



Shire of Bruce Rock

Annual Report

2009/2010



Leads the Way

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THE COUNCIL

Council meets on every third Thursday of the month, except January, to discuss local and regional issues of importance to the district.

The Council is made up of eleven Councillors representing the Bruce Rock ward.

Council elections will be held on the third Saturday in October. Council's next Ordinary election will be held on Saturday 15th October 2011.

President

Cr SA Strange

Deputy President

Cr IS Dolton

Councillors	Telephone	Years of Service	Term Expires
Cr Leslie Keith BULLER	9061 1026	24	2013
Cr Graeme John CURRIE	9061 1042	24	2011
Cr Ian Stephen DOLTON	9062 3010	11	2013
Cr Margaret Mary FOSS	9065 1034	15	2011
Cr Jennifer Jean GMEINER	9064 1190	11	2011
Cr Donald Alan HEASMAN	9065 1020	7	2013
Cr Justin Ryan LYNN	9061 1556	4	2011
Cr Ramesh RAJAGOPALAN	9061 1575	1	2013
Cr Douglas Edwin SEDGWICK	9065 2031	8	2011
Cr Stephen Arthur STRANGE	9061 1324	21	2011
Cr Michael John VERHOOGT	9061 1385	7	2013

SHIRE OF BRUCE ROCK CONTACT NUMBERS

Office Hours

8.30am to 4.30pm

Shire Office	9061 1377
CEO's Mobile (<i>After Hours Emergency Contact</i>)	0428 611 377
Shire Office Fax	9061 1340
Workshop / Fax	9061 1030
Recreation Centre	9061 1169
Swimming Pool	9061 1278
Harvest Ban Information (<i>Recorded Message Only</i>)	9061 1600

After Hours

Chief Executive Officer	Steve O'Halloran	9061 1230 0428 611 377
Deputy Chief Executive Officer	Darren Mollenoyux	9061 1384 0408 383 530
Manager of Finance & Compliance	Jennifer Bow	0427 611 229
Works Foreman	Colin Brownley	9061 1297 0428 611 297
Town Foreman	Peter Elliot	9061 1104 0427 211 104
Workshop Mechanic	Gary Waight	9061 1072 0427 611 061
Shire Builder	Jeff Dunning	042861 1401

Fire Contact Numbers

Emergency	000
Harvest Ban Information (<i>Recorded Message Only</i>)	9061 1600

Emergency Numbers

Ambulance/Police/Fire	000
Police Station	9061 1035
Hospital	9061 0222
Doctor's Surgery	9061 1166
Dental Surgery	9061 1954
Physiotherapist	9041 1500
Water Authority	13 13 75
Synergy	13 13 53

SHIRE OF BRUCE ROCK STATISTICS

Localities

Ardath; Babakin; Belka; Bruce Rock; Shackleton

Significant Local Events

Bruce Rock Agricultural Show – Bi-Annual September
Back to the Bush Reunion – 1st Weekend November

Ordinary Council Meeting

Meets third Thursday of each month except January

Tourist Attractions

Kokerbin Rock	Federation Amphitheatre & Sculpture
Shackleton's World's Smallest Bank	Park
Babakin underground orchid	Ardath Hotel
Wildflowers	Railway Dam
Bruce's Rock	Ardath Lake
Bruce Rock Museum	Scenic Rural Vistas

Local Industries

Wheat and other cereals, steel fabrication, machinery manufacturing, sheep, pigs and cattle.

Council Statistics (2009-10)

Distance from Perth (km)	244
Area (sq km)	2,772
Length of Sealed Roads (km)	496.1
Length of Unsealed Roads (km)	762.6
Population	1,100
Number of Electors	702
Number of Dwellings	561
Total Rates Levied	\$961,238
Total Revenue	\$5,429,282
Number of Employees	41

SHIRE OF BRUCE ROCK STAFF

Chief Executive Officer	Steve O'Halloran
Deputy Chief Executive Officer	Darren Mollenoyux
Manager Finance & Compliance	Jennifer Bow
Environmental Health Officer	Gary Tucker
Senior Finance Officer	Mandy Butler
Executive Support Officer	Brooke Perez
Administration Officer	Melissa Schilling & Malene Vad Brownley
Customer Services Officer	Ashleigh Waight
Be-Active Coordinator	Rodney Thornton
Natural Resource Management Officer	Sally Rayner
Swimming Pool Manager	Roneta McNally
Federation Amphitheatre Manager	Phil Skipsey
Medical Centre Practice Manager	Sam Aurisch
Receptionist	Trudy Butler
Receptionist	Natalie Barrett-Lennard
Construction Foreman	Colin Brownley
Leading Hand Grader Driver	Ron Yeats
Truck Driver	Glyn Corby
Dozer Driver	Brian Mellet
Loader Driver	Danny Orchard
Truck Driver	Mark Black
Truck Driver	Phil Cumming
Plant Operator	Jamie Houston
Plant Operator	Vacant
Town Foreman	Peter Elliot
Leading Hand	Max Fuchsbichler
Labourer	Colin Orchard
Labourer	Stephen Leek
Builder	Jeff Dunning
Apprentice	Ricky Aurisch
Workshop Manager	Gary Waight
Recreation Centre Manager	Damien Bow
Gardener	John Houston
Gardener	Vacant
Gardener	Des Houston
Cleaner	Laurel Fuchsbichler
Cleaner (Part -Time)	Denise Houston
Cleaner (Part -Time)	Linda Dudek

PRESIDENT'S REPORT



I am pleased to present the 2009/2010 annual report for the Shire of Bruce Rock. Once again Councillors and staff have worked hard to provide for the needs of the community whilst continuing to plan for the long term viability of the shire and its residents.

The Shire of Bruce Rock remains in a strong financial position with solid reserve levels and a newly adopted "Plan for the Future" to help ensure high quality and affordable services and facilities are available for all residents and visitors.

Local Government elections were held in October 2009 with the Shire of Bruce Rock having five Councillors up for election. Six nominations were received for five positions with Cr Buller, Cr Dolton, Cr Heasman, Cr Verhoogt being re-elected and Cr Rajagopalan being elected in for the first time. Cr Patricia Coakley did not renominate at these elections and on behalf of Council and the community I thank her for her dedication to Council over the past 14 years.

Councillors have been kept busy attending many meetings and workshops over the past year. In addition to regular monthly Council meetings Councillors and staff have attended or participated in the following;

- Wheatbelt East Regional Organisation of Council's (WEROC) meetings
- WA Local Government Association (WALGA) Zone meetings
- Regional Road Group meetings
- Local and Regional Health Meetings
- Local and District Fire Advisory Meetings
- Strategic Planning weekend
- Structural Reform meetings and workshops
- Grain Freight Network workshops and meetings
- Local community and recreation group meetings

Councillors also attended the WALGA Local Government Conference in August. This conference gives councillors and staff attending the opportunity to learn more about local government at different levels and to share ideas with members of other councils.

The early part of this financial year saw countless hours dedicated to responding to the Minister for Local Government and his push for structural reform and amalgamations within the industry. Council undertook the requirements of Minister Castrilli and completed the Local Government Reform Checklist and submitted its Local Government Reform Submission in September 2009.

As part of the submission process Council held a public meeting to address issues as directed by the Minister. Over 350 residents attended this meeting held at the Bruce Rock Shire Hall on 19th August 2009. The meeting unanimously resolved that the Shire stay on its own, to retain day to day functions and responsibilities and work with the region to ensure this process can create capacity and manage and fund regional initiatives.

Council listened to its community and carefully considered the reform process and subsequently presented its submission to the Minister strongly objecting amalgamation, however Council will continue to work with its neighbours when and where benefits are identified for the betterment of the Shire and its community.

Council maintains a firm position that Bruce Rock will not amalgamate with surrounding Shires and is determined to remain the productive, effective and efficient local government that is admired by many Councils throughout the region and State.

This financial year saw the completion and official opening of the District Club and function facilities at the Bruce Rock Recreation Centre. In addition a new 12 rink synthetic bowling green has been constructed, which sees yet another sporting group move to the wonderful facility. The Bruce Rock Recreation Centre is now one of the best facilities in the Wheatbelt and appreciated and embraced by locals whilst being admired by visitors.



I thank the Staff at the Shire of Bruce Rock and the community members who have contributed tirelessly to ensure that the Shire of Bruce Rock is the place that we all love and admire. The efforts of such people are gratefully appreciated and have not gone unnoticed.

Finally, I wish to convey my thanks to all my fellow Councillors for their continued support, assistance and hard work throughout the year.

A handwritten signature in black ink, appearing to read "S. Strange".

Cr Stephen Strange
PRESIDENT

CHIEF EXECUTIVE OFFICER'S REPORT



It is with great pleasure that I present my report on the activities of the Shire of Bruce Rock during 2009-2010. The year was another highly productive year which saw the continued development of community facilities.

Council has continued to develop community facilities with the continuation of the redevelopment of the Recreation Centre with opening of the new District Club and function area, relocation of the bowling green and establishment of the Bruce Rock Men's Shed. These facilities and other projects help the Shire to continue to enhance Bruce Rock as a community where people are proud to live as well as a place where

visitors feel welcome.

Council remains in a strong financial position which should assist in ensuring its future and guarantee the residents of the Shire the retention of facilities and services currently on offer. I am pleased to advise that Council continues to manage its financials well and this is evidenced with a clean audit report with no matters raised by the auditor.

During 2009/2010 Council approved an administration restructure to assist in the effective management of administration and finance practices. Council staff are committed to continually developing the management of the organisation whilst ensuring the sustainability of the organisation and community that it serves.

Councillors and staff spent many hours over the past twelve months dealing the Minister for Local Governments Structural Reform agenda. In consultation with the community Council presented a submission reflecting both the community's and Council's desire to stand alone and not amalgamate.

Council is not ignoring reform and is continuing to enhance and look at opportunities that are appropriate and beneficial to our Shire. Council will not participate in strategies that will cause a reduction of services or adverse impact on the community.

MAJOR PROJECTS

The Shire of Bruce Rock has had another busy year with some of the following projects being undertaken by Council staff during the 2009/10 financial year;

- Relocation of the Bruce Rock District Club to the new recreation facility.
- Installation of new twelve rink synthetic bowling green at the Bruce Rock Recreation Centre.
- Under the Federal Government's RLCIP funding we were able to install two new modern playgrounds and fencing.
- A new transportable house was located at Westral Street, Bruce Rock to house the new Deputy Chief Executive Officer. Council's works crew carried out the landscaping, gardens, verandahs and shed construction.
- Council's town crew commenced the construction of the Bruce Rock Men's Shed in readiness for the committee to take on the role of fitting the building out.



PLANT & EQUIPMENT REPLACEMENT

Council has continued to manage its plant, equipment and changeover of vehicles to maximise the benefits of its assets. In accordance with the budget the following vehicles were replaced;

- Babakin Fire Truck
- CEO, Deputy CEO and Doctor Vehicles
- NRM and Works Foreman utilities

MAJOR ROADWORKS

The works crew continued to provide excellent work with the roads construction program during 2009/10. In addition to the construction work the works crew carried out maintenance grading, clearing and minor works on its gravel roads.



The following major road works were carried out during the year;

- Various Roads – Gravel sheeting of 12 kms of gravel roads.
- Bruce Rock / Doodlakine Road – Complete final stage of reconstruction and seal.
- Cramphorne Road – Widen, reconstruct and seal 5 km section.
- Shackleton / Bilbarin Road – Installation of new culvert.
- Corrigin / Bruce Rock Road – Installation of new culvert.
- Bruce Rock / Merredin Road – Private works installation and extension of 13 culverts.

MAJOR EVENTS

Over the past twelve months Council has been involved in many local community events. Listed below are a few of the major events involving the Shire and held in Bruce Rock;



- Vietnam Vets Week – Council and staff assisted both financially and provided administration support to the Vietnam Veterans in this wonderful event which was held from the 2nd to the 9th November 2009.
- Annual Sports Trophy Night – On the 11th September 2009 Council held this annual event and it was well attended by the sporting community. The night was highlighted by the guest speaker, Nathan Burgess, Australian Hockey player.
- Australia Day – On 26th January 2010 Council held its annual Australia Day BBQ which was open to the entire community and enjoyed by all who attended.
- Thank a Volunteer / Welcome to New Residents BBQ – Council once again held this event in February to highlight the efforts of volunteers in the community. This event coincides with welcoming new residents to town.

The Year Ahead

Council's workforce will continue to be extremely busy with construction work on Stage 3 of the extension of the Recreation Centre, completion of the bowling green surrounds, further reconstruction on Cramphorne Road and upgrade of the refuse site. Staff will continue to work towards the priority areas identified in Council's "Plan for the Future" and within the 2010/11 Budget. Specific focus will be on asset management, including the introduction new road management system (ROMAN 2).

I take great pleasure in taking this opportunity to thank Council for its continued support over the past year.

Finally, I would like to extend my sincerest thanks to the Staff of the Shire of Bruce Rock. I give them praise and congratulate them for their dedication and the high level of work they completed throughout the year.

Steve O'Halloran
CHIEF EXECUTIVE OFFICER

DISABILITIES SERVICE PLAN

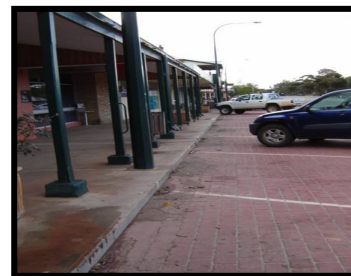
Council reviews its facilities and services on a regular basis to identify barriers that may prevent the effective delivery of the services to those people.

In 2003/04, Council engaged an Occupational Therapist to develop a strategy to improve the access to the shops in Johnson Street. This plan was considered by Council to determine the most effective way to remove all obstacles that hinder the access to essential services.

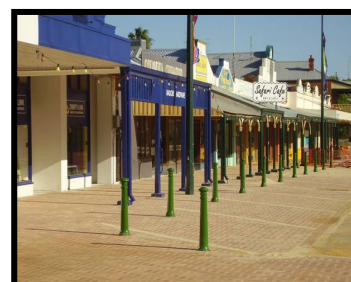
With the review in mind Council reconstructed the footpath along the Main Street CBD and installed drainage underneath the footpath and parking area during 2006/07. These improvements have improved the quality of life for all who were impeded by unsuitable facilities.

Recent initiatives to support people with disabilities include;

- Disabled access ablutions at the upgraded Recreation Centre
- Automatic opening and closing doors at the District Club
- Wheelchair accessibility at the Bruce Rock Men's Shed



Main street prior to upgrade



Main street after upgrade

DISABILITY ACCESS AND INCLUSION PLAN

The *Disability Services Act 1993* was amended in December 2003, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These plans replace and build on the achievements of the Disability Services Plans (DSPs).

The Disability Services Commission accepted our DAIP in July 2007. Council is required to report on the six outcomes relating to DAIPs.

- **Outcome 1: Services and Events**

Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.

Council ensures people with disabilities are given access to all Shire events and to access the services of the Shire.

- **Outcome 2: Buildings and Other Facilities**

Council also continues with improvements to buildings and footpath infrastructure to assist with both wheelchair and gopher access.

Council has reconstructed the footpath along the Main Street which gives people with disabilities greater access to shops and facilities. Council have also included disability access to all parts of the redeveloped Recreation Centre.

- **Outcome 3: Information**

Wherever possible people with disabilities can receive information from the Shire in a format that will enable them to access the information readily as other people are able to access it.

People with disabilities can access information produced by the Shire of Bruce Rock in different formats. Anyone requiring a different format are encouraged to contact the Shire Office.

- **Outcome 4: Level and Quality of Service**

The staff is always encouraged to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive.

Staff at the Shire of Bruce Rock are made aware that people with disabilities may have different needs. Staff are encouraged to ensure that people with disabilities receive the same level and quality of service as other people receive.

- **Outcome 5: Complaints Process**

People with disabilities have the same opportunities as other people to make complaints to staff, and can be via written letters, email, SMS or verbally.

People with disabilities are able to make complaints and can do this via written letters, email, SMS or verbally.

- **Outcome 6: Public Consultation Process**

Council provides many ways for people to participate in public consultation and we are more than happy to discuss any grievances community members may have regarding the services available to the disabled.

Council has made the DAIP available on the website for the community to access. The community was also given the opportunity to comment on the DAIP prior to it being adopted by Council.

PLAN FOR THE FUTURE OF THE DISTRICT

The changes to the Local Government Act 1995 have replaced the need for the Principal Activities Plan with the requirement for a Plan for the Future of the District.

In September 2009 Council adopted its new "Plan for the Future" 2010 – 2014. This plan builds on the innovations and achievements of Bruce Rock – our success in attracting new businesses and residents to the Shire, the quality of our facilities and lifestyle, the financial sustainability of the Shire Council, and most importantly, the strengths, energy and commitment of our community.

Key highlights for the community that will be delivered by the Plan for the Future 2010 - 2014 are:

- Increased availability of land, including the development of an industrial park and new residential sub division, to encourage growth of existing businesses, attract new businesses and residents, and increase employment opportunities.
- Further expansion of the Rec Centre as a hub of community activity with completion of the bowling green, indoor court and change rooms, introduction of a Sports Council and development of programs for local, regional and State events.
- The continued high standard of community facilities together with better roads.
- Ongoing support for community groups and the wide range of community events that bring people together and profile Bruce Rock.
- Taking a key role in the Voluntary Regional Organisation of Councils (VROC) to bring benefits to our community including Royalties for Regions funding and implementation of economic development, tourism and natural resource management initiatives.
- Celebration of the Bruce Rock Centenary in 2013 – recognising our past, looking to the future and promoting the distinctiveness of the Bruce Rock identity and lifestyle.

Council identified four priority areas, these being;

1. Leadership, Innovation & Identity
2. Lifestyle
3. Infrastructure
4. Organisational Management

Major Initiatives proposed or continuing during 2010/11 are;

- The construction of stage 3 of the Bruce Rock Recreation Centre upgrade.
- Finalisation of the Town Planning Scheme.
- Development of the residential subdivision north of the recreation ground.
- Development of waste management strategies including refuse site upgrade and expansion.
- Improved asset management and reporting.

A detailed copy of the Plan for the Future is available from the Shire Office or can be downloaded from Council's website at www.brucerock.wa.gov.au

NATIONAL COMPETITION POLICY

National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies and lead to more efficient use of all economic resources. There are a number of specific requirements placed on Local Government in the areas of competitive neutrality, legislation review and structural reform. Each Local Government is required to report its progress in achieving NCP reforms in its annual report.

In respect to Council's responsibility in relation to the National Competition Policy, the Shire reports as follows:

- No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not been applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private enterprise.
- The principles of competitive neutrality will be implemented in respect of any relevant activities undertaken during the 2009/10 year.

A further requirement of the National Competition Policy is that all Council Local Laws are reviewed every 8 years to determine whether they are in conflict with competitive neutrality and comply with the Local Government Act 1995. No Local Laws were amended during the period.

STATE RECORDKEEPING ACT

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner.

Standard 2, Principle 6 – Compliance: Government organisations ensure their employees comply with the record keeping plan.

Rationale:

An organisation and its employees must comply with the organisation's record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements:

The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record keeping training program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire of Bruce Rock has complied with items 1-4.

PUBLIC INTEREST DISCLOSURES

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides for the protection of those making such disclosure and those who are subject of the disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive Officer has complied with the obligation under the Act, including;

- Appointing the Deputy Chief Executive Officer as the PID Officer for the Shire of Bruce Rock and publishing an internal procedure manual relating to the Shire's obligations.
- Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

The Shire of Bruce Rock had no Public Interest Disclosures during the reporting period 2009/10.

FREEDOM OF INFORMATION

Part 5 of the *Freedom of Information Act 1992* requires an agency such as a local government to prepare and publish an Information Statement.

The Shire of Bruce Rock has developed an Information Statement which can be inspected via Council's website or by contacting the Shire Office.

The Shire of Bruce Rock did not receive any applications under the *Freedom of Information Act 1992*.

EMPLOYEE PAYMENTS

For the purpose of Regulation 19B of the Local Government (Administration) Regulations 1996 the following is required to be contained in Council's Annual Report;

The number of employees of the Local Government entitled to an annual salary of \$100,000 or more, and

The number of those employees with an annual salary entitlement that fall within each band of \$10,000 over \$100,000.

The Shire of Bruce Rock has the following employees entitled to an annual salary more than \$100,000;

Salary Range	2009	2010
\$110,000 – \$119,999	1	1

FINANCIAL STATEMENTS FOR YEAR ENDING 30TH JUNE 2010

SHIRE OF BRUCE ROCK
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

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SHIRE OF BRUCE ROCK
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Bruce Rock being the annual financial report and other information for the financial year ended 30th June 2010 are in my opinion properly drawn up to present fairly the financial position of the Shire of Bruce Rock at 30th June 2010 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 11th day of August 2010.



Steve O'Halloran
Chief Executive Officer

SHIRE OF BRUCE ROCK
STATEMENT OF COMPEREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2010 \$	2010 Budget \$	2009 \$
REVENUE				
Rates	22	961,238	962,599	930,541
Operating Grants, Subsidies and Contributions	28	2,560,177	3,292,591	2,295,944
Fees and Charges	27	570,793	596,349	651,123
Service Charges	24	0	0	0
Interest Earnings	2(a)	61,966	77,450	108,558
Other Revenue		64,827	12,000	53,122
		<u>4,219,001</u>	<u>4,940,989</u>	<u>4,039,288</u>
EXPENSES				
Employee Costs		(1,412,814)	(1,067,460)	(1,258,905)
Materials and Contracts		(1,046,463)	(1,559,880)	(927,878)
Utility Charges		(178,304)	(162,400)	(162,558)
Depreciation on Non-Current Assets	2(a)	(1,951,083)	(1,892,613)	(1,884,609)
Interest Expenses	2(a)	0	0	(204)
Insurance Expenses		(174,635)	(159,410)	(166,740)
Other Expenditure		(49,657)	(47,300)	(83,032)
		<u>(4,812,956)</u>	<u>(4,889,063)</u>	<u>(4,483,926)</u>
		(593,955)	51,926	(444,638)
Non-Operating Grants, Subsidies and Contributions	28	990,680	0	1,189,405
Profit on Asset Disposals	20	219,601	0	109,974
Loss on Asset Disposal	20	(42,199)	0	(51,850)
		<u>574,127</u>	<u>51,926</u>	<u>802,891</u>
NET RESULT		574,127	51,926	802,891
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>574,127</u></u>	<u><u>51,926</u></u>	<u><u>802,891</u></u>

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

SHIRE OF BRUCE ROCK
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2010

	NOTE	2010 \$	2010 Budget \$	2009 \$
REVENUE	2 (a)			
Governance		42,364	35,950	39,997
General Purpose Funding		2,487,746	2,158,344	2,645,298
Law, Order, Public Safety		15,368	16,340	206,479
Health		77,282	88,320	85,212
Education and Welfare		89,864	8,272	8,284
Housing		279,990	75,780	133,755
Community Amenities		60,243	53,157	51,664
Recreation and Culture		236,471	656,593	58,247
Transport		1,666,250	1,517,733	1,655,842
Economic Services		257,523	127,000	149,022
Other Property and Services		216,181	203,500	304,867
		<u>5,429,282</u>	<u>4,940,989</u>	<u>5,338,667</u>
EXPENSES EXCLUDING FINANCE COSTS	2 (a)			
Governance		(508,576)	(480,545)	(430,790)
General Purpose Funding		(109,441)	(82,655)	(109,197)
Law, Order, Public Safety		(76,764)	(80,961)	(64,314)
Health		(226,752)	(243,194)	(194,813)
Education and Welfare		(31,183)	(27,086)	(24,300)
Housing		(175,486)	(183,524)	(136,929)
Community Amenities		(103,853)	(111,033)	(89,994)
Recreation & Culture		(837,369)	(754,253)	(761,070)
Transport		(2,160,680)	(2,339,475)	(2,072,761)
Economic Services		(392,506)	(399,971)	(422,067)
Other Property and Services		(232,545)	(186,366)	(229,541)
		<u>(4,855,155)</u>	<u>(4,889,063)</u>	<u>(4,535,776)</u>
FINANCE COSTS	2 (a)			
		<u>0</u>	<u>0</u>	<u>0</u>
		0	0	0
NET RESULT		<u>574,127</u>	<u>51,926</u>	<u>802,891</u>
Other Comprehensive Income		0	0	0
Total Other Comprehensive Income		<u>0</u>	<u>0</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME		<u><u>574,127</u></u>	<u><u>51,926</u></u>	<u><u>802,891</u></u>

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

**SHIRE OF BRUCE ROCK
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2010**

	NOTE	2010 \$	2009 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	1,857,145	1,698,299
Trade and Other Receivables	4	126,425	133,741
Inventories	5	20,590	24,292
TOTAL CURRENT ASSETS		<u>2,004,160</u>	<u>1,856,332</u>
NON-CURRENT ASSETS			
Other Receivables	4	0	0
Inventories	5	0	0
Property, Plant and Equipment	6	11,750,908	11,012,934
Infrastructure	7	18,865,007	19,357,112
TOTAL NON-CURRENT ASSETS		<u>30,615,915</u>	<u>30,370,046</u>
TOTAL ASSETS		<u>32,620,075</u>	<u>32,226,378</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	111,135	292,266
Long Term Borrowings	9	0	0
Provisions	10	225,292	217,135
TOTAL CURRENT LIABILITIES		<u>336,427</u>	<u>509,401</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	9	0	0
Provisions	10	20,187	27,644
TOTAL NON-CURRENT LIABILITIES		<u>20,187</u>	<u>27,644</u>
TOTAL LIABILITIES		<u>356,614</u>	<u>537,045</u>
NET ASSETS		<u>32,263,461</u>	<u>31,689,333</u>
EQUITY			
Retained Surplus		31,546,023	30,872,697
Reserves - Cash Backed	11	465,724	564,923
Reserves - Asset Revaluation	12	0	0
TOTAL EQUITY		<u>32,011,747</u>	<u>31,437,620</u>

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

**SHIRE OF BRUCE ROCK
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2010**

NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
Balance as at 1 July 2008	29,625,698	1,009,031	0	30,634,729
Changes in Accounting Policy	0	0	0	0
Correction of Errors	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Restated Balance	29,625,698	1,009,031	0	30,634,729
Net Result	802,891	0	0	802,891
Total Other Comprehensive Income	0	0	0	0
Reserve Transfers	444,108	(444,108)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2009	30,872,697	564,923	0	31,437,620
Net Result	574,127	0	0	574,127
Total Other Comprehensive Income	0	0	0	0
Reserve Transfers	99,199	(99,199)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 30 June 2010	<u>31,546,023</u>	<u>465,724</u>	<u>0</u>	<u>32,011,747</u>

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

**SHIRE OF BRUCE ROCK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2010 Budget \$	2009 \$
Cash Flows From Operating Activities				
Receipts				
Rates		962,301	962,599	916,887
Operating Grants, Subsidies and Contributions		2,560,177	3,292,591	2,295,944
Fees and Charges		577,046	595,669	710,028
Service Charges		0	0	0
Interest Earnings		61,966	77,450	108,558
Goods and Services Tax		0	0	5,819
Other Revenue		64,827	12,000	53,122
		<u>4,226,317</u>	<u>4,940,309</u>	<u>4,090,358</u>
Payments				
Employee Costs		(1,409,047)	(1,067,460)	(1,223,558)
Materials and Contracts		(1,226,958)	(1,647,820)	(788,065)
Utility Charges		(178,304)	(162,400)	(162,557)
Insurance Expenses		(174,635)	(159,410)	(166,740)
Interest expenses		0	0	(204)
Goods and Services Tax		0	0	0
Other Expenditure		(49,657)	(47,300)	(83,031)
		<u>(3,038,601)</u>	<u>(3,084,390)</u>	<u>(2,424,155)</u>
Net Cash Provided By (Used In) Operating Activities	13(b)	<u>1,187,716</u>	<u>1,855,919</u>	<u>1,666,203</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(1,525,354)	(2,132,000)	(2,184,522)
Payments for Construction of Infrastructure		(896,310)	(1,122,957)	(990,383)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		990,680	0	1,189,705
Proceeds from Sale of Plant & Equipment		402,114	568,000	594,450
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Investing Activities		<u>(1,028,870)</u>	<u>(2,686,957)</u>	<u>(1,390,750)</u>
Cash Flows from Financing Activities				
Repayment of Debentures		0	0	0
Repayment of Finance Leases		0	0	0
Proceeds from Self Supporting Loans		0	0	0
Proceeds from New Debentures		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided By (Used In) Financing Activities		<u>0</u>	<u>0</u>	<u>0</u>
Net Increase (Decrease) in Cash Held		158,846	(831,038)	275,453
Cash at Beginning of Year		1,698,299	1,696,207	1,423,146
Cash and Cash Equivalents at the End of the Year	13(a)	<u>1,857,145</u>	<u>865,169</u>	<u>1,698,599</u>

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

**SHIRE OF BRUCE ROCK
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2010**

	NOTE	2010 \$	2010 Budget \$
REVENUE			
Governance		42,364	35,950
General Purpose Funding		1,566,338	1,232,745
Law, Order, Public Safety		15,368	16,340
Health		77,282	88,320
Education and Welfare		89,864	8,272
Housing		279,990	75,780
Community Amenities		60,243	53,157
Recreation and Culture		236,471	656,593
Transport		1,666,250	1,517,733
Economic Services		257,523	127,000
Other Property and Services		216,181	203,500
		<u>4,507,874</u>	<u>4,015,390</u>
EXPENSES			
Governance		(508,576)	(480,545)
General Purpose Funding		(109,441)	(82,655)
Law, Order, Public Safety		(76,764)	(80,961)
Health		(226,752)	(243,194)
Education and Welfare		(31,183)	(27,086)
Housing		(175,486)	(183,524)
Community Amenities		(103,853)	(111,033)
Recreation & Culture		(837,369)	(754,253)
Transport		(2,160,680)	(2,339,475)
Economic Services		(392,506)	(399,971)
Other Property and Services		(232,545)	(186,366)
		<u>(4,855,155)</u>	<u>(4,889,063)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals	20	(177,402)	0
Movement in Non-Current Employee Benefit Provisions		(7,455)	0
Depreciation and Amortisation on Assets	2(a)	1,951,083	1,892,613
Capital Expenditure and Revenue			
Purchase Land		0	(15,000)
Purchase Buildings		(1,213,477)	(1,660,000)
Purchase Infrastructure Assets - Roads		(896,310)	(1,122,957)
Purchase Plant and Equipment		(278,508)	(435,000)
Purchase Furniture and Equipment		(33,369)	(22,000)
Purchase of Investments		0	0
Proceeds from Disposal of Investments		0	0
Proceeds from Disposal of Assets	20	402,114	568,000
Repayment of Debentures	22(a)	0	0
Proceeds from New Debentures	22	0	0
Self-Supporting Loan Principal Income		0	0
Transfers to Reserves (Restricted Assets)	12	(259,704)	(405,200)
Transfers from Reserves (Restricted Assets)	12	358,903	105,454
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		782,008	999,791
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		1,202,010	(42,373)
Amount Required to be Raised from Rates	22	<u>(921,408)</u>	<u>(925,599)</u>

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

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

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

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

Critical Accounting Estimates

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

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

(b) The Local Government Reporting Entity

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 19 to this financial report.

(c) Goods and Services Tax

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

(d) Cash and Cash Equivalents

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

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

(e) Trade and Other Receivables

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

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

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

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

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

(g) Fixed Assets

Initial Recognition

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

(i) Valuation of Non-Current Assets

Property, plant and equipment are brought to account at cost, or if acquired other than by purchase, as valued by the Chief Executive Officer, less where applicable any accumulated depreciation or amortisation.

Property, plant, equipment and infrastructure is capitalised if the cost or valuation exceeds:

· Land	Nil
· Buildings	Nil
· Plant and Equipment	\$1,000
· Furniture and Equipment	\$500

Assets which, at the time of acquisition, there are reasonable expectations that they may last for more than one accounting period, yet because their cost is below the declared thresholds for capitalisation, are recorded in quantitative terms to ensure a record of ownership and location exists.

(ii) Infrastructure Assets

Infrastructure assets are the amenities, structures or facilities which assist Local Government in providing services to the community and may have the following characteristics:

- a long life
- require substantial capital outlays
- does not necessarily have a realisable value
- usually a fixture - sometimes not readily visible/noticable
- consists of a number of components of an overall system
- provides public facilities or deliver services

Council will capitalise Infrastructure Assets with a threshold value of \$5,000.

Property, plant and equipment and infrastructure assets are brought to account at cost or independent or management valuation less, where applicable, any accumulated depreciation, amortisation or impairment losses.

The value of all infrastructure assets (other than land under roads) has been recorded in the Balance Sheet.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fixed Assets (Continued)

Revaluation

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

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

Land under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

(h) Depreciation of Non-Current Assets

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

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

Buildings	50 to 100 years
Furniture and Equipment	5 to 15 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	40 years

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each balance date.

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

Recognition and derecognition

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

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

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

Subsequent measurement

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

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

Impairment

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

(j) Estimation of Fair Value

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

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date.

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

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

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

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each balance date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 *'Impairment of Assets'* and appropriate adjustments made.

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

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(l) Trade and Other Payables

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

(m) Employee Benefits

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

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

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

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

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

(n) Interest-bearing Loans and Borrowings

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

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

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

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

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

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

(p) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

(q) Joint Venture

Information about any joint venture is set out in Note 16.

(r) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(s) Superannuation

The Council contributes to a number of defined superannuation funds on behalf of employees.

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

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

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

(v) Comparative Figures

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

(w) 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.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods

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

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

	Title and Topic	Issued	Applicable (*)	Impact
(i)	AASB 9– Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 124– Related Party Disclosures	December 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii)	AASB 2009-5 - Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	May 2009	01 January 2010	Nil – The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.
(iv)	AASB 2009-8 - Amendments to Australian Accounting Standards – Group Cash – Settled Share-based Payment Transactions [AASB 2]	July 2009	01 January 2010	Nil - The Council will not have applicable transactions.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title and Topic	Issued	Applicable (*)	Impact
(v)	AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(vi)	AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (ii) above).
(vii)	AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]	December 2009	01 July 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2010- 1 Amendment to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosure for First-time Adopters [AASB 1 & AASB 7]	February 2010	01 July 2010	

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

(vi) (Continued)	Title and Topic	Issued	Applicable (*)	Impact
	AASB 2009- 10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB132]	October 2009	01 February 2010	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	Interpretation 19– Extinguishing Financial Liabilities with Equity Instruments	December 2009	01 July 2010	
	AASB 2009– 14 Amendments to Australian Interpretations – Prepayments of a minimum Funding Requirement [AASB Interpretation 14]	December 2009	01 January 2011	

Notes:

(*) Applicable to reporting periods commencing on or after the given date.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Adoption of New and Revised Accounting Standards

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

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

AASB 101: Presentation of Financial Statements

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

Disclosure Impact

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

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

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

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

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

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

2. REVENUE AND EXPENSES	2010	2009	
	\$	\$	
(a) Net Result			
The Net Result includes:			
(i) Charging as an Expense:			
Auditors Remuneration			
- Audit	4,900	4,900	
- Other Services	6,300	250	
Depreciation			
Buildings	(174,376)	(151,108)	
Furniture and Equipment	(28,619)	(25,459)	
Plant and Equipment	(359,673)	(338,504)	
Roads	(1,388,415)	(1,368,413)	
Quarry	0	(1,125)	
	<u>(1,951,083)</u>	<u>(1,884,609)</u>	
Interest Expenses (Finance Costs)			
Finance Lease Charges	0	0	
Debentures (<i>refer Note 21(a)</i>)	0	0	
	<u>0</u>	<u>0</u>	
Rental Charges			
- Operating Leases	0	0	
	<u>0</u>	<u>0</u>	
(ii) Crediting as Revenue:	2010	2010	2009
	\$	Budget	\$
		\$	
Interest Earnings			
Investments			
- Reserve Funds	29,850	45,200	71,696
- Other Funds	27,728	30,200	32,738
Other Interest Revenue (<i>refer note 26</i>)	4,388	2,050	4,124
	<u>61,966</u>	<u>77,450</u>	<u>108,558</u>

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Bruce Rock is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

SHIRE MISSION STATEMENT

Bruce Rock Leads the Way

SHIRE VISION

To maintain and enhance the Bruce Rock Lifestyle, increase business and employment opportunities and achieve population growth.

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

GOVERNANCE

Administration and operation of facilities and services to its members of Council and other costs that relate to the costs of the tasks of elected members and ratepayers on matters which do not concern specific areas of Council.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Assistance to the Shire's Bush Fire Services, fire prevention, animal control, crime prevention and community safety and the supervision of various by-laws.

HEALTH

Food quality and pest control, operation of medical centre and the provision of accommodation offices and other services to the doctor, dentist, counsellor, infant health nurse and other visiting practitioners.

EDUCATION AND WELFARE

Provision of facilities for local playgroup, senior citizen association, daycare and men's shed.

HOUSING

Maintenance of the shire aged, single and community and other houses.

COMMUNITY AMENITIES

Rubbish collection services, operation of refuse site, recycling centre, bulk litter drives and Drum Muster and maintenance of cemetery.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
SHIRE OF BRUCE ROCK**

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

RECREATION AND CULTURE

Maintenance and operation of amphitheatre, halls and the recreation centre, the swimming pool, various courts, cricket pitches and oval. Maintenance of Council's parks and gardens and various reserves. Operation and control of Library and Museum and heritage inventory.

TRANSPORT

Construction and maintenance of streets, roads, drainage works, lighting of streets, depot maintenance and airstrip maintenance. Vehicle inspections are conducted on behalf of Dept of Transport.

ECONOMIC SERVICES

Provision of tourism promotion through caravan park and camping ground, provision of community bus, assistance with Vietnam Veterans Back to the Bush Reunion, building surveyor, saleyards and water stand pipes. Operation of Bruce Rock Natural Resource Management and various landcare projects.

OTHER PROPERTY & SERVICES

Private works operations, public works overheads, plant repairs and operation costs.

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening	Received (+)	Expended (#)	Closing	Received (+)	Expended (#)	Closing
Grant/Contribution	Function/ Activity	Balance (*) 1-Jul-08	2008/09	2008/09	Balance (*) 30-Jun-09	2009/10	2009/10	Balance 30-Jun-10
		\$	\$	\$	\$	\$	\$	\$
WA Local Govt Grants Comm	Gen Pur Rev	0	0	0	0	1,012,039	(1,012,039)	0
Royalties for Regions	Gen Pur Rev	0	378,736	0	378,736	378,736	(757,472)	0
Royalties for Regions	Gen Pur Rev	0	0	0	0	35,000	0	35,000
FESA - ESL	Law, O & PS	0	0	0	0	13,140	(13,140)	0
Office of Crime Prevention	Law, O & PS	0	19,000	0	19,000	0	(2,500)	16,500
DVA - Mens Shed	Ed & Wel	0	0	0	0	22,135	0	22,135
Lotterywest - Mens Shed	Ed & Wel	0	0	0	0	62,000	(40,000)	22,000
DSR - Bowling Green	Rec & Culture	0	0	0	0	130,000	(130,000)	0
RLCIP 2009/10 - Shade Sails	Rec & Culture	0	0	0	0	30,000		30,000
RLCIP 2008/09 - Playgrounds	Rec & Culture	0	100,000	0	100,000	0	(100,000)	0
Dept of Local Govt - Toilets	Rec & Culture	0	10,673	0	10,673	0	(10,673)	0
Tennis Australia - Ardath TC	Rec & Culture	0	0	0	0	38,500	(38,500)	0
Main Rds - Cramphorne Rd	Transport	0	0	0	0	220,688	(220,688)	0
Main Rds - Flood Damage	Transport	0	0	0	0	117,055	(117,055)	0
FAGS Roads	Transport	0	0	0	0	662,610	(662,610)	0
Main Rds - Doodlie - BK Rd	Transport	0	0	0	0	135,900	(135,900)	0
Main Rds - Direct Grant	Transport	0	0	0	0	110,438	(110,438)	0
Main Rds - Specific Bridges	Transport	0	0	0	0	9,000	(9,000)	0
Roads to Recovery 2005-09	Transport	0	130,732	0	130,732	0	(130,732)	0
Roads to Recovery 2009-14	Transport	0	0	0	0	380,957	(194,108)	186,849
Main Rds - St Light Subsidy	Transport	0	0	0	0	2,199	(2,199)	0
Sub Total		0	639,141	0	639,141	3,360,397	(3,687,054)	312,484

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
Total Other Comprehensive Income

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions		Opening Balance (*) 1-Jul-08	Received (+) 2008/09	Expended (#) 2008/09	Closing Balance (*) 30-Jun-09	Received (+) 2009/10	Expended (#) 2009/10	Closing Balance 30-Jun-10
Grant/Contribution	Function/ Activity	\$	\$	\$	\$	\$	\$	\$
Sub Totals from Previous Page		0	639,141	0	639,141	3,360,397	(3,687,054)	312,484
Healthway - Vets Wkend	Ec Services	0	0	0	0	3,000	(3,000)	0
Lotterywest - Vets Wkend	Ec Services	0	0	0	0	9,327	(9,327)	0
DCD - Thank a Volunteer Day	Ec Services	0	0	0	0	665	(665)	0
Dept of Ag - Skeleton Weed	Ec Services	0	0	0	0	33,300	(18,278)	15,022
Total		0	639,141	0	639,141	3,406,689	(3,718,324)	327,506

Notes:

(*) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(+) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(#) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

	2010 \$	2009 \$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	1,063,915	594,235
Restricted	793,230	1,104,064
	<u>1,857,145</u>	<u>1,698,299</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Long Service Leave Reserve	81,770	77,673
Be-Active Long Service Leave Reserve	6,977	5,508
Plant Reserve	4,459	4,235
Housing Reserve	155,100	376,052
Recreation Centre Upgrade Reserve	106,810	101,455
Council Housing Reserve	110,608	0
Unspent Grants	327,506	539,141
	<u>793,230</u>	<u>1,104,064</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	27,498	28,561
Sundry Debtors	98,927	105,180
GST Receivable	0	0
Loans - Clubs/Institutions	0	0
	<u>126,425</u>	<u>133,741</u>
Non-Current		
Rates Outstanding - Pensioners	0	0
Loans - Clubs/Institutions	0	0
	<u>0</u>	<u>0</u>
5. INVENTORIES		
Current		
Fuel and Materials	20,590	24,292
	<u>20,590</u>	<u>24,292</u>
Non-Current		
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>0</u>	<u>0</u>

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

	2010 \$	2009 \$
6. PROPERTY, PLANT AND EQUIPMENT		
Land - Cost	63,187	63,229
	<u>63,187</u>	<u>63,229</u>
Buildings - Cost	10,963,030	9,810,078
Less Accumulated Depreciation	(2,166,410)	(2,049,777)
	<u>8,796,620</u>	<u>7,760,301</u>
Furniture and Equipment - Cost	302,122	271,197
Less Accumulated Depreciation	(140,694)	(114,519)
	<u>161,428</u>	<u>156,678</u>
Plant and Equipment - Cost	5,170,296	5,147,478
Less Accumulated Amortisation	(2,440,623)	(2,114,752)
	<u>2,729,673</u>	<u>3,032,726</u>
	<u><u>11,750,908</u></u>	<u><u>11,012,934</u></u>

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	<u>Land</u> \$	<u>Buildings</u> \$	<u>Furniture & Equipment</u> \$	<u>Plant & Equipment</u> \$	<u>Total</u> \$
Balance as at 1 July 2009	63,229	7,760,301	156,678	3,032,726	11,012,934
Additions	0	1,213,477	33,369	278,508	1,525,354
(Disposals)	(42)	(2,782)	0	(221,888)	(224,712)
Revaluation - Increments	0	0	0	0	0
- (Decrements)	0	0	0	0	0
Impairment - (losses)	0	0	0	0	0
- reversals	0	0	0	0	0
Depreciation (Expense)	0	(174,376)	(28,619)	(359,673)	(562,668)
Other Movements	0	0			0
Balance as at 30 June 2010	<u>63,187</u>	<u>8,796,620</u>	<u>161,428</u>	<u>2,729,673</u>	<u>11,750,908</u>

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

	2010 \$	2009 \$
7. INFRASTRUCTURE		
Roads - Cost	43,984,189	43,087,879
Less Accumulated Depreciation	<u>(25,120,182)</u>	<u>(23,731,767)</u>
	18,864,007	19,356,112
Quarry - Cost	42,500	42,500
Less Accumulated Depreciation	<u>(41,500)</u>	<u>(41,500)</u>
	1,000	1,000
	 <u>18,865,007</u>	 <u>19,357,112</u>

Council have adopted a policy of re-valuing roads with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date.

This policy accords with the requirements of AASB 116.

(a) Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads \$	Quarry \$	Total \$
Balance as at 1 July 2009	19,356,112	1,000	19,356,112
Additions	896,310	0	896,310
(Disposals)	0	0	0
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment - (losses)	0	0	0
- reversals	0	0	0
Depreciation (Expense)	(1,388,415)	0	(1,388,415)
Other Movements	0		0
Balance as at 30 June 2010	<u>18,864,007</u>	<u>1,000</u>	<u>18,864,007</u>

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

	2010	2009
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	95,807	280,005
Accrued Interest on Debentures	0	0
Accrued Salaries and Wages	15,328	12,261
	<u>111,135</u>	<u>292,266</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	0	0
Lease Liability	0	0
	<u>0</u>	<u>0</u>
Non-Current		
Secured by Floating Charge		
Debentures	0	0
Lease Liability	0	0
	<u>0</u>	<u>0</u>
Additional detail on borrowings is provided in Note 21.		
10. PROVISIONS		
Current		
Provision for Annual Leave	80,493	84,013
Provision for Long Service Leave	144,799	133,122
	<u>225,292</u>	<u>217,135</u>
Non-Current		
Provision for Long Service Leave	20,187	27,644
	<u>20,187</u>	<u>27,644</u>

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

	2010 \$	2010 Budget \$	2009 \$
11. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening Balance	77,673	83,182	73,063
Amount Set Aside / Transfer to Reserve	4,097	3,000	4,610
Amount Used / Transfer from Reserve	0	0	0
	<u>81,770</u>	<u>86,182</u>	<u>77,673</u>
(b) Be-Active Long Service Leave Reserve			
Opening Balance	5,508	0	5,181
Amount Set Aside / Transfer to Reserve	1,469	0	327
Amount Used / Transfer from Reserve	0	0	0
	<u>6,977</u>	<u>0</u>	<u>5,508</u>
(c) Plant Reserve			
Opening Balance	4,235	4,235	3,984
Amount Set Aside / Transfer to Reserve	224	200	251
Amount Used / Transfer from Reserve	0	0	0
	<u>4,459</u>	<u>4,435</u>	<u>4,235</u>
(d) Housing Reserve			
Opening Balance	376,052	376,052	138,586
Amount Set Aside / Transfer to Reserve	7,770	398,000	237,466
Amount Used / Transfer from Reserve	(228,722)	0	0
	<u>155,100</u>	<u>774,052</u>	<u>376,052</u>
(e) Rec Centre Upgrade Reserve			
Opening Balance	101,455	101,454	788,218
Amount Set Aside / Transfer to Reserve	5,355	4,000	56,241
Amount Used / Transfer from Reserve	0	(105,454)	(743,004)
	<u>106,810</u>	<u>0</u>	<u>101,455</u>
(f) Council Housing Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	240,789	0	0
Amount Used / Transfer from Reserve	(130,181)	0	0
	<u>110,608</u>	<u>0</u>	<u>0</u>
TOTAL CASH BACKED RESERVES	<u>465,724</u>	<u>864,669</u>	<u>564,923</u>

All of the cash backed reserve accounts are supported by money held in financial institutions and match the amounts shown as restricted cash in Note 3.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

11. RESERVES - CASH BACKED (continued)

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Long Service Leave Reserve

- to be used to fund long service leave requirements.

Be-Active Long Service Leave Reserve

- to be used to fund long service leave requirements.

Plant Reserve

- to be used for the purchase of major plant.

Housing Reserve

- to be used for the construction of a new joint venture housing.

Recreation Centre Upgrade Reserve

- to be used for the upgrade of the Recreation Centre.

Council Housing Reserve

- to be used for the construction of a new housing for Council.

The Leave, Plant and Housing Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

The Recreation Centre Upgrade Reserve and the Council Housing Reserve is expected to be utilised in 2010/11.

12. RESERVES - ASSET REVALUATION

The Shire of Bruce Rock did not revalue any assets during 2009/10 financial year.

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand 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:

	2010 \$	2009 \$
Cash and Cash Equivalents	<u>1,857,145</u>	<u>1,698,299</u>

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

Net Result	574,127	802,891
Depreciation	1,951,083	1,884,609
Impairment (Loss)/Reversal	0	0
(Profit)/Loss on Sale of Asset	(177,402)	(58,123)
(Increase)/Decrease in Receivables	7,316	45,251
(Increase)/Decrease in Inventories	3,702	(3,504)
Increase/(Decrease) in Payables	(181,131)	149,138
Increase/(Decrease) in Employee Provisions	700	35,346
Grants/Contributions for the Development of Assets	(990,680)	(1,189,405)
Net Cash from Operating Activities	<u>1,187,715</u>	<u>1,666,203</u>

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

Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	0	0
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>0</u>	<u>0</u>

Loan Facilities

Loan Facilities - Current	0	0
Loan Facilities - Non-Current	0	0
Total Facilities in Use at Balance Date	<u>0</u>	<u>0</u>

Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>
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**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

14. CONTINGENT LIABILITIES

The Shire of Bruce Rock does not have any impending Contingent Liabilities.

15. CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments

The Shire of Bruce Rock has no Finance Lease Commitments.

(b) Operating Lease Commitments

The Shire of Bruce Rock has no Operating Lease Commitments.

(c) Capital Expenditure Commitments

The Shire of Bruce Rock has no Major Capital Expenditure Commitments other than those detailed in the Budget.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

16. JOINT VENTURE

The Shire of Bruce Rock was not involved in any Joint Venture Projects for the 2009/10 financial year.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2010	2009
	\$	\$
Governance	97,626	176,695
General Purpose Funding	0	0
Law, Order, Public Safety	315,377	334,768
Health	700,664	724,393
Education and Welfare	145,262	68,186
Housing	2,920,087	2,361,951
Community Amenities	40,028	44,953
Recreation and Culture	4,191,755	4,039,574
Transport	18,881,174	19,320,355
Economic Services	782,447	834,541
Other Property and Services	2,255,478	2,463,630
Unallocated	2,290,177	1,857,332
	<u>32,620,075</u>	<u>32,226,378</u>

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

18. FINANCIAL RATIOS	2010	2009	2008
Current Ratio	3.6	1.48	0.79
Untied Cash to Unpaid Trade Creditors Ratio	11.1	2.12	3.03
Debt Ratio	0.01	0.02	0.01
Debt Service Ratio	0	0	0
Gross Debt to Revenue Ratio	0	0	0
Gross Debt to Economically Realisable Assets Ratio	0	0	0
Rate Coverage Ratio	0.21	0.18	0.21
Outstanding Rates Ratio	0.03	0.03	0.02

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

19. TRUST FUNDS

Funds held at balance date over which the District has no control and which are not included in the financial statements are as follows:

	Balance 1-Jul-09 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-10 \$
Factory Unit & Housing Bonds	8,055	3,220	(1,120)	10,155
Cemetery Donations	973	0	0	973
Hydro Pool Key Deposits	50	280	0	330
Kwolyin Progress Association	671	0	0	671
Sale of Land Deposits	5,050	1,000	(1,000)	5,050
Bruce Rock Museum Funds	34	0	0	34
Nomination Deposits	0	480	(480)	0
Overpayment of Rates	0	120	0	120
Community Rec Centre	25	0	0	25
Tidy Towns	1,513	0	0	1,513
Vietnam Veterans	11,845	16,357	(10,746)	17,456
Wind up	141	10,716	(10,020)	836
Wheatbelt Women	3,569	0	(818)	2,751
	<u>31,925</u>			<u>39,914</u>

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

20. DISPOSALS OF ASSETS - 2009/10 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land						
Lot 47 (8) Bean Rd	42	0	42	0	0	0
Lot 50 Venemore St	0	0	1,000	0	1,000	0
Lot 148 (103) Butcher St	0	0	8,280	0	8,280	0
Lot 453 (73) Noonajin Rd	0	0	20,200	0	20,200	0
Lot 21 Main St	0	0	455	0	455	0
Buildings						
Shackleton Sports Pavilion	2,782	0	0	0	(2,782)	0
8 Bean Rd	0	0	189,254	0	189,254	0
Plant & Equipment						
BK1 Ford Mondeo	27,162	0	23,636	0	(3,525)	0
BK2 Holden Statesman V6	39,145	0	31,818	0	(7,327)	0
BK3 Ford Falcon Ute	22,580	0	16,364	0	(6,216)	0
BK010 Ford Sedan	24,909	0	18,636	0	(6,272)	0
BK02 Ford Ranger Crewcab	23,345	0	19,293	0	(4,052)	0
BK08 Ford Ranger Crewcab	19,159	0	19,545	0	387	0
BK09 Ford XR6 Sedan	24,785	0	18,636	0	(6,149)	0
BK123 Ford Ranger Crewcab	22,202	0	22,227	0	25	0
BK51 Ford XT Mark II Sedan	18,603	0	12,727	0	(5,875)	0
Furniture & Equipment						
CEO Laptop	0	0	0	0	0	0
	224,712	0	402,114	0	177,402	0

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

21. INFORMATION ON BORROWINGS

(a) Debenture Repayments

The Shire of Bruce Rock does not have any loans as at 30th June 2010.

(b) New Debentures - 2009/10

The Shire of Bruce Rock does not have any new loans as at 30th June 2010.

(c) Unspent Debentures

The Shire of Bruce Rock does not have any unspent debentures as at 30th June 2010.

(d) Overdraft

The Shire of Bruce Rock did not have an overdraft facility as at 30th June 2010.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

22. RATING INFORMATION - 2009/10 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate											
GRV - Bruce Rock	0.048360	243	1,830,685	88,532	163	0	88,695	89,952	0	0	89,952
UV - Rural	0.007437	327	113,645,500	845,182	-376	0	844,806	845,182	0	0	845,182
UV - Mining	0.007437	1	44,765	333	-204		129	333	0	0	333
Sub-Totals		571	115,520,950	934,047	-417	0	933,630	935,467	0	0	935,467
Minimum Rates	Minimum \$										
GRV - Bruce Rock	238.00	99	237,154	24,038	0	0	24,038	23,562	0	0	23,562
UV - Rural	238.00	13	99,000	3,094	0	0	3,094	3,094	0	0	3,094
UV - Mining	238.00	2	4,754	476			476	476	0	0	476
Sub-Totals		114	340,908	27,608	0	0	27,608	27,132	0	0	27,132
Specified Area Rate (refer note 23)							961,238 0				962,599 0
Discounts (refer note 25)							961,238 (39,830)				962,599 (37,000)
Totals							921,408				925,599

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

23. SPECIFIED AREA RATE - 2009/10 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
The Shire of Bruce Rock does not have any Specified Area Rates.				0	0	0	0

24. SERVICE CHARGES - 2009/10 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
The Shire of Bruce Rock does not have any Service Charges.		0	0	0	0

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2009/10 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	39,830	37,000

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

26. INTEREST CHARGES AND INSTALMENTS - 2009/10 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		3,497	1,550
Interest on Instalments Plan	5.50%		792	400
Charges on Instalment Plan		18	630	600
			<u>4,919</u>	<u>2,550</u>

Ratepayers had the option of paying rates in four equal instalments, due on 4th September 2009, 5th November 2009, 7th January 2010 and 9th March 2010. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2010 \$	2009 \$
Governance	3,616	608
General Purpose Funding	7,922	7,543
Law, Order, Public Safety	2,227	5,108
Health	76,878	85,213
Education and Welfare	5,644	6,853
Housing	83,703	69,930
Community Amenities	54,850	50,401
Recreation and Culture	35,413	27,891
Transport	26,992	20,515
Economic Services	97,811	98,145
Other Property and Services	<u>175,737</u>	<u>278,916</u>
	<u><u>570,793</u></u>	<u><u>651,123</u></u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

28. GRANT REVENUE	2010	2009
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	2,560,177	2,295,944
Non-Operating Grants, Subsidies and Contributions	990,680	1,189,405
	<u>3,550,857</u>	<u>3,485,349</u>
By Program:		
Governance	38,072	35,663
General Purpose Funding	1,425,775	1,571,496
Law, Order, Public Safety	13,140	201,372
Health	0	0
Education and Welfare	84,221	1,431
Housing	7,032	33,337
Community Amenities	5,393	1,264
Recreation and Culture	201,058	30,355
Transport	1,638,847	1,556,588
Economic Services	109,063	38,768
Other Property and Services	28,256	15,075
	<u>3,550,857</u>	<u>3,485,349</u>

29. COUNCILLORS' REMUNERATION	2010	2010	2009
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	0	0	0
President's Allowance	9,880	9,880	10,300
Deputy President's Allowance	0	0	0
Travelling Expenses	0	0	0
Telecommunications Allowance	0	0	0
	<u>9,880</u>	<u>9,880</u>	<u>10,300</u>

30. EMPLOYEE NUMBERS	2010	2009
The number of full-time equivalent employees at balance date	<u>35</u>	<u>35</u>

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2009/10 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2009/10 financial year.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

33. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council 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 Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2010	2009	2010	2009
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,857,145	1,698,299	1,857,145	1,698,299
Receivables	126,425	133,741	126,425	133,741
	<u>1,983,570</u>	<u>1,832,040</u>	<u>1,983,570</u>	<u>1,832,040</u>
Financial Liabilities				
Payables	111,135	292,266	111,135	292,266
Borrowings	0	0	0	0
	<u>111,135</u>	<u>292,266</u>	<u>111,135</u>	<u>292,266</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.

**SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010**

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio. Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council 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 Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	30-Jun-10
Percentage of Rates and Annual Charges	
- Current	55.00%
- Overdue	45.00%
Percentage of Other Receivables	
- Current	64.00%
- Overdue	36.00%

SHIRE OF BRUCE ROCK
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2010

33. FINANCIAL RISK MANAGEMENT (Continued)**(c) Payables****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. Council 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.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2010</u>					
Payables	111,135	0	0	111,135	111,135
Borrowings	0	0	0	0	0
	<u>111,135</u>	<u>0</u>	<u>0</u>	<u>111,135</u>	<u>111,135</u>
<u>2009</u>					
Payables	292,266	0	0	292,266	292,266
Borrowings	0	0	0	0	0
	<u>292,266</u>	<u>0</u>	<u>0</u>	<u>292,266</u>	<u>292,266</u>

(c) Borrowings (Continued)

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The Shire of Bruce Rock did not have any borrowings as at 30th June 2010.

SHIRE OF BRUCE ROCK**INDEPENDENT AUDIT REPORT****TO THE ELECTORS OF THE SHIRE OF BRUCE ROCK**

I have audited the accompanying financial report of the **Shire of Bruce Rock** which comprises the balance sheet, income statements, cash flow statement, rate setting statement and supporting notes for the year ended **30 June 2010**.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council and the overall presentation of the financial report.

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

Independence

In conducting my audit I have complied with the independence requirements of Australian professional ethical pronouncements.

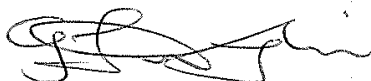
Auditor's Opinion

In my opinion the financial report of the **Shire of Bruce Rock** is in accordance with the Act and the Regulations including giving a true and fair view of the shire's financial position as at **30 June 2010** and the results of its operations for the year ended on that date and complying with Australian Accounting Standards.

Other Matters

In accordance with the Regulations I report that in my opinion,

- (a) There were no matters that indicated a significant adverse trend in the financial position or the financial management practices of the shire,
- (b) There were no material matters noted by me indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls in any other written law,
- (c) All necessary information and explanations were obtained by me and
- (d) All audit procedures were satisfactorily completed in conducting my audit.



Gregory Froomes Wyllie CPA

Perth, Western Australia

30 August 2010