4,154,873)          | (4,391,976)          | (3,858,316)          |
| Materials and contracts                                    |       | (3,255,628)          | (3,021,417)          | (2,384,011)          |
| Utility charges  |       | (371,987)            | (393,382)            | (387,264)            |
| Finance costs  |       | (81,215)             | (83,383)             | (92,628)             |
| Insurance paid   |       | (289,869)            | (240,340)            | (286,049)            |
| Goods and services tax paid                                |       | (351,412)            | 0                    | (10,413)             |
| Other expenditure  |       | (684,678)            | (454,309)            | (563,234)            |
|  |       | (9,189,662)          | (8,584,807)          | (7,581,915)          |
| <b>Net cash provided by (used in) operating activities</b> | 16(b) | 1,232,330            | 81,393               | 2,739,782            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |       |                      |                      |                      |
| Payments for purchase of property, plant & equipment       | 7(a)  | (855,308)            | (1,907,010)          | (793,454)            |
| Payments for construction of infrastructure                | 8(a)  | (632,562)            | (2,951,659)          | (1,328,494)          |
| Payments for right of use assets                           | 10    | (88,988)             | 0                    | (192,656)            |
| Non-operating grants, subsidies and contributions          |       | 1,377,604            | 1,585,953            | 1,132,416            |
| Proceeds from sale of property, plant & equipment          | 9(b)  | 203,627              | 612,000              | 101,116              |
| <b>Net cash provided by (used in) investing activities</b> |       | 4,373                | (2,660,716)          | (1,081,072)          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |       |                      |                      |                      |
| Repayment of borrowings                                    | 26    | (251,899)            | (251,899)            | (244,526)            |
| <b>Net cash provided by (used in) financing activities</b> |       | (251,899)            | (251,899)            | (244,526)            |
| <b>Net increase (decrease) in cash held</b>                |       | 984,804              | (2,831,222)          | 1,414,184            |
| Cash at beginning of year                                  |       | 7,018,678            | 6,995,305            | 5,604,494            |
| <b>Cash and cash equivalents at the end of the year</b>    | 16(a) | 8,003,482            | 4,164,083            | 7,018,678            |

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF YORK**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|   | NOTE  | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|---|-------|----------------------|----------------------|----------------------|
| <b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>      | 25(b) | 2,714,097            | 2,433,474            | 2,192,324            |
| <b>OPERATING ACTIVITIES</b>   |       |                      |                      |                      |
| <b>Revenue from operating activities (excluding general rate)</b>               |       |                      |                      |                      |
| Operating grants, subsidies and contributions                                   |       | 2,215,977            | 1,047,688            | 1,785,935            |
| Fees and charges  |       | 1,359,160            | 1,185,255            | 1,490,543            |
| Interest earnings   |       | 113,650              | 89,200               | 74,620               |
| Other revenue   |       | 269,506              | 211,616              | 216,732              |
| Profit on asset disposals   | 9(b)  | 11,260               | 0                    | 5,702                |
| Fair value adjustments to financial assets at fair value through profit or loss |       | 0                    | 0                    | 2,586                |
|   |       | <b>3,969,553</b>     | <b>2,533,759</b>     | <b>3,576,118</b>     |
| <b>Expenditure from operating activities</b>                                    |       |                      |                      |                      |
| Employee costs  |       | (4,170,020)          | (4,391,976)          | (3,886,004)          |
| Materials and contracts   |       | (2,860,095)          | (3,041,331)          | (2,315,304)          |
| Utility charges   |       | (371,987)            | (393,382)            | (387,264)            |
| Depreciation  |       | (2,953,967)          | (2,585,950)          | (2,865,589)          |
| Finance costs   |       | (81,215)             | (83,383)             | (92,628)             |
| Insurance   |       | (289,869)            | (240,340)            | (286,049)            |
| Other expenditure   |       | (684,864)            | (454,308)            | (637,111)            |
| Loss on asset disposals   | 9(b)  | (74,538)             | (248,950)            | (13,466)             |
|   |       | <b>(11,486,555)</b>  | <b>(11,439,620)</b>  | <b>(10,483,415)</b>  |
| Non-cash amounts excluded from operating activities                             | 25(a) | 3,044,143            | 2,834,900            | 2,881,453            |
| <b>Amount attributable to operating activities</b>                              |       | <b>(4,472,859)</b>   | <b>(6,070,961)</b>   | <b>(4,025,844)</b>   |
| <b>INVESTING ACTIVITIES</b>   |       |                      |                      |                      |
| Non-operating grants, subsidies and contributions                               |       | 920,662              | 1,585,953            | 684,728              |
| Proceeds from disposal of assets  | 9(b)  | 203,627              | 612,000              | 101,116              |
| Purchase of property, plant and equipment                                       | 7(a)  | (855,308)            | (1,907,010)          | (793,454)            |
| Purchase and construction of infrastructure                                     | 8(a)  | (632,562)            | (2,951,659)          | (1,328,494)          |
| Purchase of right of use asset  | 10    | (88,988)             | 0                    | (192,656)            |
| <b>Amount attributable to investing activities</b>                              |       | <b>(452,569)</b>     | <b>(2,660,716)</b>   | <b>(1,528,760)</b>   |
| <b>FINANCING ACTIVITIES</b>   |       |                      |                      |                      |
| Repayment of borrowings   | 26    | (251,899)            | (251,899)            | (244,526)            |
| Transfers to reserves (restricted assets)                                       | 27    | (561,452)            | (408,000)            | (181,745)            |
| Transfers from reserves (restricted assets)                                     | 27    | 635,000              | 635,000              | 546,274              |
| <b>Amount attributable to financing activities</b>                              |       | <b>(178,351)</b>     | <b>(24,899)</b>      | <b>120,003</b>       |
| <b>Surplus/(deficit) before imposition of general rates</b>                     |       | <b>(2,389,682)</b>   | <b>(6,323,102)</b>   | <b>(3,242,277)</b>   |
| <b>Total amount raised from general rates</b>                                   | 24(a) | <b>6,325,773</b>     | <b>6,323,098</b>     | <b>5,956,375</b>     |
| <b>Surplus/(deficit) after imposition of general rates</b>                      | 25(b) | <b>3,936,091</b>     | <b>(4)</b>           | <b>2,714,097</b>     |

This statement is to be read in conjunction with the accompanying notes.

**SHIRE OF YORK**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**

|  |  |    |
|--|--|----|
| Note 1   | Basis of Preparation                                   | 9  |
| Note 2   | Revenue and Expenses                                   | 10 |
| Note 3   | Cash and Cash Equivalents                              | 12 |
| Note 4   | Other Financial Assets                                 | 12 |
| Note 5   | Trade and Other Receivables                            | 13 |
| Note 6   | Inventories  | 14 |
| Note 7   | Property, Plant and Equipment                          | 15 |
| Note 8   | Infrastructure   | 17 |
| Note 9   | Fixed Assets   | 19 |
| Note 10  | Leases   | 22 |
| Note 11  | Trade and Other Payables                               | 23 |
| Note 12  | Other Liabilities                                      | 24 |
| Note 13  | Borrowings   | 25 |
| Note 14  | Employee Related Provisions                            | 26 |
| Note 15  | Revaluation Surplus                                    | 27 |
| Note 16  | Notes to the Statement of Cash Flows                   | 28 |
| Note 17  | Contingent Liabilities                                 | 29 |
| Note 18  | Capital Commitments                                    | 29 |
| Note 19  | Related Party Transactions                             | 30 |
| Note 20  | Financial Risk Management                              | 33 |
| Note 21  | Events Occurring After the End of the Reporting Period | 36 |
| Note 22  | Other Significant Accounting Policies                  | 37 |
| Note 23  | Function and Activity                                  | 38 |
| <br><b>Information required by legislation</b> |  |    |
| Note 24  | Rating Information                                     | 41 |
| Note 25  | Rate Setting Statement Information                     | 44 |
| Note 26  | Borrowing and Lease Liabilities                        | 45 |
| Note 27  | Reserve accounts                                       | 46 |
| Note 28  | Trust Funds  | 48 |

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

**Judgements and estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

| Revenue Category  | Nature of goods and services   | When obligations typically satisfied | Payment terms  | Returns/Refunds/Warranties                  | Timing of revenue recognition  |
|---|--|--------------------------------------|--|---|--|
| Grant contracts with customers  | Community events, minor facilities, research, design, planning evaluation and services                           | Over time                            | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants, subsidies or contributions for the construction of non-financial assets | Construction or acquisition of recognisable non-financial assets to be controlled by the local government        | Over time                            | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Licences/ Registrations/ Approvals  | Building, planning, development and animal management, having the same nature as a licence regardless of naming. | Single point in time                 | Full payment prior to issue  | None  | On payment and issue of the licence, registration or approval  |
| Fees and charges for other goods and services                                   | Cemetery services, library fees, reinstatements and private works  | Single point in time                 | Payment in full in advance   | None  | Output method based on provision of service or completion of works   |

Consideration from contracts with customers is included in the transaction price.

**Revenue Recognition**

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

**For the year ended 30 June 2022**

| Nature or type                                    | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other            | Total             |
|---|--------------------------|-----------------------------|------------------------|------------------|-------------------|
|   | \$                       | \$                          | \$                     | \$               | \$                |
| Rates   | 0                        | 0                           | 6,325,773              | 0                | 6,325,773         |
| Operating grants, subsidies and contributions     | 212,242                  | 0                           | 0                      | 2,003,735        | 2,215,977         |
| Fees and charges                                  | 507,802                  | 0                           | 741,493                | 109,865          | 1,359,160         |
| Interest earnings                                 | 0                        | 0                           | 103,894                | 9,756            | 113,650           |
| Other revenue                                     | 92,121                   | 0                           | 0                      | 177,385          | 269,506           |
| Non-operating grants, subsidies and contributions | 0                        | 920,662                     | 0                      | 0                | 920,662           |
| <b>Total</b>                                      | <b>812,165</b>           | <b>920,662</b>              | <b>7,171,160</b>       | <b>2,300,741</b> | <b>11,204,728</b> |

**For the year ended 30 June 2021**

| Nature or type                                    | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other            | Total             |
|---|--------------------------|-----------------------------|------------------------|------------------|-------------------|
|   | \$                       | \$                          | \$                     | \$               | \$                |
| Rates   | 0                        | 0                           | 5,956,375              | 0                | 5,956,375         |
| Operating grants, subsidies and contributions     | 193,169                  | 0                           | 0                      | 1,592,766        | 1,785,935         |
| Fees and charges                                  | 627,075                  | 0                           | 735,881                | 127,587          | 1,490,543         |
| Interest earnings                                 | 0                        | 0                           | 47,887                 | 26,733           | 74,620            |
| Other revenue                                     | 134,313                  | 0                           | 0                      | 82,419           | 216,732           |
| Non-operating grants, subsidies and contributions | 0                        | 684,728                     | 0                      | 0                | 684,728           |
| <b>Total</b>                                      | <b>954,557</b>           | <b>684,728</b>              | <b>6,740,143</b>       | <b>1,829,505</b> | <b>10,208,933</b> |

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES (Continued)**

|  | Note | 2022<br>Actual | 2022<br>Budget | 2021<br>Actual |
|--|------|----------------|----------------|----------------|
| <b>Interest earnings</b>                                       |      |                |                |                |
| Interest on reserve funds                                      |      | 2,110          | 8,000          | 20,026         |
| Rates instalment and penalty interest (refer Note 24(c))       |      | 103,894        | 78,200         | 47,887         |
| Other interest earnings  |      | 7,646          | 3,000          | 6,707          |
|  |      | 113,650        | 89,200         | 74,620         |
| <b>(b) Expenses</b>  |      |                |                |                |
| <b>Auditors remuneration</b>                                   |      |                |                |                |
| - Audit of the Annual Financial Report                         |      | 55,360         | 47,700         | 40,840         |
| - Other services   |      | 0              | 4,000          | 2,120          |
|  |      | 55,360         | 51,700         | 42,960         |
| <b>Finance costs</b>   |      |                |                |                |
| Borrowings   | 26   | 81,215         | 83,383         | 92,628         |
|  |      | 81,215         | 83,383         | 92,628         |
| <b>Other expenditure</b>                                       |      |                |                |                |
| Impairment losses on rates receivables                         |      | 107,158        | 102,500        | 0              |
| Impairment losses on receivables from contracts with customers |      | 186            | 0              | 73,661         |
| Sundry expenses  |      | 577,520        | 351,808        | 563,450        |
|  |      | 684,864        | 454,308        | 637,111        |

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
 Term deposits  
**Total cash and cash equivalents**

Held as  
 - Unrestricted cash and cash equivalents  
 - Restricted cash and cash equivalents

| Note  | 2022      | 2021      |
|-------|-----------|-----------|
|       | \$        | \$        |
|       | 4,810,762 | 3,443,214 |
|       | 3,192,720 | 3,575,464 |
| 16(a) | 8,003,482 | 7,018,678 |
|       | 4,404,679 | 3,803,269 |
| 16(a) | 3,598,803 | 3,215,409 |
|       | 8,003,482 | 7,018,678 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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.

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

Details of restrictions on financial assets can be found at Note 16.

**4. OTHER FINANCIAL ASSETS**

**Non-current assets**

Financial assets at fair values through other comprehensive income

| 2022   | 2021   |
|--------|--------|
| \$     | \$     |
| 73,807 | 73,807 |
| 73,807 | 73,807 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

**Financial assets at fair value through profit and loss**

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 20.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**5. TRADE AND OTHER RECEIVABLES**

**Current**

|  | Note  | 2022<br>\$ | 2021<br>\$ |
|--|-------|------------|------------|
| Rates receivable   |       | 1,144,633  | 1,025,412  |
| Trade and other receivables                                |       | 305,013    | 78,836     |
| GST receivable   |       | 86,017     | 50,642     |
| Receivables for employee related provisions                | 14    | 46,839     | 21,709     |
| Allowance for credit losses of trade and other receivables | 20(b) | (851)      | (665)      |
| Allowance for credit losses of rates receivables           |       | (397,492)  | (290,334)  |
| Other debtors  |       | 0          | 48,311     |
| Accrued income   |       | 0          | 9,347      |
|  |       | 1,184,159  | 943,258    |
| <b>Non-current</b>   |       |            |            |
| Pensioner's rates and ESL deferred                         |       | 139,411    | 124,589    |
|  |       | 139,411    | 124,589    |

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 20.

**Classification and subsequent measurement**

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**6. INVENTORIES**

| Note                    | 2022   | 2021   |
|-------------------------|--------|--------|
|                         | \$     | \$     |
| <b>Current</b>          |        |        |
| Fuel and materials      | 34,223 | 7,553  |
| Recreation Centre stock | 0      | 27,348 |
|                         | 34,223 | 34,901 |

The following movements in inventories occurred during the year:

|                                      |          |           |
|--------------------------------------|----------|-----------|
| <b>Balance at beginning of year</b>  | 34,901   | 24,221    |
| Inventories expensed during the year | (70,058) | (187,645) |
| Additions to inventory               | 69,380   | 198,325   |
| <b>Balance at end of year</b>        | 34,223   | 34,901    |

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

Inventories are measured at the lower of cost and net realisable value.

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

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**7. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

|  | Note | Land      | Buildings   | Total land and buildings | Furniture and equipment | Plant and equipment | Total property, plant and equipment |
|--|------|-----------|-------------|--------------------------|-------------------------|---------------------|-------------------------------------|
|  |      | \$        | \$          | \$                       | \$                      | \$                  | \$                                  |
| <b>Balance at 1 July 2020</b>            |      | 5,580,550 | 24,401,063  | 29,981,613               | 209,415                 | 2,262,084           | 32,453,112                          |
| Additions                                |      | 0         | 209,846     | 209,846                  | 92,898                  | 490,710             | 793,454                             |
| Disposals                                |      | 0         | (7,264)     | (7,264)                  | 0                       | (101,616)           | (108,880)                           |
| Depreciation                             | 9(a) | 0         | (581,694)   | (581,694)                | (56,902)                | (204,704)           | (843,300)                           |
| <b>Balance at 30 June 2021</b>           |      | 5,580,550 | 24,021,951  | 29,602,501               | 245,411                 | 2,446,474           | 32,294,386                          |
| <b>Comprises:</b>                        |      |           |             |                          |                         |                     |                                     |
| Gross balance amount at 30 June 2021     |      | 5,580,550 | 25,759,037  | 31,339,587               | 1,027,712               | 2,645,622           | 35,012,921                          |
| Accumulated depreciation at 30 June 2021 |      | 0         | (1,737,086) | (1,737,086)              | (782,301)               | (199,148)           | (2,718,535)                         |
| <b>Balance at 30 June 2021</b>           |      | 5,580,550 | 24,021,951  | 29,602,501               | 245,411                 | 2,446,474           | 32,294,386                          |
| Additions                                |      | 0         | 32,595      | 32,595                   | 124,045                 | 698,668             | 855,308                             |
| Disposals                                |      | 0         | 0           | 0                        | 0                       | (266,905)           | (266,905)                           |
| Depreciation                             | 9(a) | 0         | (586,725)   | (586,725)                | (51,471)                | (264,883)           | (903,079)                           |
| Transfers                                |      | 0         | 0           | 0                        | (109,060)               | 0                   | (109,060)                           |
| <b>Balance at 30 June 2022</b>           |      | 5,580,550 | 23,467,821  | 29,048,371               | 208,925                 | 2,613,354           | 31,870,650                          |
| <b>Comprises:</b>                        |      |           |             |                          |                         |                     |                                     |
| Gross balance amount at 30 June 2022     |      | 5,580,550 | 25,791,632  | 31,372,182               | 1,042,370               | 3,030,291           | 35,444,843                          |
| Accumulated depreciation at 30 June 2022 |      | 0         | (2,323,811) | (2,323,811)              | (833,445)               | (416,937)           | (3,574,193)                         |
| <b>Balance at 30 June 2022</b>           |      | 5,580,550 | 23,467,821  | 29,048,371               | 208,925                 | 2,613,354           | 31,870,650                          |

**SHIRE OF YORK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

| <b>Asset Class</b>   | <b>Fair Value Hierarchy</b> | <b>Valuation Technique</b>   | <b>Basis of Valuation</b> | <b>Date of Last Valuation</b> | <b>Inputs Used</b>   |
|--|-----------------------------|--|---------------------------|-------------------------------|--|
| <b>(i) Fair Value</b>  |                             |  |                           |                               |  |
| <b>Land and buildings</b>  |                             |  |                           |                               |  |
| Land   | 2                           | Market approach using recent observable market data for similar assets | Independent               | June 2018                     | Price per square metre   |
| Buildings  | 3                           | Cost approach using depreciated replacement cost                       | Independent               | June 2018                     | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. |                             |  |                           |                               |  |
| During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.  |                             |  |                           |                               |  |
| <b>(ii) Cost</b>   |                             |  |                           |                               |  |
| <b>Furniture and equipment</b>   |                             | N/A  | At cost                   | June 2017                     | N/A  |
| <b>Plant and equipment</b>   |                             | N/A  | At cost                   | June 2020                     | N/A  |

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**8. INFRASTRUCTURE**

**(a) Movements in Balances**

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

| Note   | Infrastructure - roads | Infrastructure - drainage | Infrastructure - bridges | Infrastructure - footpaths | Infrastructure - other structures | Infrastructure - parks & reserves | Total Infrastructure |
|--|------------------------|---------------------------|--------------------------|----------------------------|-----------------------------------|-----------------------------------|----------------------|
| <b>Balance at 1 July 2020</b>  | \$ 70,378,825          | \$ 16,233,670             | \$ 10,955,328            | \$ 1,570,309               | \$ 2,206,880                      | \$ 3,574,346                      | \$ 104,919,358       |
| Additions  | 1,038,285              | 0                         | 38,619                   | 120,766                    | 58,898                            | 71,926                            | 1,328,494            |
| Depreciation   | 9(a) (1,043,884)       | (445,355)                 | (140,694)                | (40,293)                   | (228,223)                         | (101,622)                         | (2,000,071)          |
| <b>Balance at 30 June 2021</b>   | 70,373,226             | 15,788,315                | 10,853,253               | 1,650,782                  | 2,037,555                         | 3,544,650                         | 104,247,781          |
| <b>Comprises:</b>  |                        |                           |                          |                            |                                   |                                   |                      |
| Gross balance at 30 June 2021  | 105,177,785            | 38,064,568                | 11,274,901               | 1,981,839                  | 3,608,786                         | 3,800,610                         | 163,908,489          |
| Accumulated depreciation at 30 June 2021                                 | (34,804,559)           | (22,276,253)              | (421,648)                | (331,057)                  | (1,571,231)                       | (255,960)                         | (59,660,708)         |
| <b>Balance at 30 June 2021</b>   | 70,373,226             | 15,788,315                | 10,853,253               | 1,650,782                  | 2,037,555                         | 3,544,650                         | 104,247,781          |
| Additions  | 417,396                | 98,868                    | 0                        | 0                          | 107,486                           | 8,812                             | 632,562              |
| Revaluation increments / (decrements) transferred to revaluation surplus | 43,431,035             | (8,562,252)               | 7,571,279                | 26,498                     | 0                                 | 0                                 | 42,466,560           |
| Depreciation   | 9(a) (1,052,431)       | (446,494)                 | (141,032)                | (42,327)                   | (228,257)                         | (112,300)                         | (2,022,841)          |
| Transfers  | 260,845                | 0                         | 0                        | 0                          | (260,845)                         | 0                                 | 0                    |
| <b>Balance at 30 June 2022</b>   | 113,430,071            | 6,878,437                 | 18,283,500               | 1,634,953                  | 1,655,939                         | 3,441,162                         | 145,324,062          |
| <b>Comprises:</b>  |                        |                           |                          |                            |                                   |                                   |                      |
| Gross balance at 30 June 2022  | 157,310,635            | 12,100,410                | 50,176,500               | 2,796,092                  | 3,114,044                         | 3,809,422                         | 229,307,103          |
| Accumulated depreciation at 30 June 2022                                 | (43,880,564)           | (5,221,973)               | (31,893,000)             | (1,161,139)                | (1,458,105)                       | (368,260)                         | (83,983,041)         |
| <b>Balance at 30 June 2022</b>   | 113,430,071            | 6,878,437                 | 18,283,500               | 1,634,953                  | 1,655,939                         | 3,441,162                         | 145,324,062          |

SHIRE OF YORK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

| Asset Class                       | Fair Value Hierarchy | Valuation Technique                              | Basis of Valuation   | Date of Last Valuation | Inputs Used  |
|-----------------------------------|----------------------|--|----------------------|------------------------|--|
| <b>(i) Fair Value</b>             |                      |  |                      |                        |  |
| Infrastructure - roads            | 3                    | Cost approach using depreciated replacement cost | Management valuation | June 2022              | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - drainage         | 3                    | Cost approach using depreciated replacement cost | Management valuation | June 2022              | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - bridges          | 3                    | Cost approach using depreciated replacement cost | Management valuation | June 2022              | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - footpaths        | 3                    | Cost approach using depreciated replacement cost | Management valuation | June 2022              | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - other structures | 3                    | Cost approach using depreciated replacement cost | Management valuation | June 2017              | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Infrastructure - parks & reserves | 3                    | Cost approach using depreciated replacement cost | Management valuation | June 2018              | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**9. FIXED ASSETS**

**(a) Depreciation**

|                                   | Note | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|-----------------------------------|------|----------------------|----------------------|----------------------|
| Buildings                         | 7(a) | 586,725              | 598,256              | 581,694              |
| Furniture and equipment           | 7(a) | 51,471               | 92,334               | 56,902               |
| Plant and equipment               | 7(a) | 264,883              | 197,644              | 204,704              |
| Infrastructure - roads            | 8(a) | 1,052,431            | 881,502              | 1,043,884            |
| Infrastructure - drainage         | 8(a) | 446,494              | 458,252              | 445,355              |
| Infrastructure - bridges          | 8(a) | 141,032              | 124,221              | 140,694              |
| Infrastructure - footpaths        | 8(a) | 42,327               | 30,039               | 40,293               |
| Infrastructure - other structures | 8(a) | 228,257              | 203,702              | 228,223              |
| Infrastructure - parks & reserves | 8(a) | 112,300              | 0                    | 101,622              |
| Right-of-use assets - buildings   | 10   | 28,047               | 0                    | 22,218               |
|                                   |      | 2,953,967            | 2,585,950            | 2,865,589            |

**Depreciation rates**

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

| Asset Class              | Useful life     |
|--------------------------|-----------------|
| Buildings                | 40 to 100 years |
| Furniture and equipment  | 8 to 10 years   |
| Plant and equipment      | 5 to 15 years   |
| Intangible assets        | 5 years         |
| Infrastructure roads     |                 |
| - formation              | not depreciated |
| - pavement               | 70 to 110 years |
| - seal                   | 20 to 25 years  |
| Infrastructure footpaths | 25 to 50 years  |
| Infrastructure drainage  | 70 to 100 years |
| Infrastructure other     | 8 to 100 years  |
| Infrastructure bridges   | 40 to 80 years  |
| Right of use (Buildings) | 40 to 100 years |

SHIRE OF YORK  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS (Continued)

(b) Disposals of assets

|                     | 2022<br>Actual<br>Net Book<br>Value | 2022<br>Actual<br>Sale<br>Proceeds | 2022<br>Actual<br>Profit | 2022<br>Actual<br>Loss | 2022<br>Budget<br>Net Book<br>Value | 2022<br>Budget<br>Sale<br>Proceeds | 2022<br>Budget<br>Profit | 2022<br>Budget<br>Loss | 2021<br>Actual<br>Net Book<br>Value | 2021<br>Actual<br>Sale<br>Proceeds | 2021<br>Actual<br>Profit | 2021<br>Actual<br>Loss |
|---------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|
|                     | \$                                  | \$                                 | \$                       | \$                     | \$                                  | \$                                 | \$                       | \$                     | \$                                  | \$                                 | \$                       | \$                     |
| Buildings           | 0                                   | 0                                  | 0                        | 0                      | 340,000                             | 250,000                            | 0                        | (90,000)               | 7,264                               | 0                                  | 0                        | (7,264)                |
| Plant and equipment | 266,905                             | 203,627                            | 11,260                   | (74,538)               | 520,950                             | 362,000                            | 0                        | (158,950)              | 101,616                             | 101,116                            | 5,702                    | (6,202)                |
|                     | 266,905                             | 203,627                            | 11,260                   | (74,538)               | 860,950                             | 612,000                            | 0                        | (248,950)              | 108,880                             | 101,116                            | 5,702                    | (13,466)               |

The following assets were disposed of during the year.

|                                    | 2022<br>Actual<br>Net Book<br>Value | 2022<br>Actual<br>Sale<br>Proceeds | 2022<br>Actual<br>Profit | 2022<br>Actual<br>Loss |
|------------------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|
|                                    | \$                                  | \$                                 | \$                       | \$                     |
| <b>Plant and Equipment</b>         |                                     |                                    |                          |                        |
| <b>Governance</b>                  |                                     |                                    |                          |                        |
| 12206 Volkswagen Tiguan            | 30,773                              | 36,364                             | 5,591                    | 0                      |
| 12211 Ford Everest                 | 40,620                              | 43,636                             | 3,016                    | 0                      |
| <b>Transport</b>                   |                                     |                                    |                          |                        |
| 12052 Sweeper Ride-On              | 17,938                              | 15,900                             | 0                        | (2,038)                |
| 11920 Grader Volvo                 | 127,500                             | 55,000                             | 0                        | (72,500)               |
| <b>Economic services</b>           |                                     |                                    |                          |                        |
| 12199 Dual Cab Utility             | 28,420                              | 29,091                             | 671                      | 0                      |
| <b>Other property and services</b> |                                     |                                    |                          |                        |
| 12189 Isuzu Dmax                   | 21,654                              | 23,636                             | 1,982                    | 0                      |
|                                    | 266,905                             | 203,627                            | 11,260                   | (74,538)               |

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**9. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Initial recognition and measurement for assets held at cost**

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

**Initial recognition and measurement between mandatory revaluation dates for assets held at fair value**

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

**Revaluation**

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

**Revaluation (continued)**

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**Depreciation on revaluation**

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**10. LEASES**

**Right-of-Use Assets**

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

|                                | Right-of-use<br>assets -<br>buildings | Right-of-use<br>assets<br>Total |
|--------------------------------|---------------------------------------|---------------------------------|
| Note                           | \$                                    | \$                              |
| <b>Balance at 1 July 2020</b>  | 800,061                               | 800,061                         |
| Additions                      | 192,656                               | 192,656                         |
| Depreciation                   | (22,218)                              | (22,218)                        |
| <b>Balance at 30 June 2021</b> | 970,499                               | 970,499                         |
| Additions                      | 88,988                                | 88,988                          |
| Depreciation                   | 9(a) (28,047)                         | (28,047)                        |
| <b>Balance at 30 June 2022</b> | 1,031,440                             | 1,031,440                       |

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

|   | 2022<br>Actual | 2021<br>Actual |
|---|----------------|----------------|
|   | \$             | \$             |
| Depreciation on right-of-use assets                                     | 9(a) (28,047)  | (22,218)       |
| <b>Total amount recognised in the statement of comprehensive income</b> | (28,047)       | (22,218)       |

**Secured liabilities and assets pledged as security**

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

**Right-of-use assets - valuation measurement**

Right-of-use assets are measured at cost. This means that right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 9 under revaluation for details on the significant accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**11. TRADE AND OTHER PAYABLES**

**Current**

|   |
|---|
| Sundry creditors                              |
| Prepaid rates                                 |
| Accrued payroll liabilities                   |
| ATO liabilities                               |
| Cash held for distribution - previously Trust |
| Accrued interest on long term borrowings      |

| 2022      | 2021      |
|-----------|-----------|
| \$        | \$        |
| 691,794   | 1,193,745 |
| 142,113   | 99,690    |
| 38,217    | 0         |
| 89,020    | 0         |
| 397,492   | 398,644   |
| 11,396    | 13,564    |
| 1,370,032 | 1,705,643 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**12. OTHER LIABILITIES**

**Current**

Capital grant/contributions liabilities

**Reconciliation of changes in contract liabilities**

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

**Reconciliation of changes in capital grant/contribution liabilities**

Opening balance

Additions

Revenue from capital grant/contributions held as a liability at the start of the period

|   | 2022      | 2021    |
|---|-----------|---------|
|   | \$        | \$      |
| Capital grant/contributions liabilities   | 1,013,530 | 556,588 |
|   | 1,013,530 | 556,588 |
| Opening balance   | 556,588   | 333,758 |
| Additions   | 598,784   | 222,830 |
| Revenue from capital grant/contributions held as a liability at the start of the period | (141,842) | 0       |
|   | 1,013,530 | 556,588 |

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**Capital grant/contribution liabilities**

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF YORK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**13. BORROWINGS**

|                                 | Note | 2022    |             |           | 2021    |             |           |
|---------------------------------|------|---------|-------------|-----------|---------|-------------|-----------|
|                                 |      | Current | Non-current | Total     | Current | Non-current | Total     |
| <b>Secured</b>                  |      | \$      | \$          | \$        | \$      | \$          | \$        |
| Debentures                      |      | 197,908 | 1,175,008   | 1,372,916 | 251,899 | 1,372,916   | 1,624,815 |
| <b>Total secured borrowings</b> | 26   | 197,908 | 1,175,008   | 1,372,916 | 251,899 | 1,372,916   | 1,624,815 |

**Secured liabilities and assets pledged as security**

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of York. Other loans relate to transferred receivables. Refer to Note 5.

The Shire of York has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 20.

Details of individual borrowings required by regulations are provided at Note 26.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

|                                    | 2022    | 2021      |
|------------------------------------|---------|-----------|
|                                    | \$      | \$        |
| <b>Current provisions</b>          |         |           |
| <b>Employee benefit provisions</b> |         |           |
| Annual Leave                       | 449,878 | 507,559   |
| Long Service Leave                 | 330,382 | 336,694   |
| Provision for sick leave           | 43,605  | 71,956    |
|                                    | 823,865 | 916,209   |
| <b>Non-current provisions</b>      |         |           |
| Long Service Leave                 | 75,613  | 77,384    |
| Provision for sick leave           | 22,703  | 40,678    |
|                                    | 98,316  | 118,062   |
|                                    | 922,181 | 1,034,271 |

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

**Amounts are expected to be settled on the following basis:**

|  | 2022    | 2021      |
|--|---------|-----------|
|  | \$      | \$        |
| Less than 12 months after the reporting date | 259,111 | 313,567   |
| More than 12 months from reporting date      | 663,070 | 720,704   |
|  | 922,181 | 1,034,271 |

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

| Note | 2022   | 2021   |
|------|--------|--------|
|      | \$     | \$     |
|      | 46,839 | 21,709 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

**Short-term employee benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**15. REVALUATION SURPLUS**

|   | <b>2022<br/>Opening<br/>Balance</b> | <b>2022<br/>Revaluation<br/>Increment</b> | <b>2022<br/>Revaluation<br/>(Decrement)</b> | <b>Total<br/>Movement on<br/>Revaluation</b> | <b>2022<br/>Closing<br/>Balance</b> | <b>2021<br/>Opening<br/>Balance</b> | <b>2021<br/>Revaluation<br/>Increment</b> | <b>2021<br/>Closing<br/>Balance</b> |
|---|-------------------------------------|---|---|--|-------------------------------------|-------------------------------------|---|-------------------------------------|
|   | \$                                  | \$  | \$  | \$   | \$                                  | \$                                  | \$  | \$                                  |
| Revaluation surplus - Land - freehold land              | 4,001,800                           | 0   | 0   | 0  | 4,001,800                           | 4,001,800                           | 0   | 4,001,800                           |
| Revaluation surplus - Buildings                         | 17,808,574                          | 0   | 0   | 0  | 17,808,574                          | 17,808,574                          | 0   | 17,808,574                          |
| Revaluation surplus - Furniture and equipment           | 61,757                              | 0   | 0   | 0  | 61,757                              | 61,757                              | 0   | 61,757                              |
| Revaluation surplus - Plant and equipment               | 772,011                             | 0   | 0   | 0  | 772,011                             | 772,011                             | 0   | 772,011                             |
| Revaluation surplus - Infrastructure - roads            | 51,881,661                          | 43,431,035                                | 0   | 43,431,035                                   | 95,312,696                          | 51,881,661                          | 0   | 51,881,661                          |
| Revaluation surplus - Infrastructure - drainage         | 16,700,778                          | 0   | (8,562,252)                                 | (8,562,252)                                  | 8,138,526                           | 16,700,778                          | 0   | 16,700,778                          |
| Revaluation surplus - Infrastructure - bridges          | 9,305,553                           | 7,571,279                                 | 0   | 7,571,279                                    | 16,876,832                          | 9,305,553                           | 0   | 9,305,553                           |
| Revaluation surplus - Infrastructure - footpaths        | 863,268                             | 26,498                                    | 0   | 26,498                                       | 889,766                             | 863,268                             | 0   | 863,268                             |
| Revaluation surplus - Infrastructure - other structures | 533,633                             | 0   | 0   | 0  | 533,633                             | 533,633                             | 0   | 533,633                             |
| Revaluation surplus - Infrastructure - parks & reserves | 2,583,357                           | 0   | 0   | 0  | 2,583,357                           | 2,583,357                           | 0   | 2,583,357                           |
|   | 104,512,392                         | 51,028,812                                | (8,562,252)                                 | 42,466,560                                   | 146,978,952                         | 104,512,392                         | 0   | 104,512,392                         |

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**16. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

| Note | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|------|----------------------|----------------------|----------------------|
|------|----------------------|----------------------|----------------------|

|                           |   |           |           |           |
|---------------------------|---|-----------|-----------|-----------|
| Cash and cash equivalents | 3 | 8,003,482 | 4,164,083 | 7,018,678 |
|---------------------------|---|-----------|-----------|-----------|

**Restrictions**

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

|                             |   |           |           |           |
|-----------------------------|---|-----------|-----------|-----------|
| - Cash and cash equivalents | 3 | 3,598,803 | 2,588,110 | 3,215,409 |
|                             |   | 3,598,803 | 2,588,110 | 3,215,409 |

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

|  |    |                  |                  |                  |
|--|----|------------------|------------------|------------------|
| Restricted reserve accounts              | 27 | 2,585,273        | 2,588,110        | 2,658,821        |
| Capital grant/contributions liabilities  |    | 1,013,530        | 0                | 556,588          |
| <b>Total restricted financial assets</b> |    | <b>3,598,803</b> | <b>2,588,110</b> | <b>3,215,409</b> |

**(b) Reconciliation of Net Result to Net Cash Provided  
By Operating Activities**

|            |  |           |           |           |
|------------|--|-----------|-----------|-----------|
| Net result |  | (270,567) | (996,810) | (266,194) |
|------------|--|-----------|-----------|-----------|

Non-cash items:

|   |  |           |           |           |
|---|--|-----------|-----------|-----------|
| Adjustments to fair value of financial assets at fair value through profit and loss |  | 0         | 0         | (2,586)   |
| Depreciation/amortisation   |  | 2,953,967 | 2,585,950 | 2,865,589 |
| (Profit)/loss on sale of asset  |  | 63,278    | 248,950   | 7,764     |
| Transfer of fixed assets to expenses  |  | 109,060   | 0         | 0         |

Changes in assets and liabilities:

|  |  |           |           |           |
|--|--|-----------|-----------|-----------|
| (Increase)/decrease in trade and other receivables |  | (255,723) | (190,658) | 1,082,085 |
| (Increase)/decrease in inventories                 |  | 678       | 19,914    | (10,681)  |
| Increase/(decrease) in trade and other payables    |  | (335,611) | 0         | (54,297)  |
| Increase/(decrease) in employee related provisions |  | (112,090) | 0         | 27,688    |
| Increase/(decrease) in other liabilities           |  | 456,942   | 0         | 222,830   |

|   |  |             |             |             |
|---|--|-------------|-------------|-------------|
| Non-operating grants, subsidies and contributions |  | (1,377,604) | (1,585,953) | (1,132,416) |
|---|--|-------------|-------------|-------------|

|   |  |           |        |           |
|---|--|-----------|--------|-----------|
| Net cash provided by/(used in) operating activities |  | 1,232,330 | 81,393 | 2,739,782 |
|---|--|-----------|--------|-----------|

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

|                                      |  |                |  |                |
|--------------------------------------|--|----------------|--|----------------|
| Bank overdraft limit                 |  | 200,000        |  | 200,000        |
| Bank overdraft at balance date       |  | 0              |  | 0              |
| Credit card limit                    |  | 10,000         |  | 10,000         |
| Credit card balance at balance date  |  | (1,654)        |  | (752)          |
| <b>Total amount of credit unused</b> |  | <b>208,346</b> |  | <b>209,248</b> |

**Loan facilities**

|  |  |                  |  |                  |
|--|--|------------------|--|------------------|
| Loan facilities - current                      |  | 197,908          |  | 251,899          |
| Loan facilities - non-current                  |  | 1,175,008        |  | 1,372,916        |
| <b>Total facilities in use at balance date</b> |  | <b>1,372,916</b> |  | <b>1,624,815</b> |

|   |  |          |  |          |
|---|--|----------|--|----------|
| <b>Unused loan facilities at balance date</b> |  | <b>0</b> |  | <b>0</b> |
|---|--|----------|--|----------|

**SHIRE OF YORK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**17. CONTINGENT LIABILITIES**

The Shire of York has identified the following sites in relation to land owned, vested or leased that is known to be or suspected of being contaminated. At the date of this report the value and timing of remediation has not been ascertained.

- 4, 5, 6, 36 and 38 Avon Terrace, York 6302 comprising of lots 2, 3, 4, 5 and 6 Avon Terrace.
- 15 Redmile Road, York 6302 comprising of lot 13 Redmile Road.

**18. CAPITAL COMMITMENTS**

|                                | 2022    | 2021   |
|--------------------------------|---------|--------|
|                                | \$      | \$     |
| Contracted for:                |         |        |
| - capital expenditure projects | 117,505 | 67,600 |
| - plant & equipment purchases  | 368,050 | 20,959 |
|                                | 485,555 | 88,559 |
| Payable:                       |         |        |
| - not later than one year      | 485,555 | 88,559 |

SHIRE OF YORK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

| Note   | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|--|----------------------|----------------------|----------------------|
| <b>Councillor 1</b>  |                      |                      |                      |
| President's annual allowance   | 16,916               | 16,916               | 16,916               |
| Meeting attendance fees  | 20,986               | 20,986               | 20,986               |
| ICT expenses   | 1,722                | 2,000                | 2,017                |
| Travel and accommodation expenses  | 0                    | 215                  | 0                    |
|  | 39,624               | 40,117               | 39,919               |
| <b>Councillor 2</b>  |                      |                      |                      |
| Deputy President's annual allowance  | 4,229                | 4,229                | 4,229                |
| Meeting attendance fees  | 13,562               | 13,562               | 13,562               |
| ICT expenses   | 1,722                | 2,000                | 2,017                |
| Travel and accommodation expenses  | 0                    | 215                  | 0                    |
|  | 19,513               | 20,006               | 19,808               |
| <b>Councillor 3</b>  |                      |                      |                      |
| Meeting attendance fees  | 13,562               | 13,562               | 13,562               |
| ICT expenses   | 1,722                | 2,000                | 2,017                |
| Travel and accommodation expenses  | 0                    | 214                  | 0                    |
|  | 15,284               | 15,776               | 15,579               |
| <b>Councillor 4</b>  |                      |                      |                      |
| Meeting attendance fees  | 13,562               | 13,562               | 13,562               |
| ICT expenses   | 1,722                | 2,000                | 2,017                |
| Travel and accommodation expenses  | 0                    | 214                  | 0                    |
|  | 15,284               | 15,776               | 15,579               |
| <b>Councillor 5</b>  |                      |                      |                      |
| Meeting attendance fees  | 13,562               | 13,562               | 13,562               |
| ICT expenses   | 1,722                | 2,000                | 2,017                |
| Travel and accommodation expenses  | 0                    | 214                  | 0                    |
|  | 15,284               | 15,776               | 15,579               |
| <b>Councillor 6</b>  |                      |                      |                      |
| Meeting attendance fees  | 13,562               | 13,562               | 13,562               |
| ICT expenses   | 1,722                | 2,000                | 2,017                |
| Travel and accommodation expenses  | 323                  | 214                  | 218                  |
|  | 15,607               | 15,776               | 15,797               |
| <b>Councillor 7</b>  |                      |                      |                      |
| Meeting attendance fees  | 3,976                | 13,562               | 10,478               |
| ICT expenses   | 506                  | 2,000                | 1,556                |
| Travel and accommodation expenses  | 0                    | 214                  | 0                    |
|  | 4,482                | 15,776               | 12,034               |
| <b>Councillor 8</b>  |                      |                      |                      |
| Meeting attendance fees  | 9,438                | 0                    | 0                    |
| ICT expenses   | 1,198                | 0                    | 0                    |
|  | 10,636               | 0                    | 0                    |
| <b>Councillor 9</b>  |                      |                      |                      |
| ICT expenses   | 0                    | 0                    | 96                   |
|  | 0                    | 0                    | 96                   |
|  | 135,714              | 139,003              | 134,391              |
| Fees, expenses and allowances to be paid or reimbursed to elected council members. |                      |                      |                      |
|  | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
| President's annual allowance   | 16,916               | 16,916               | 16,916               |
| Deputy President's annual allowance  | 4,229                | 4,229                | 4,229                |
| Meeting attendance fees  | 102,210              | 102,358              | 99,274               |
| ICT expenses   | 12,036               | 14,000               | 13,754               |
| Travel and accommodation expenses  | 323                  | 1,500                | 218                  |
|  | 135,714              | 139,003              | 134,391              |

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**19. RELATED PARTY TRANSACTIONS (Continued)**

**(b) Key Management Personnel (KMP) Compensation**

The total of compensation paid to KMP of the Shire during the year are as follows:

|                                     | <b>2022<br/>Actual</b> | <b>2021<br/>Actual</b> |
|-------------------------------------|------------------------|------------------------|
|                                     | \$                     | \$                     |
| Short-term employee benefits        | 625,632                | 522,864                |
| Post-employment benefits            | 59,564                 | 51,104                 |
| Employee - other long-term benefits | 11,668                 | 9,962                  |
| Employee - termination benefits     | 0                      | 23,323                 |
| Council member costs                | 135,714                | 134,391                |
| 19(a)                               | 832,578                | 741,644                |

*Short-term employee benefits*

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

*Post-employment benefits*

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

*Other long-term benefits*

These amounts represent annual leave and long service leave entitlements accruing during the year.

*Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

*Council member costs*

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**19. RELATED PARTY TRANSACTIONS (Continued)**

**(c) Transactions with related parties**

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

Sale of goods and services  
Purchase of goods and services

|                                | 2022<br>Actual | 2021<br>Actual |
|--------------------------------|----------------|----------------|
|                                | \$             | \$             |
| Sale of goods and services     | 0              | 5,200          |
| Purchase of goods and services | 0              | 2,346          |

**(d) Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.

*ii. Other Related Parties*

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

*iii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**20. FINANCIAL RISK MANAGEMENT**

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

| <b>Risk</b>                         | <b>Exposure arising from</b>  | <b>Measurement</b>                | <b>Management</b>  |
|-------------------------------------|---|-----------------------------------|--|
| <b>Market risk - interest rates</b> | Long term borrowings at variable rates  | Sensitivity analysis              | Utilise fixed interest rate borrowings                             |
| <b>Credit risk</b>                  | Cash and cash equivalents, trade receivables, financial assets and debt investments | Aging analysis<br>Credit analysis | Diversification of bank deposits, credit limits. Investment policy |
| <b>Liquidity risk</b>               | Borrowings and other liabilities  | Rolling cash flow forecasts       | Availability of committed credit lines and borrowing facilities    |

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

**(a) Interest rate risk**

**Cash and cash equivalents**

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

|                           | <b>Weighted Average Interest Rate</b> | <b>Carrying Amounts</b> | <b>Fixed Interest Rate</b> | <b>Variable Interest Rate</b> | <b>Non Interest Bearing</b> |
|---------------------------|---------------------------------------|-------------------------|----------------------------|-------------------------------|-----------------------------|
|                           | <b>%</b>                              | <b>\$</b>               | <b>\$</b>                  | <b>\$</b>                     | <b>\$</b>                   |
| <b>2022</b>               |                                       |                         |                            |                               |                             |
| Cash and cash equivalents | 0.36%                                 | 8,003,482               | 3,467,197                  | 6,527                         | 4,529,758                   |
| <b>2021</b>               |                                       |                         |                            |                               |                             |
| Cash and cash equivalents | 0.24%                                 | 7,018,678               | 3,575,464                  | 3,443,214                     | 0                           |

**Sensitivity**

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

Impact of a 1% movement in interest rates on profit and loss and equity\*

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
|  | 65          | 34,432      |

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 26.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**20. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

|                             | Less than 1<br>year past due | More than 30<br>days past due | More than 60<br>days past due | More than 90<br>days past due | Total   | Note |
|-----------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|---------|------|
| <b>30 June 2022</b>         |                              |                               |                               |                               |         |      |
| Trade and other receivables |                              |                               |                               |                               |         |      |
| Expected credit loss        | 0.00%                        | 0.04%                         | 0.02%                         | 0.04%                         |         |      |
| Gross carrying amount       | 282,653                      | 3,132                         | 5,350                         | 13,878                        | 305,013 |      |
| Loss allowance              | 88                           | 122                           | 99                            | 542                           | 851     | 5    |
| <b>30 June 2021</b>         |                              |                               |                               |                               |         |      |
| Trade and other receivables |                              |                               |                               |                               |         |      |
| Expected credit loss        | 0.96%                        | 0.41%                         | 0.81%                         | 1.70%                         |         |      |
| Gross carrying amount       | 29,394                       | 29,682                        | 8,400                         | 11,360                        | 78,836  |      |
| Loss allowance              | 283                          | 121                           | 68                            | 193                           | 665     | 5    |

**(b) Credit risk**

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

|   | Trade and other receivables |                |
|---|-----------------------------|----------------|
|   | 2022<br>Actual              | 2021<br>Actual |
| <b>Opening loss allowance as at 1 July</b>                              | \$ 665                      | \$ 1,679       |
| Increase in loss allowance recognised in profit or loss during the year | 186                         | 0              |
| Unused amount reversed  | 0                           | (1,014)        |
| <b>Closing loss allowance at 30 June</b>                                | <b>851</b>                  | <b>665</b>     |

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**20. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

|                          | <b>Due<br/>within<br/>1 year</b> | <b>Due<br/>between<br/>1 &amp; 5 years</b> | <b>Due<br/>after<br/>5 years</b> | <b>Total<br/>contractual<br/>cash flows</b> | <b>Carrying<br/>values</b> |
|--------------------------|----------------------------------|--|----------------------------------|---|----------------------------|
|                          | \$                               | \$   | \$                               | \$  | \$                         |
| <b><u>2022</u></b>       |                                  |  |                                  |   |                            |
| Trade and other payables | 1,370,032                        | 0  | 0                                | 1,370,032                                   | 1,370,032                  |
| Borrowings               | 270,508                          | 951,572                                    | 471,717                          | 1,693,797                                   | 1,372,916                  |
|                          | <u>1,640,540</u>                 | <u>951,572</u>                             | <u>471,717</u>                   | <u>3,063,829</u>                            | <u>2,742,948</u>           |
| <b><u>2021</u></b>       |                                  |  |                                  |   |                            |
| Trade and other payables | 1,705,643                        | 0  | 0                                | 1,705,643                                   | 1,705,643                  |
| Borrowings               | 335,282                          | 1,222,080                                  | 471,716                          | 2,029,078                                   | 1,624,815                  |
|                          | <u>2,040,925</u>                 | <u>1,222,080</u>                           | <u>471,716</u>                   | <u>3,734,721</u>                            | <u>3,330,458</u>           |

**21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There were no events occurring subsequent to the end of the reporting period that warrant adjustments or disclosure.

## 22. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

### b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

### c) Rounding off figures

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

### d) Comparative figures

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

### h) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### i) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

#### Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

#### Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

#### Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

#### Market approach

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

#### Income approach

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

#### Cost approach

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

### j) Impairment of assets

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

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

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

### k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

#### New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

**SHIRE OF YORK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**23. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

| <b>Objective</b>                   | <b>Description</b>  |
|------------------------------------|---|
| <b>Governance</b>                  | Members expenses and the costs associated with meetings of Council, policy determination and public ceremonies and presentations and administration allocations.  |
| <b>General purpose funding</b>     | Rates, general purpose government grants and interest revenue.  |
| <b>Law, order, public safety</b>   | Supervision of local laws, fire prevention including the provision of volunteer fire brigades, animal control and the support of local emergency and public safety organisations.   |
| <b>Health</b>                      | Food quality control, immunisation, environmental health and support to the medical practice and practitioners.   |
| <b>Education and welfare</b>       | Building maintenance of Pioneer Memorial Lodge (leased Aged Care facility) and Centennial Units which are a joint venture with Homeswest providing self contained units to over 55's. Support to youth based initiatives. |
| <b>Community amenities</b>         | Rubbish collection services, management of waste facilities, noise control, administration of the Town Planning Scheme, maintenance of cemeteries and storm water drainage maintenance.                                   |
| <b>Recreation and culture</b>      | Maintenance of halls, aquatic centre, recreation centre and various reserves. Operation of the library and support to and maintenance of the Residency Museum.  |
| <b>Transport</b>                   | Construction and maintenance of roads, bridges, footpaths, drainage works, lighting and cleaning of streets and depot maintenance.  |
| <b>Economic services</b>           | Area promotion, support to tourism, building control, the community bus, and standpipes.  |
| <b>Other property and services</b> | Public works overhead allocations, plant operation cost allocations & stock.  |

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**23. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

|   | <b>2022</b>         | <b>2022</b>         | <b>2021</b>         |
|---|---------------------|---------------------|---------------------|
|   | <b>Actual</b>       | <b>Budget</b>       | <b>Actual</b>       |
|   | <b>\$</b>           | <b>\$</b>           | <b>\$</b>           |
| <b>Income excluding grants, subsidies and contributions</b> |                     |                     |                     |
| Governance  | 16,450              | 2,720               | 30,362              |
| General purpose funding                                     | 6,526,969           | 6,470,079           | 6,083,054           |
| Law, order, public safety                                   | 32,699              | 66,406              | 29,650              |
| Health  | 27,329              | 22,800              | 17,077              |
| Education and welfare                                       | 55,942              | 58,624              | 63,582              |
| Community amenities   | 856,872             | 783,957             | 793,939             |
| Recreation and culture                                      | 309,384             | 172,278             | 434,993             |
| Transport   | 65,071              | 55,000              | 61,155              |
| Economic services   | 148,505             | 143,204             | 177,777             |
| Other property and services                                 | 40,128              | 34,101              | 54,969              |
|   | <b>8,079,349</b>    | <b>7,809,169</b>    | <b>7,746,558</b>    |
| <b>Grants, subsidies and contributions</b>                  |                     |                     |                     |
| Governance  | 27,259              | 0                   | 21,000              |
| General purpose funding                                     | 1,958,166           | 705,364             | 1,501,419           |
| Law, order, public safety                                   | 46,351              | 55,961              | 46,904              |
| Recreation and culture                                      | 191,195             | 118,789             | 88,791              |
| Transport   | 815,169             | 1,628,527           | 782,049             |
| Economic services   | 98,499              | 125,000             | 30,500              |
|   | <b>3,136,639</b>    | <b>2,633,641</b>    | <b>2,470,663</b>    |
| <b>Total Income</b>   | <b>11,215,988</b>   | <b>10,442,810</b>   | <b>10,217,221</b>   |
| <b>Expenses</b>   |                     |                     |                     |
| Governance  | (917,291)           | (954,074)           | (606,267)           |
| General purpose funding                                     | (456,180)           | (757,496)           | (432,912)           |
| Law, order, public safety                                   | (465,361)           | (498,588)           | (484,641)           |
| Health  | (238,915)           | (202,490)           | (257,444)           |
| Education and welfare                                       | (117,472)           | (168,968)           | (127,987)           |
| Community amenities   | (1,149,108)         | (1,298,764)         | (1,131,985)         |
| Recreation and culture                                      | (3,319,809)         | (3,297,258)         | (3,257,007)         |
| Transport   | (3,360,503)         | (2,681,574)         | (3,083,729)         |
| Economic services   | (1,093,421)         | (1,397,341)         | (1,037,843)         |
| Other property and services                                 | (368,495)           | (183,067)           | (63,600)            |
| <b>Total expenses</b>                                       | <b>(11,486,555)</b> | <b>(11,439,620)</b> | <b>(10,483,415)</b> |
| <b>Net result for the period</b>                            | <b>(270,567)</b>    | <b>(996,810)</b>    | <b>(266,194)</b>    |

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**23. FUNCTION AND ACTIVITY (Continued)**

|                             | <b>2022</b>      | <b>2022</b>      | <b>2021</b>      |
|-----------------------------|------------------|------------------|------------------|
|                             | <b>Actual</b>    | <b>Budget</b>    | <b>Actual</b>    |
|                             | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        |
| <b>(c) Fees and Charges</b> |                  |                  |                  |
| Governance                  | 303              | 310              | 609              |
| General purpose funding     | 51,490           | 33,000           | 32,117           |
| Law, order, public safety   | 26,918           | 17,210           | 21,741           |
| Health                      | 27,329           | 22,800           | 17,077           |
| Education and welfare       | 33,442           | 54,821           | 36,946           |
| Community amenities         | 772,591          | 735,978          | 745,544          |
| Recreation and culture      | 280,520          | 161,938          | 433,685          |
| Transport                   | 199              | 0                | 0                |
| Economic services           | 145,501          | 142,098          | 176,206          |
| Other property and services | 20,867           | 17,100           | 26,618           |
|                             | <b>1,359,160</b> | <b>1,185,255</b> | <b>1,490,543</b> |

|                             | <b>2022</b>        | <b>2021</b>        |
|-----------------------------|--------------------|--------------------|
|                             | <b>\$</b>          | <b>\$</b>          |
| <b>(d) Total Assets</b>     |                    |                    |
| Governance                  | 2,992,134          | 3,052,172          |
| General purpose funding     | 7,589,761          | 6,728,478          |
| Law, order, public safety   | 717,103            | 785,010            |
| Health                      | 922                | 0                  |
| Education and welfare       | 2,255,310          | 2,316,873          |
| Housing                     | 0                  | 333,932            |
| Community amenities         | 625,952            | 640,559            |
| Recreation and culture      | 26,211,083         | 26,584,377         |
| Transport                   | 141,515,025        | 99,850,307         |
| Economic services           | 98,395             | 466,920            |
| Other property and services | 4,045,556          | 3,429,500          |
| Unallocated                 | 1,609,993          | 1,519,771          |
|                             | <b>187,661,234</b> | <b>145,707,899</b> |

SHIRE OF YORK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

24. RATING INFORMATION

(a) General Rates

| RATE TYPE                                     |                        | Rate in  | Number of  | 2021/22                 | 2021/22             | 2021/22              | 2021/22           | 2021/22              | 2021/22             | 2021/22             | 2021/22          | 2020/21              |                      |
|---|------------------------|----------|------------|-------------------------|---------------------|----------------------|-------------------|----------------------|---------------------|---------------------|------------------|----------------------|----------------------|
| Rate Description                              | Basis of valuation     | \$       | Properties | Actual Rateable Value * | Actual Rate Revenue | Actual Interim Rates | Actual Back Rates | Actual Total Revenue | Budget Rate Revenue | Budget Interim Rate | Budget Back Rate | Budget Total Revenue | Actual Total Revenue |
|   |                        |          |            | \$                      | \$                  | \$                   | \$                | \$                   | \$                  | \$                  | \$               | \$                   | \$                   |
| GRV General rate                              | Gross rental valuation | 0.127598 | 1,475      | 22,922,399              | 2,924,853           | 3,073                | 1,054             | 2,928,980            | 2,933,980           | 0                   | 0                | 2,933,980            | 2,834,147            |
| UV General rate                               | Unimproved valuation   | 0.0970   | 362        | 254,369,000             | 2,466,871           | 10,448               | 222               | 2,477,541            | 2,466,948           | 1,100               | 0                | 2,468,048            | 2,180,777            |
| <b>Sub-Total</b>                              |                        |          | 1,837      | 277,291,399             | 5,391,724           | 13,521               | 1,276             | 5,406,521            | 5,400,928           | 1,100               | 0                | 5,402,028            | 5,014,924            |
| <b>Minimum payment</b>                        |                        |          |            |                         |                     |                      |                   |                      |                     |                     |                  |                      |                      |
|   |                        | \$       |            |                         |                     |                      |                   |                      |                     |                     |                  |                      |                      |
| GRV General rate                              | Gross rental valuation | 1,080    | 484        | 1,447,018               | 522,720             | 0                    | 0                 | 522,720              | 524,880             | 0                   | 0                | 524,880              | 535,680              |
| UV General rate                               | Unimproved valuation   | 1,390    | 324        | 30,073,362              | 450,360             | 0                    | 0                 | 450,360              | 446,190             | 0                   | 0                | 446,190              | 451,750              |
| <b>Sub-Total</b>                              |                        |          | 808        | 31,520,380              | 973,080             | 0                    | 0                 | 973,080              | 971,070             | 0                   | 0                | 971,070              | 987,430              |
|   |                        |          | 2,645      | 308,811,779             | 6,364,804           | 13,521               | 1,276             | 6,379,601            | 6,371,998           | 1,100               | 0                | 6,373,098            | 6,002,354            |
| Discounts on general rates (Refer note 24(b)) |                        |          |            |                         |                     |                      |                   | (53,828)             |                     |                     |                  | (50,000)             | (45,979)             |
| <b>Total amount raised from general rates</b> |                        |          |            |                         |                     |                      |                   | 6,325,773            |                     |                     |                  | 6,323,098            | 5,956,375            |
|   |                        |          |            |                         |                     |                      |                   | <b>6,325,773</b>     |                     |                     |                  | 6,323,098            | 5,956,375            |

(b) Total Rates

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

\* Rateable value is based on the value of properties at the time the rate is raised.

SHIRE OF YORK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

24. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

| Rate or Fee<br>Discount Granted | Discount<br>% | Discount<br>\$ | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ | Circumstances in which Discount is Granted   |
|---------------------------------|---------------|----------------|----------------------|----------------------|----------------------|--|
| GRV & UV                        | 1.50%         |                | 53,828               | 50,000               | 45,979               | Rates payment incentive applicable to those who pay rates in full by the due date.<br>Not applicable to the instalment option. |
|                                 |               |                | 53,828               | 50,000               | 45,979               |  |

Incentives, concessions and write-offs to rates

| Rate or Fee and<br>Charge to which<br>the Incentive, Concession<br>or Write-offs to rates | Waiver/<br>Concession | Discount<br>% | Discount<br>\$ | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|---|-----------------------|---------------|----------------|----------------------|----------------------|----------------------|
| York Dollar Vouchers*   | Incentive             | n/a           | 50             | 42,366               | 60,000               | 44,568               |
| General rates   | Write-off             | n/a           | n/a            | 64                   | 100,000              | 58,918               |
| Financial hardship  | Concession            | n/a           | n/a            | 0                    | 0                    | 800                  |
| Penalty interest  | Write-off             | n/a           | n/a            | 14                   | 0                    | 147                  |
|   |                       |               |                | 42,444               | 160,000              | 104,433              |
| Total discounts/concessions (Note 24)   |                       |               |                | 96,272               | 210,000              | 150,412              |

\*The York Dollars incentive program was applicable to those rate payers who paid their rates by the due date. A voucher per \$50 could be claimed by rate payers who paid in full by the due date. The incentive reported above reflects the redemption of the York Dollars Vouchers by local businesses.

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**24. RATING INFORMATION (Continued)**

**(c) Interest Charges & Instalments**

| <b>Instalment Options</b> | <b>Date Due</b> | <b>Instalment Plan Admin Charge</b> | <b>Instalment Plan Interest Rate</b> | <b>Unpaid Rates Interest Rate</b> |
|---------------------------|-----------------|-------------------------------------|--------------------------------------|-----------------------------------|
|                           |                 | <b>\$</b>                           | <b>%</b>                             | <b>%</b>                          |
| <b>Option One</b>         |                 |                                     |                                      |                                   |
| Single full payment       | 15/09/2021      | 0.0                                 | 0.00%                                | 7.00%                             |
| <b>Option Two</b>         |                 |                                     |                                      |                                   |
| First instalment          | 15/09/2021      | 0.0                                 | 5.50%                                | 7.00%                             |
| Second instalment         | 17/11/2021      | 10.0                                | 5.50%                                | 7.00%                             |
| Third instalment          | 19/01/2022      | 10.0                                | 5.50%                                | 7.00%                             |
| Fourth instalment         | 23/03/2022      | 10.0                                | 5.50%                                | 7.00%                             |

|                             | <b>2022 Actual</b> | <b>2022 Budget</b> | <b>2021 Actual</b> |
|-----------------------------|--------------------|--------------------|--------------------|
|                             | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          |
| Interest on unpaid rates    | 81,427             | 54,200             | 46,565             |
| Interest on instalment plan | 22,467             | 24,000             | 0                  |
| Charges on instalment plan  | 0                  | 15,000             | 0                  |
| Pensioner deferred interest | 0                  | 0                  | 1,322              |
|                             | <b>103,894</b>     | <b>93,200</b>      | <b>47,887</b>      |

SHIRE OF YORK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

25. RATE SETTING STATEMENT INFORMATION

|  |  | 2021/22<br>Budget                    | 2020/21                              |
|--|--|--------------------------------------|--------------------------------------|
|  | 2021/22<br>(30 June 2022<br>Carried<br>Forward)  | (30 June 2022<br>Carried<br>Forward) | (30 June 2021<br>Carried<br>Forward) |
| Note   | \$   | \$                                   | \$                                   |
| <b>(a) Non-cash amounts excluded from operating activities</b>   |  |                                      |                                      |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .   |  |                                      |                                      |
| <b>Adjustments to operating activities</b>   |  |                                      |                                      |
|  | Less: Profit on asset disposals  | 0                                    | (5,702)                              |
| 9(b)   | (11,260)   | 0                                    | (5,702)                              |
|  | Less: Movement in liabilities associated with restricted cash                          | 0                                    | 29,530                               |
|  | (47,594)   | 0                                    | 29,530                               |
|  | Less: Fair value adjustments to financial assets at fair value through profit and loss | 0                                    | (2,586)                              |
|  | 0  | 0                                    | (2,586)                              |
|  | Add: Loss on disposal of assets  | 248,950                              | 13,466                               |
| 9(b)   | 74,538   | 248,950                              | 13,466                               |
|  | Add: Depreciation  | 2,585,950                            | 2,865,589                            |
| 9(a)   | 2,953,967  | 2,585,950                            | 2,865,589                            |
|  | Add : Non cash movement for transfer of fixed asset to expense                         | 0                                    | 0                                    |
|  | 109,060  | 0                                    | 0                                    |
|  | Non-cash movements in non-current assets and liabilities:                              |                                      |                                      |
|  | Pensioner deferred rates   | 0                                    | 118                                  |
|  | (14,822)   | 0                                    | 118                                  |
|  | Employee benefit provisions  | 0                                    | (18,962)                             |
|  | (19,746)   | 0                                    | (18,962)                             |
|  | <b>Non-cash amounts excluded from operating activities</b>                             | <b>2,834,900</b>                     | <b>2,881,453</b>                     |
|  | 3,044,143  | 2,834,900                            | 2,881,453                            |
| <b>(b) Surplus/(deficit) after imposition of general rates</b>   |  |                                      |                                      |
| The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. |  |                                      |                                      |
| <b>Adjustments to net current assets</b>   |  |                                      |                                      |
|  | Less: Reserve accounts   | (2,588,110)                          | (2,658,821)                          |
| 27   | (2,585,273)  | (2,588,110)                          | (2,658,821)                          |
|  | Add: Current liabilities not expected to be cleared at end of year                     | 251,899                              | 251,899                              |
|  | - Current portion of borrowings  | 478,619                              | 554,521                              |
| 13   | 197,908  | 251,899                              | 251,899                              |
|  | - Employee benefit provisions  | 506,927                              | 554,521                              |
|  | 506,927  | 478,619                              | 554,521                              |
|  | <b>Total adjustments to net current assets</b>   | <b>(1,857,592)</b>                   | <b>(1,852,401)</b>                   |
|  | (1,880,438)  | (1,857,592)                          | (1,852,401)                          |
| <b>Net current assets used in the Rate Setting Statement</b>   |  |                                      |                                      |
|  | Total current assets   | 5,304,831                            | 7,996,837                            |
|  | 9,221,864  | 5,304,831                            | 7,996,837                            |
|  | Less: Total current liabilities  | (3,497,245)                          | (3,430,339)                          |
|  | (3,405,335)  | (3,497,245)                          | (3,430,339)                          |
|  | Less: Total adjustments to net current assets  | (1,857,592)                          | (1,852,401)                          |
|  | (1,880,438)  | (1,857,592)                          | (1,852,401)                          |
|  | <b>Net current assets used in the Rate Setting Statement</b>                           | <b>(50,006)</b>                      | <b>2,714,097</b>                     |
|  | 3,936,091  | (50,006)                             | 2,714,097                            |

SHIRE OF YORK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

26. BORROWING AND LEASE LIABILITIES

Borrowings

| Purpose                | Note | Actual                   |                          |                                     |                           |                          |                                     |                           | Budget                   |                          |                                     |                           |
|------------------------|------|--------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|--------------------------|-------------------------------------|---------------------------|
|                        |      | Principal at 1 July 2020 | New Loans During 2020-21 | Principal Repayments During 2020-21 | Principal at 30 June 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 | Principal at 1 July 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 |
|                        |      | \$                       | \$                       | \$                                  | \$                        | \$                       | \$                                  | \$                        | \$                       | \$                       | \$                                  | \$                        |
| Stage 1 - Forrest Oval |      | 925,749                  | 0                        | (60,546)                            | 865,203                   | 0                        | (64,420)                            | 800,783                   | 865,201                  | 0                        | (64,420)                            | 800,781                   |
| Stage 2 - Forrest Oval |      | 174,414                  | 0                        | (22,196)                            | 152,218                   | 0                        | (23,361)                            | 128,857                   | 152,218                  | 0                        | (23,361)                            | 128,857                   |
| Stage 3 - Forrest Oval |      | 272,060                  | 0                        | (34,623)                            | 237,437                   | 0                        | (36,441)                            | 200,996                   | 237,439                  | 0                        | (36,441)                            | 200,998                   |
| Archive Facility       |      | 24,662                   | 0                        | (13,836)                            | 10,826                    | 0                        | (10,826)                            | 0                         | 10,826                   | 0                        | (10,826)                            | 0                         |
| Old Convent School     |      | 368,796                  | 0                        | (62,226)                            | 306,570                   | 0                        | (64,290)                            | 242,280                   | 306,571                  | 0                        | (64,290)                            | 242,281                   |
| Plant                  |      | 103,660                  | 0                        | (51,099)                            | 52,561                    | 0                        | (52,561)                            | 0                         | 52,561                   | 0                        | (52,561)                            | 0                         |
| <b>Total</b>           |      | <b>1,869,341</b>         | <b>0</b>                 | <b>(244,526)</b>                    | <b>1,624,815</b>          | <b>0</b>                 | <b>(251,899)</b>                    | <b>1,372,916</b>          | <b>1,624,816</b>         | <b>0</b>                 | <b>(251,899)</b>                    | <b>1,372,917</b>          |

Borrowing Interest Repayments

| Purpose                          | Note | Function and activity  | Loan Number | Institution | Interest Rate | Actual for year ending | Budget for year ending | Actual for year ending |
|----------------------------------|------|------------------------|-------------|-------------|---------------|------------------------|------------------------|------------------------|
|                                  |      |                        |             |             |               | 30 June 2022           | 30 June 2022           | 30 June 2021           |
|                                  |      |                        |             |             |               | \$                     | \$                     | \$                     |
| Stage 1 - Forrest Oval           |      | Recreation and culture | 62          | WATC        | 6.30%         | (53,067)               | (53,509)               | (57,170)               |
| Stage 2 - Forrest Oval           |      | Recreation and culture | 63          | WATC        | 5.15%         | (7,196)                | (7,393)                | (8,435)                |
| Stage 3 - Forrest Oval           |      | Recreation and culture | 64          | WATC        | 5.15%         | (11,290)               | (11,532)               | (13,093)               |
| Archive Facility                 |      | Recreation and culture | 65          | WATC        | 4.88%         | (210)                  | (265)                  | (902)                  |
| Old Convent School               |      | Recreation and culture | 67          | WATC        | 3.29%         | (8,572)                | (9,562)                | (10,674)               |
| Plant                            |      | Transport              | 66          | WATC        | 2.84%         | (880)                  | (1,122)                | (2,354)                |
| <b>Total</b>                     |      |                        |             |             |               | <b>(81,215)</b>        | <b>(83,383)</b>        | <b>(92,628)</b>        |
| <b>Total Interest Repayments</b> | 2(b) |                        |             |             |               | <b>(81,215)</b>        | <b>(83,383)</b>        | <b>(92,628)</b>        |

\* WA Treasury Corporation

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**27. RESERVE ACCOUNTS**

|   | 2022<br>Actual<br>Opening<br>Balance | 2022<br>Actual<br>Transfer to | 2022<br>Actual<br>Transfer<br>(from) | 2022<br>Actual<br>Closing<br>Balance | 2022<br>Budget<br>Opening<br>Balance | 2022<br>Budget<br>Transfer to | 2022<br>Budget<br>Transfer<br>(from) | 2022<br>Budget<br>Closing<br>Balance | 2021<br>Actual<br>Opening<br>Balance | 2021<br>Actual<br>Transfer to | 2021<br>Actual<br>Transfer<br>(from) | 2021<br>Actual<br>Closing<br>Balance |
|---|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
|   | \$                                   | \$                            | \$                                   | \$                                   | \$                                   | \$                            | \$                                   | \$                                   | \$                                   | \$                            | \$                                   | \$                                   |
| (a) Leave reserve                           | 554,521                              | 2,406                         | (50,000)                             | 506,927                              | 528,619                              | 1,502                         | (50,000)                             | 480,121                              | 524,991                              | 29,530                        | 0                                    | 554,521                              |
| (b) Plant reserve                           | 474,627                              | 2,061                         | 0                                    | 476,688                              | 474,237                              | 1,348                         | 0                                    | 475,585                              | 698,410                              | 5,598                         | (229,381)                            | 474,627                              |
| (c) Land & Infrastructure reserve           | 157,466                              | 638                           | 0                                    | 158,104                              | 157,210                              | 447                           | 0                                    | 157,657                              | 156,131                              | 1,335                         | 0                                    | 157,466                              |
| (d) Avon river maintenance reserve          | 15,360                               | 66                            | 0                                    | 15,426                               | 15,335                               | 43                            | 0                                    | 15,378                               | 15,230                               | 130                           | 0                                    | 15,360                               |
| (e) Industrial land reserve                 | 133,431                              | 579                           | 0                                    | 134,010                              | 133,214                              | 378                           | 0                                    | 133,592                              | 132,299                              | 1,132                         | 0                                    | 133,431                              |
| (f) Refuse site reserve                     | 75,192                               | 326                           | 0                                    | 75,518                               | 191,415                              | 544                           | 0                                    | 191,959                              | 190,101                              | 1,437                         | (116,346)                            | 75,192                               |
| (g) Centennial garden reserve               | 180,379                              | 783                           | (25,000)                             | 156,162                              | 167,372                              | 476                           | (25,000)                             | 142,848                              | 166,223                              | 14,156                        | 0                                    | 180,379                              |
| (h) Forrest Oval Lights reserve             | 6,136                                | 25                            | 0                                    | 6,161                                | 5,268                                | 15                            | 0                                    | 5,283                                | 5,232                                | 904                           | 0                                    | 6,136                                |
| (i) Bowls Synthetic surface reserve         | 20,363                               | 82                            | 0                                    | 20,445                               | 19,609                               | 56                            | 0                                    | 19,665                               | 19,474                               | 889                           | 0                                    | 20,363                               |
| (j) Pioneer Memorial Lodge reserve          | 108,064                              | 469                           | (30,000)                             | 78,533                               | 91,055                               | 259                           | (30,000)                             | 61,314                               | 90,430                               | 17,634                        | 0                                    | 108,064                              |
| (k) Carparking reserve                      | 18,543                               | 80                            | 0                                    | 18,623                               | 18,513                               | 53                            | 0                                    | 18,566                               | 18,386                               | 157                           | 0                                    | 18,543                               |
| (l) Building reserve                        | 333,932                              | 51,448                        | (310,000)                            | 75,380                               | 443,389                              | 301,260                       | (310,000)                            | 434,649                              | 440,346                              | 3,586                         | (110,000)                            | 333,932                              |
| (m) Disaster reserve                        | 59,025                               | 256                           | 0                                    | 59,281                               | 149,476                              | 425                           | 0                                    | 149,901                              | 148,450                              | 1,122                         | (90,547)                             | 59,025                               |
| (n) Tennis Synthetic surface reserve        | 3,143                                | 12                            | 0                                    | 3,155                                | 2,570                                | 7                             | 0                                    | 2,577                                | 2,553                                | 590                           | 0                                    | 3,143                                |
| (o) Tied grant funds reserve                | 19,557                               | 0                             | 0                                    | 19,557                               | 19,557                               | 55                            | 0                                    | 19,612                               | 19,557                               | 0                             | 0                                    | 19,557                               |
| (p) RSL Memorial reserve                    | 12,545                               | 55                            | 0                                    | 12,600                               | 12,525                               | 36                            | 0                                    | 12,561                               | 12,439                               | 106                           | 0                                    | 12,545                               |
| (q) Greenhills Townsite development reserve | 11,175                               | 46                            | 0                                    | 11,221                               | 11,157                               | 32                            | 0                                    | 11,189                               | 11,080                               | 95                            | 0                                    | 11,175                               |
| (r) Roads reserve                           | 375,199                              | 1,685                         | (220,000)                            | 156,884                              | 374,589                              | 1,064                         | (220,000)                            | 155,653                              | 372,018                              | 3,181                         | 0                                    | 375,199                              |
| (s) Recreation reserve                      | 100,163                              | 500,435                       | 0                                    | 600,598                              | 0                                    | 100,000                       | 0                                    | 100,000                              | 0                                    | 100,163                       | 0                                    | 100,163                              |
|   | 2,658,821                            | 561,452                       | (635,000)                            | 2,585,273                            | 2,815,110                            | 408,000                       | (635,000)                            | 2,588,110                            | 3,023,350                            | 181,745                       | (546,274)                            | 2,658,821                            |

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**27. RESERVE ACCOUNTS (Continued)**

| <b>Name of Reserve</b>                      | <b>Anticipated date of use</b> | <b>Purpose of the reserve</b>  |
|---|--------------------------------|--|
| (a) Leave reserve                           | Ongoing                        | To fund annual and long service leave requirements.  |
| (b) Plant reserve                           | Ongoing                        | To be used to fund plant purchases or major capital repairs.   |
| (c) Land & Infrastructure reserve           | Ongoing                        | For the purpose of funding the purchase of land and or buildings or the construction of buildings.   |
| (d) Avon river maintenance reserve          | Ongoing                        | To maintain and protect the Avon River and its environs.   |
| (e) Industrial land reserve                 | Ongoing                        | For the continued development and expansion of an industrial subdivision within the Shire.   |
| (f) Refuse site reserve                     | Ongoing                        | To be used for ongoing maintenance and development of Council's waste management facilities.   |
| (g) Centennial garden reserve               | Ongoing                        | To be used for further expansion and capital repairs of the existing units.  |
| (h) Forrest Oval Lights reserve             | Ongoing                        | To provide for the replacement and upgrading of the Oval Lights.   |
| (i) Bowls Synthetic surface reserve         | Ongoing                        | To provide for the future replacement of Bowls synthetic surface.  |
| (j) Pioneer Memorial Lodge reserve          | Ongoing                        | To finance capital improvements and extensions to the seniors village (funded by the operational surplus of the Lodge).  |
| (k) Carparking reserve                      | Ongoing                        | To fund the management and control of parking facilities in accordance with Councils Parking Plan.   |
| (l) Building reserve                        | Ongoing                        | For the construction and major capital improvements to all Council buildings.  |
| (m) Disaster reserve                        | Ongoing                        | A contingency reserve to help fund recovery from any natural disaster.   |
| (n) Tennis Synthetic surface reserve        | Ongoing                        | To provide for the future replacement of Tennis synthetic surface.   |
| (o) Tied grant funds reserve                | Ongoing                        | To segregate grant funds provided for specific projects until those projects are carried out.  |
| (p) RSL Memorial reserve                    | Ongoing                        | To provide for the upgrading of the RSL Memorial   |
| (q) Greenhills Townsite development reserve | Ongoing                        | To provide funds to enhance the amenity and economic potential of the Greenhills Townsite with such funds to be expended in consultation with the Greenhills Progress Association. |
| (r) Roads reserve                           | Ongoing                        | To provide for future road resealing requirements.   |
| (s) Recreation reserve                      | Ongoing                        | To be used to fund capital improvements and ongoing development of recreational facilities, including sporting facilities, halls and trails.                                       |

**SHIRE OF YORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**28. TRUST FUNDS**

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

|                                  | 1 July 2021 | Amounts Received | Amounts Paid | 30 June 2022 |
|----------------------------------|-------------|------------------|--------------|--------------|
|                                  | \$          | \$               | \$           | \$           |
| Cash in Lieu - Public Open Space | 58,422      | 0                | 0            | 58,422       |
|                                  | 58,422      | 0                | 0            | 58,422       |



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2022 Shire of York

To the Councillors of the Shire of York

### Opinion

I have audited the financial report of the Shire of York (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

### **Responsibilities of the Chief Executive Officer and Council for the financial report**

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **My independence and quality control relating to the report on the financial report**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of York for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
6 April 2023



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