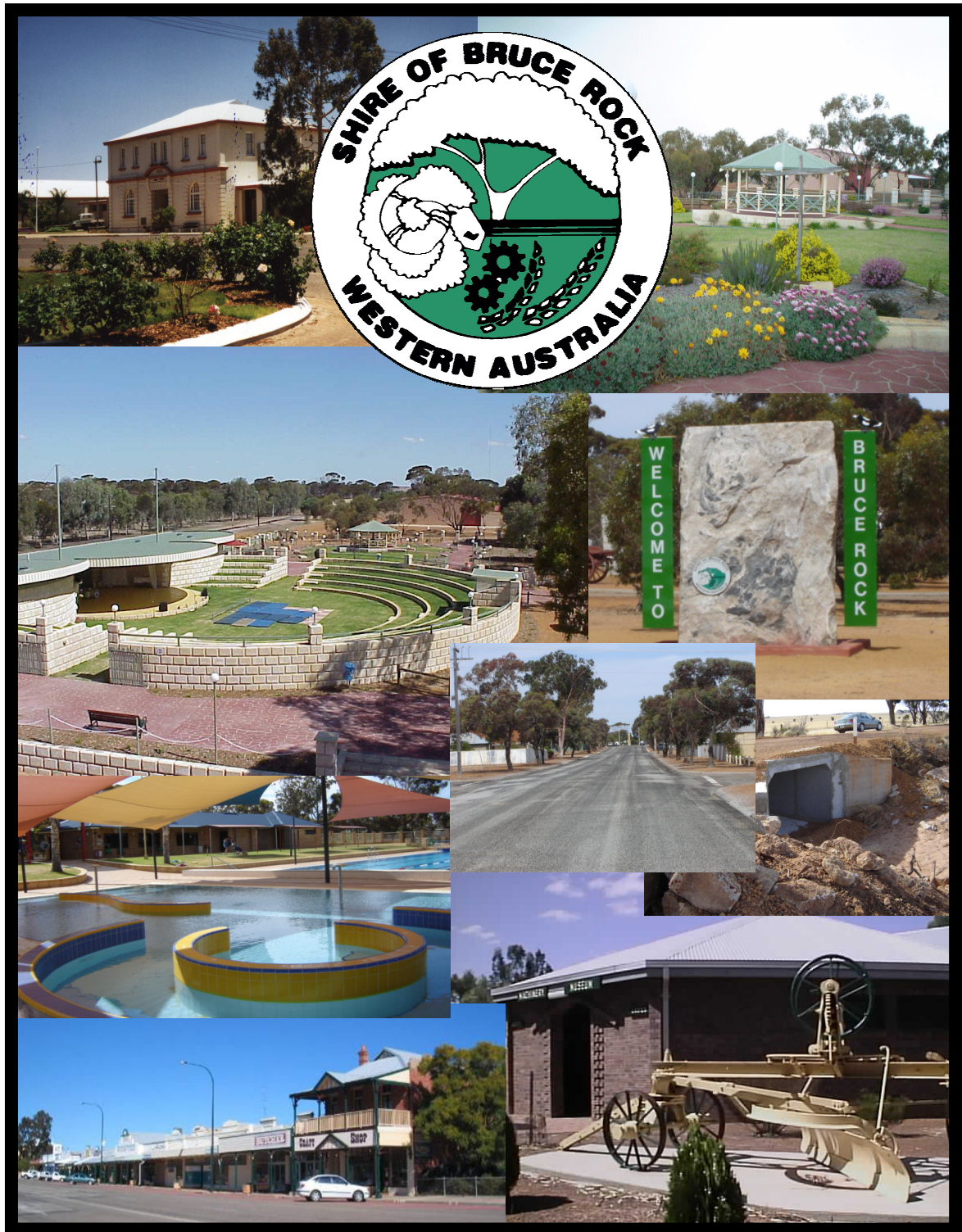


# ANNUAL REPORT

## Shire of Bruce Rock



**For the Period Ending 30<sup>th</sup> June 2008**

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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 as the five ward system was replaced in 2004/05.

Council's elections have now been changed to occur in October rather than May. Therefore, Council elections will be held on the third Saturday in October.

### **President**

Cr SA Strange

### **Deputy President**

Cr IS Dolton

<b>Councillors</b>	<b>Telephone</b>	<b>Years of Service</b>	<b>Term Expires</b>
Cr Leslie Keith BULLER	9061 1026	21	2009
Cr Patricia Gertrude COAKLEY	9064 1176	12	2009
Cr Graeme John CURRIE	9061 1042	21	2011
Cr Ian Stephen DOLTON	9062 3010	8	2009
Cr Margaret Mary FOSS	9065 1034	12	2011
Cr Jennifer Jean GMEINER	9064 1190	8	2011
Cr Donald Allan HEASMAN	9065 1020	4	2009
Cr Justin Ryan LYNN	9061 1556	1	2011
Cr Douglas Edwin SEDGWICK	9065 2031	5	2011
Cr Stephen Arthur STRANGE	9061 1324	18	2011
Cr Michael John VERHOOGT	9061 1385	4	2009

## 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

CEO	Steve O'Halloran	9061 1230
		0428 611 377
Deputy CEO	Jennifer Bow	9061 1919
		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 – September;  
Back to the Bush Reunion – 1<sup>st</sup> Weekend November;

## Ordinary Council Meeting

Meets third Thursday of each month except January

## Tourist Attractions

Kokerbin Rock; Shackleton's World's Smallest Bank;  
Babakin underground orchid; Bruce's Rock;  
Bruce Rock Museum; Federation Amphitheatre & Sculpture Park;  
Ardath Hotel; Railway Dam; Ardath Lakes

## Local Industries

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

## Council Statistics (2004-05)

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	747
Number of Dwellings	551
Total Rates Levied	\$856,098
Total Revenue	\$4,415,797
Number of Employees	35

## SHIRE OF BRUCE ROCK STAFF

<b>Chief Executive Officer</b>	Steve O'Halloran
<b>Deputy Chief Executive Officer</b>	Jennifer Bow
<b>Environmental Health Officer</b>	Gary Tucker
<b>Senior Finance Officer (Maternity Leave)</b>	Natasha Taylor
<b>Executive Support Officer (P/T)</b>	Mandy Butler
<b>Administration Officer</b>	Jenna Waight
<b>Senior Administration Officer</b>	Malene Vad Brownley
<b>Be-Active Coordinator</b>	Rodney Thornton
<b>Natural Resource Management Officer</b>	Sally Rayner
<b>Swimming Pool Manager</b>	Tammy Hudson
<b>Assistant Swimming Pool Manager</b>	Danny Ireland
<b>Federation Amphitheatre Manager</b>	Phil Skipsey
<b>Medical Centre Practice Manager</b>	Sam Aurisch
<b>Practice Nurse/ Receptionist</b>	Sue O'Halloran
<b>Receptionist</b>	Trudy Butler
<b>Construction Foreman</b>	Colin Brownley
<b>Grader Driver</b>	Robert Findlay
<b>Truck Driver</b>	Glyn Corby
<b>Dozer Driver</b>	Brian Mellet
<b>Loader Driver</b>	Danny Orchard
<b>Truck Driver</b>	Mark Black
<b>Patching Truck Driver</b>	
<b>Town Foreman</b>	Peter Elliot
<b>Leading Hand</b>	Max Fuchsbichler
<b>Plant Operator</b>	Jamie Houston
<b>Labourer</b>	Vacant
<b>Labourer</b>	Des Houston
<b>Builder</b>	Jeff Dunning
<b>Trades Assistants</b>	Phil Cumming
	Luke Henderson
	Ricky Aurisch
<b>Workshop Manager</b>	Gary Waight
<b>Apprentice</b>	Ashley Griffiths
<b>Recreation Centre Manager</b>	Damien Bow
<b>Gardener</b>	John Houston
<b>Gardener</b>	Eric Schmollengruber
<b>Cleaner</b>	Laurel Fuchsbichler



## PRESIDENT'S REPORT



It is with great pleasure that I present my report on the Bruce Rock Shire Council's activities for the 2007/08 financial year. It was another extraordinarily productive year with many major achievements.

The Shire of Bruce Rock remains in a strong financial position with solid reserve levels and long term plans either in place or being developed to help ensure high quality and affordable services and facilities are available for all residents and visitors.

Council's aim is to maintain and improve its facilities throughout the Shire and some of the significant projects that were completed during 2007/08 were:

- Completion of Stage 1 Netball/ Basketball Courts and Kiosk
- Reconstruction, widen and reseal 7km of Doodlakine – Bruce Rock Road
- Reseal 1/3 of town streets
- Upgrade Council's corporate software
- Commenced work on houses at 40 and 60 Westral Street
- Commenced work on Stage 2 of Recreation Centre (Function area)
- Replaced chlorinator at pool
- Purchase of 2 new trucks and side tippers and backhoe.

The Shire of Bruce Rock continued its innovative and entrepreneurial manner when it supplied Councillors with laptop computers. This enables Councillors to be kept up to date via the internet with the supply of agendas, minutes and information bulletins. This also reduces the use of paper and eases the burden on office staff to compile and deliver such documents.

Local Government elections were held in October 2007. Council had six retiring Councillors who were all re-elected unopposed.

These were :-  
 Cr G Currie  
 Cr M Foss  
 Cr J Gmeiner  
 Cr J Lynn  
 Cr D Sedgwick and  
 Myself.

I congratulate these Councillors on being re-elected.



Bruce Rock hosted another very successful Back to the Bush Reunion and over 2,000 people attended activities over the first week in November. Mr Merv Gould, Mr Colin Turner, Mr Paul Hutton and Mr Bill Stewart and their partners are to be congratulated on organising such an enormous and successful event.

The Shire of Bruce Rock remains in a very strong financial position with solid reserve levels and long term plans are either in place or are being

developed to help ensure high quality and affordable services and facilities are available for all residents and visitors.

With the Department of Local Government and WALGA conducting reviews into Local Government sustainability, it is vital that Council maintains its strong financial position.

I would like to thank everyone who has donated their time over the course of the year to continue to ensure that Bruce Rock maintains its status as a dynamic and progressive community. I would like to take this opportunity to thank the staff for their continued dedication and service over the past twelve months. I would like to acknowledge the Senior Management team for their continued efforts over the past twelve months.

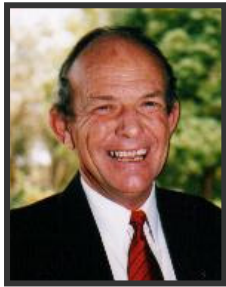
Finally, I wish to convey my thanks to all my fellow Councillors for their continued support, assistance and hard work throughout the year.



Cr Stephen Strange  
PRESIDENT



## CHIEF EXECUTIVE OFFICER'S REPORT



It is with great please that I present my report on the activities of the Shire of Bruce Rock. 2007/08 was another highly productive year which saw the continued development of community facilities.

Council has continued to develop community facilities with the commencement of the redevelopment of the Recreation Centre with construction of the Netball/Basketball Courts and Tennis Courts being completed, resealing one third of the town's streets and reconstruction and widening 7km of the Doodlakine – Bruce Rock Road. These facilities and projects are a credit to the town and create a friendly environment for tourists and the residents in Bruce Rock.

### MAJOR ACHIEVEMENTS FOR 2007/08

- Stage 1 of Redevelopment at Recreation Centre; Netball/Basketball Courts and kiosk and Tennis Courts - completed
- Reseal of 1/3 of town streets
- Reconstruction and widening of 7km of Doodlakine – Bruce Rock Road
- Installation of new corporate software
- New trucks and side tippers (which allow Council staff to work more efficiently)
- Commencement of Stage 2 of the Recreation Centre redevelopment.



Council staff report to many different State and Federal Authorities and must report and be accountable to these entities. Council's Town Planning Scheme is in the final stages of development and public comment will be sought soon. This will regulate the development of not only the town of Bruce Rock but the whole of the shire.

The State Records Office required Council to produce a Records Keeping Plan and Policies to account for all of Council's records. This plan has been given approval until 2009 when further requirements are needed. Council also completed returns for the Office of Equal Opportunities, the Freedom of Information Commission and the Disabilities Commission.

Council continues to remain in a healthy financial position and in these times of uncertainty with regards to reports into financial sustainability, Council's strong financial position should ensure its future and guarantee the residents of the Shire the retention of facilities and services currently on offer.

Council has continued to upgrade roads in the district and is continuing its plan to maintain a high standard of both bitumen and gravel roads throughout the entire shire.

### **ROAD WORKS BUDGET 2007/08**

Bruce Rock East Road  
Reconstruct and reseal various roads  
Funding Roads to Recovery


Doodlakine – Bruce Rock Road  
Reconstruct and widen 7 km from Shire of Merredin boundary.  
Funding Department of Planning and Infrastructure

Town Street  
Reseal various town streets  
Funding Roads to Recovery

### **2007/08**

Council's workforce will continue too be extremely busy with construction work on the Doodlakine-Bruce Rock Road, resealing more town streets, construction of a further \$50,000 of concrete footpaths in town, reconstruction work on Hines Hill Road, Foss Road, Babakin East Road, Crampthorne Road, Babakin – Corrigin Road and construction of Collier Road, which is funded by the Supplementary Funding under the Roads to Recovery Program. The second stage of the redevelopment of the Recreation Centre will also commence with the construction of the District Club/Function Area and upgrade of the kitchen.

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 work they completed throughout the year.



Steve O'Halloran  
**CHIEF EXECUTIVE OFFICER**

## NATIONAL COMPETITION POLICY

In respect to Council's responsibility in relations 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 2007/08 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.

## DISABILITIES SERVICE PLAN

Council reviews its facilities and services on an annual 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 is being examined by Council to determine the most effective way to remove all obstacles that hinder the access to essential services.

Council reconstructed the footpath along the Main Street CBD and installed drainage underneath the footpath and parking area during 2006/07. The improvements will improve the quality of life for all who were impeded by unsuitable facilities.



From this in December 2006



To this in February 2007

### 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 are 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.

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.bruce-rock.wa.gov.au](http://www.bruce-rock.wa.gov.au)

## 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*.

## 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 for 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 action.

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.

# **SHIRE OF BRUCE ROCK**



## **Financial Statements For year ending 30th June 2008**



## SHIRE OF BRUCE ROCK

## INCOME STATEMENT

## BY NATURE OR TYPE

## FOR THE YEAR ENDED 30TH JUNE 2008

	NOTE	2008 \$	2008 Budget \$	2007 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	23	893,084	892,681	856,108
Grants and Subsidies	29	1,856,066	2,408,533	1,813,524
Contributions Reimbursements and Donations		325,050	102,106	136,932
Service Charges	25	0	0	0
Fees and Charges	28	400,496	474,944	684,284
Interest Earnings	2(a)	129,224	76,200	150,380
Other Revenue		32,692	0	21,288
		<u>3,636,612</u>	<u>3,954,464</u>	<u>3,662,516</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		(1,240,065)	(926,211)	(1,083,968)
Materials and Contracts		(955,047)	(1,228,350)	(1,273,812)
Utilities		(163,759)	(140,250)	(137,112)
Depreciation	2(a)	(1,804,289)	(2,586,448)	(2,632,539)
Interest Expenses	2(a)	0	0	0
Insurance		(155,312)	(161,500)	(47,440)
Other Expenditure		(74,663)	(110,350)	(195,238)
		<u>(4,393,135)</u>	<u>(5,153,109)</u>	<u>(5,370,109)</u>
		<u>(756,523)</u>	<u>(1,198,645)</u>	<u>(1,707,593)</u>
Grants and Subsidies - non-operating	29	494,511	0	625,691
Contributions Reimbursements and Donations - non-operating			0	0
Fair value adjustments to financial assets at fair value through profit or loss			0	0
Profit on Asset Disposals	21	352,085	0	93,973
Loss on Asset Disposals	21	<u>(182,939)</u>	<u>0</u>	<u>(73,980)</u>
<b>NET RESULT</b>		<u>(92,866)</u>	<u>(1,198,645)</u>	<u>(1,061,909)</u>

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

## SHIRE OF BRUCE ROCK

## INCOME STATEMENT

## BY PROGRAM

## FOR THE YEAR ENDED 30TH JUNE 2008

	NOTE	2008 \$	2008 Budget \$	2007 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Governance		2,395	6,750	15,095
General Purpose Funding		1,927,948	1,847,960	1,842,848
Law, Order, Public Safety		57,549	64,260	203,874
Health		89,892	72,460	14,697
Education and Welfare		7,252	7,610	7,776
Housing		246,290	79,380	147,483
Community Amenities		61,583	56,980	56,718
Recreation and Culture		185,175	177,248	75,020
Transport		1,438,437	1,364,416	1,476,557
Economic Services		251,713	157,400	121,552
Other Property and Services		214,974	120,000	420,560
2 (a)		4,483,208	3,954,464	4,382,180
<b>EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE</b>				
Governance		(411,583)	(597,661)	(561,386)
General Purpose Funding		(95,829)	(48,000)	(57,222)
Law, Order, Public Safety		(90,563)	(65,529)	(169,312)
Health		(194,498)	(238,094)	(157,875)
Education and Welfare		(40,357)	(26,456)	(11,592)
Housing		(176,016)	(166,417)	(198,123)
Community Amenities		(96,532)	(121,821)	(98,729)
Recreation & Culture		(739,315)	(731,425)	(694,203)
Transport		(2,072,314)	(2,624,215)	(2,915,098)
Economic Services		(453,806)	(401,939)	(278,349)
Other Property and Services		(205,261)	(131,552)	(302,200)
2 (a)		(4,576,074)	(5,153,109)	(5,444,089)
<b>BORROWING COSTS EXPENSE</b>				
		0	0	0
2 (a)		0	0	0
<b>NET RESULT</b>		<u>(92,866)</u>	<u>(1,198,645)</u>	<u>(1,061,909)</u>

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

## SHIRE OF BRUCE ROCK

## BALANCE SHEET

AS AT 30TH JUNE 2008

	NOTE	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	1,423,146	2,439,019
Investments	4	0	0
Trade and Other Receivables	5	184,810	352,000
Inventories	6	20,787	24,170
<b>TOTAL CURRENT ASSETS</b>		<b>1,628,743</b>	<b>2,815,189</b>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	5	0	0
Inventories	6	0	0
Property, Plant and Equipment	7	9,879,810	8,156,064
Infrastructure	8	19,736,267	20,349,673
<b>TOTAL NON-CURRENT ASSETS</b>		<b>29,616,077</b>	<b>28,505,737</b>
<b>TOTAL ASSETS</b>		<b>31,244,820</b>	<b>31,320,926</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	136,685	153,621
Long Term Borrowings	10	0	0
Provisions	11	201,374	159,077
<b>TOTAL CURRENT LIABILITIES</b>		<b>338,059</b>	<b>312,698</b>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	10	0	0
Provisions	11	20,319	28,920
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>20,319</b>	<b>28,920</b>
<b>TOTAL LIABILITIES</b>		<b>358,378</b>	<b>341,618</b>
<b>NET ASSETS</b>		<b>30,886,442</b>	<b>30,979,308</b>
<b>EQUITY</b>			
Retained Surplus		29,877,411	29,913,779
Reserves - Cash/Investment Backed	12	1,009,031	1,065,529
Reserves - Asset Revaluation	13	0	0
<b>TOTAL EQUITY</b>		<b>30,886,442</b>	<b>30,979,308</b>

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 2008**

	NOTE	2008 \$	2007 \$
<b>RETAINED SURPLUS</b>			
Balance as at 1 July 2007		29,913,779	30,901,954
Net Result		(92,866)	(1,061,909)
Transfer from/(to) Reserves		56,498	73,734
Balance as at 30 June 2008		<u>29,877,411</u>	<u>29,913,779</u>
<b>RESERVES - CASH/INVESTMENT BACKED</b>			
Balance as at 1 July 2007		1,065,529	1,139,263
Amount Transferred (to)/from Retained Surplus		(56,498)	(73,734)
Balance as at 30 June 2008	12	<u>1,009,031</u>	<u>1,065,529</u>
<b>RESERVES - ASSET REVALUATION</b>			
Balance as at 1 July 2007		0	0
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2008	13	<u>0</u>	<u>0</u>
<b>TOTAL EQUITY</b>		<u><u>30,886,442</u></u>	<u><u>30,979,308</u></u>

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



**SHIRE OF BRUCE ROCK  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2008**

	NOTE	2008 \$	2008 Budget \$	2007 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		897,768	892,681	853,888
Grants and Subsidies - operating		1,856,066	2,408,533	1,655,765
Contributions, Reimbursements & Donations		325,050	102,106	136,932
Service Charges		0	0	0
Fees and Charges		568,820	274,944	684,284
Interest Earnings		129,224	76,200	150,380
Goods and Services Tax		203,408	0	265,695
Other		32,692	0	21,288
		<u>4,013,028</u>	<u>3,754,464</u>	<u>3,768,232</u>
<b>Payments</b>				
Employee Costs		(1,206,366)	(1,126,211)	(1,071,830)
Materials and Contracts		(968,604)	(1,293,247)	(1,286,565)
Utilities (gas, electricity, water, etc)		(163,759)	(140,250)	(137,112)
Insurance		(155,312)	(161,500)	(47,440)
Interest		0	0	0
Goods and Services Tax		(209,226)	0	(249,756)
Other		(74,664)	(110,350)	(195,238)
		<u>(2,777,931)</u>	<u>(2,831,558)</u>	<u>(2,987,941)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	14(b)	<u>1,235,097</u>	<u>922,906</u>	<u>780,291</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		0	0	0
Payments for Purchase of Property, Plant & Equipment		(2,737,299)	(2,493,836)	(886,353)
Payments for Construction of Infrastructure		(742,947)	(1,125,000)	(936,773)
Advances to Community Groups		0	0	0
Payments for Purchase of Investments		0	0	0
Grants/Contributions for the Development of Assets		494,511	0	625,691
Proceeds from Sale of Plant & Equipment		734,765	758,000	540,666
Proceeds from Advances		0	0	0
Proceeds from Sale of Investments		0	0	0
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(2,250,970)</u>	<u>(2,860,836)</u>	<u>(656,769)</u>
<b>Cash Flows from Financing Activities</b>				
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
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>(1,015,873)</u>	<u>(1,937,930)</u>	<u>123,522</u>
Cash at Beginning of Year		2,439,019	2,732,600	2,315,497
<b>Cash and Cash Equivalents at the End of the Year</b>	14(a)	<u><u>1,423,146</u></u>	<u><u>794,670</u></u>	<u><u>2,439,019</u></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 2008**

	NOTE	2008 \$	2008 Budget \$
<b>REVENUES</b>			
Governance		2,395	6,750
General Purpose Funding		1,032,280	955,279
Law, Order, Public Safety		57,549	64,260
Health		89,892	72,460
Education and Welfare		7,252	7,610
Housing		246,290	79,380
Community Amenities		61,583	56,980
Recreation and Culture		185,175	177,248
Transport		1,438,437	1,364,416
Economic Services		251,713	157,400
Other Property and Services		214,974	120,000
		<u>3,587,540</u>	<u>3,061,783</u>
<b>EXPENSES</b>			
Governance		(411,583)	(597,661)
General Purpose Funding		(93,245)	(48,000)
Law, Order, Public Safety		(90,563)	(65,529)
Health		(194,498)	(238,094)
Education and Welfare		(40,357)	(26,456)
Housing		(176,016)	(166,417)
Community Amenities		(96,532)	(121,821)
Recreation & Culture		(739,315)	(731,425)
Transport		(2,072,314)	(2,624,215)
Economic Services		(453,806)	(401,939)
Other Property and Services		(205,261)	(131,552)
		<u>(4,573,490)</u>	<u>(5,153,109)</u>
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit)/Loss on Asset Disposals		(169,148)	0
Movement in Accrued Interest		0	0
Movement in Deferred Pensioner Rates (Non-Current)		0	0
Movement in Accrued Salaries and Wages		0	0
Movement in Employee Benefit Provisions		33,693	0
Depreciation and Amortisation on Assets		1,804,291	2,586,448
<b>Capital Expenditure and Revenue</b>			
Purchase Land Held for Resale		0	0
Purchase Land and Buildings		(1,056,544)	(962,500)
Purchase Infrastructure Assets - Roads		(742,944)	(1,125,000)
Purchase Plant and Equipment		(1,602,032)	(1,433,936)
Purchase Furniture and Equipment		(78,723)	(97,400)
Purchase of Investments		0	0
Proceeds from Disposal of Investments		0	0
Proceeds from Disposal of Assets		734,764	758,000
Repayment of Debentures		0	0
Proceeds from New Debentures		0	0
Self-Supporting Loan Principal Income		0	0
Transfers to Reserves (Restricted Assets)		(217,312)	(209,680)
Transfers from Reserves (Restricted Assets)		273,810	490,540
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		1,311,677	1,240,398
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		198,666	48,225
<b>Amount Required to be Raised from Rates</b>	<b>23</b>	<u><u>(893,084)</u></u>	<u><u>(892,681)</u></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 2008**

**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 20 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 Balance Sheet are stated inclusive of applicable GST.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet 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 balance sheet.

**SHIRE OF BRUCE ROCK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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.

**(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 from 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 Income Statement 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.

**SHIRE OF BRUCE ROCK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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.

**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 reporting date.

**Land under Roads**

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

**(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	10 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
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 - concrete	40 years

**SHIRE OF BRUCE ROCK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2008**

**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 reporting date.

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

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

***(ii) Loans and receivables***

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

***(iii) Held-to-maturity investments***

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

***(iv) Available-for-sale financial assets***

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

***Recognition and derecognition***

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

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

**SHIRE OF BRUCE ROCK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2008**

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

***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 income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

**(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 the balance sheet date.

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

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

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



**SHIRE OF BRUCE ROCK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Impairment**

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

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

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

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

**(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 the balance sheet 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 2008**

**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) 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.

**(q) Superannuation**

The Shire of Bruce Rock contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

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.

**(r) Rounding Off Figures**

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

**(s) Comparative Figures**

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

**(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.

**SHIRE OF BRUCE ROCK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) New Accounting Standards and Interpretations**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2008.

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

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i) AASB-I 12 Service Concession Arrangements, AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 12, revised UIG 4 Determining whether an Arrangement contains a Lease and revised UIG 129 Service Concession Arrangements:	February 2007	1 January 2008	Nil – Council is not party to any Service Concession Arrangements.
(ii) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(iii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007	1 January 2009	Nil – The revised Standard has removed the option to expense all borrowing costs and, when adopted, will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the council already capitalises borrowing costs relating to qualifying assets.
(iv) AASB-I 13 Customer Loyalty Programmes	August 2007	1 July 2008	Nil – Council has no Customer Loyalty Programmes.

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) New Accounting Standards and Interpretations (Continued)**

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(v) AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	August 2007	1 January 2008	Nil – The Interpretation provides guidance on the maximum amount that may be recognised as an asset in defined benefit plans. Council does not currently contribute to any defined benefit plans. Consequently, there is not expected to be any impact on the financial statements.
(vi) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of financial position), being as at the beginning of the comparative period.
(vii) AASB 1049 Whole of Government and General Government Sector Financial	October 2007	1 July 2008(+)	Nil – The Standard is not applicable to Local Governments.

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) New Accounting Standards and Interpretations (Continued)**

<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(viii) AASB 1050 Administered Items: AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29 and AAS 31 and revised interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities	December 2007	1 July 2008(+)	<ul style="list-style-type: none"> <li>• AASB 1050 is only applicable to Government departments and will have no impact on Council.</li> <li>• AASB 1051 will allow Council to recognise or not recognise land under roads acquired before 30 June 2008. Land under roads acquired after 30 June 2008 must be recognised.</li> <li>• AASB 1052 requires disclosure of financial information by function or activity. Council already provides this information so there will be no additional impact on the financial statements.</li> <li>• This Standard will have a significant impact on the Council's financial statements.</li> <li>• AASB 1004 requires contributions made to Council to be recognised at fair value when they are controlled and to be appropriately disclosed. Council already accounts for contributions in this manner so there will be no additional impact on the financial statements.</li> </ul>

**Notes:**

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

(+) - Applicable to not-for-profit and/or public sector entities only.

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

<b>2. REVENUES AND EXPENSES</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Result from Ordinary Activities</b>		
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>		
- Audit	4,650	5,000
- Other Services	650	3,750
<b>Depreciation</b>		
Buildings	(134,469)	(263,916)
Furniture and Equipment	(18,872)	(19,718)
Plant and Equipment	(295,346)	(331,315)
Roads	(1,354,477)	(2,016,090)
Quarry	(1,125)	(1,500)
	<u>(1,804,289)</u>	<u>(2,632,539)</u>
<b>Interest Expenses</b>		
Finance Lease Charges	0	0
Debentures ( <i>refer Note 22(a)</i> )	0	0
	<u>0</u>	<u>0</u>
<b>Rental Charges</b>		
- Operating Leases	0	0
	<u>0</u>	<u>0</u>
(ii) Crediting as Revenue:	<b>2008</b>	<b>2008</b>
	<b>\$</b>	<b>Budget</b>
		<b>\$</b>
<b>Interest Earnings</b>		
Investments		
- Reserve Funds	77,186	69,140
- Other Funds	49,714	75,000
Other Interest Revenue ( <i>refer note 27</i> )	2,324	1,200
	<u>129,224</u>	<u>145,340</u>
		<u>150,380</u>

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**2. REVENUES 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.

MISSION STATEMENT *Bruce Rock "Leads the Way"*

**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 Fire Brigade and 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 clinic and the provision of accommodation offices and other services to the doctor, dentist, infant health nurse and physiotherapist.

**EDUCATION AND WELFARE**

Assistance to senior citizens, playgroups and other community and voluntary services.

**HOUSING**

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

**COMMUNITY AMENITIES**

Rubbish collection services, operation of refuse site, recycling centre, bulk litter drives and the Tidy Towns' Project. Administration of the Town Planning Scheme, maintenance of cemetery and control of public toilets and rest centres.

**RECREATION AND CULTURE**

Maintenance and operation of halls and the amphitheatre, recreation centre, the swimming pool, tennis courts, cricket pitches, oval, netball courts, basketball courts and TV rebroadcasting. 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, vehicle licensing and airstrip maintenance.



**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

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

**(b) Statement of Objective (Continued)**

**ECONOMIC SERVICES**

Provision of tourism promotion through caravan park and camping ground, railway barracks and community bus. The provision of services, building surveyor, saleyards and water stand pipes. Employment of Bruce Rock Natural Resource Management Officer and various landcare projects.

**OTHER PROPERTY & SERVICES**

Private works operations, plant repairs and operation costs.

## SHIRE OF BRUCE ROCK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30TH JUNE 2008

## 2. REVENUES AND EXPENSES (Continued)

	2008 \$	2007 \$
<b>(c) Conditions Over Contributions</b>		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Roads to Recovery Supplementary Funding	344,196	344,196
Department of Environment & Heritage	26,059	26,059
Dept of Local Govt & Community Development	6,000	6,000
Office of Crime Safety	16,200	16,200
	<u>392,455</u>	<u>392,455</u>
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Roads to Recovery Annual Funding	68,297	
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Roads to Recovery Supplementary Funding	(59,835)	0
Department of Environment & Heritage	(26,059)	0
Dept of Local Govt & Community Development	(6,000)	0
Office of Crime Safety	(16,200)	0
Closing balances of unexpended grants	<u>352,658</u>	<u>392,455</u>
Comprises:		
Roads to Recovery Annual Funding	68,297	0
Roads to Recovery Supplementary Funding	284,361	344,196
Department of Environment & Heritage	0	26,059
Dept of Local Government & Community Development	0	6,000
Office of Crime Safety	0	16,200
	<u>352,658</u>	<u>392,455</u>

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

	2008 \$	2007 \$
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	61,456	981,034
Restricted	1,361,690	1,457,985
	<u>1,423,146</u>	<u>2,439,019</u>

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

Long Service Leave Reserve	73,063	67,949
Be-Active Long Service Leave Reserve	5,181	2,934
Plant Reserve	3,984	3,705
Housing Reserve	138,586	128,886
Community Development Reserve	0	131,940
Recreation Centre Upgrade Reserve	788,218	730,116
Roads to Recovery Annual Funding	68,297	0
Roads to Recovery Supplementary Funding	284,361	344,196
Department of Environment & Heritage	0	26,059
Dept of Local Government & Community Development	0	6,000
Office of Crime Safety	0	16,200
	<u>1,361,690</u>	<u>1,457,985</u>

**4. INVESTMENTS**

The Shire of Bruce Rock did not have any investments other than Cash Bearing Deposits during 2007-08. Details regarding investments are as follows;

**(a) General Reserve**

<u>Details of Investment</u>	<u>Expiry Date</u>	<u>Term</u>	<u>Interest Rate</u>
Bendigo Bank (133 939 199)	10-Dec-08	6 months	8.38%
Fund Consists of;			
Leave Reserve	78,244		
Plant Reserve	3,984		
Housing Reserve	138,586		
	<u>220,814</u>		

**(b) Rec Centre Upgrade Reserve**

<u>Details of Investment</u>	<u>Expiry Date</u>	<u>Term</u>	<u>Interest Rate</u>
Westpac Bank (036-105 14-6289)	15-Sep-08	6 months	8.00%
Fund Consists of;			
Rec Centre Upgrade Reserve	788,218		
	<u>788,218</u>		

**(c) Surplus Municipal Funds**

<u>Details of Investment</u>	<u>Amt Invested at 30-Jun-08</u>	<u>Term</u>	<u>Interest Rate</u>
Westpac Bank (036-105 13-7921)	471,739	At Call	7.00%

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## SHIRE OF BRUCE ROCK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30TH JUNE 2008

	2008 \$	2007 \$
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	14,907	19,592
Sundry Debtors	164,084	332,408
GST Receivable	5,819	0
Loans - Clubs/Institutions	0	0
	<u>184,810</u>	<u>352,000</u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	0	0
Loans - Clubs/Institutions	0	0
	<u>0</u>	<u>0</u>
<b>6. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	20,787	24,170
	<u>20,787</u>	<u>24,170</u>
<b>Non-Current</b>		
Land Held for Resale - Cost		
Cost of Acquisition	0	0
Development Costs	0	0
	<u>0</u>	<u>0</u>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Land	64,391	66,803
	<u>64,391</u>	<u>66,803</u>
Buildings - Cost	8,846,208	7,935,697
Less Accumulated Depreciation	(1,926,378)	(1,788,112)
	<u>6,919,830</u>	<u>6,147,585</u>
Furniture and Equipment - Cost	233,482	271,619
Less Accumulated Depreciation	(90,110)	(157,551)
	<u>143,372</u>	<u>114,068</u>
Plant and Equipment - Cost	4,701,403	3,897,499
Less Accumulated Depreciation	(1,949,186)	(2,069,891)
	<u>2,752,217</u>	<u>1,827,608</u>
	<u>9,879,810</u>	<u>8,156,064</u>

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**7. 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.

	Land \$	Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2007	66,803	6,147,585	114,068	1,827,608	8,156,064
Additions	8,430	1,048,114	78,723	1,602,032	2,737,299
(Disposals)	(10,842)	(111,896)	(12,188)	(429,941)	(564,867)
Revaluation - Increments - (Decrements)	0 0	0 0	0 0	0 0	0 0
Impairment - (losses) - reversals	0 0	0 0	0 0	0 0	0 0
Depreciation (Expense)	0	(134,469)	(18,871)	(295,346)	(448,686)
Other Movements	0	(29,505)	(18,360)	47,865	0
Balance as at 30 June 2008	<u>64,391</u>	<u>6,919,829</u>	<u>143,372</u>	<u>2,752,218</u>	<u>9,879,810</u>

## SHIRE OF BRUCE ROCK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30TH JUNE 2008

	2008 \$	2007 \$
<b>8. INFRASTRUCTURE</b>		
Roads - Cost	42,097,495	41,354,550
Less Accumulated Depreciation	<u>(22,363,353)</u>	<u>(21,008,876)</u>
	19,734,142	20,345,673
 Quarry Equipment - Cost	 65,000	 105,500
Less Accumulated Depreciation	<u>(62,875)</u>	<u>(101,500)</u>
	2,125	4,000
	<u>19,736,267</u>	<u>20,349,673</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.

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**8. INFRASTRUCTURE (Continued)**

**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 Equipment \$	Total \$
Balance as at 1 July 2007	20,345,674	4,000	20,349,674
Additions	742,944	0	742,944
(Disposals)	0	(750)	(750)
Revaluation - Increments - (Decrements)	0 0	0 0	0 0
Impairment - (losses) - reversals	0 0	0 0	0 0
Depreciation (Expense)	(1,354,476)	(1,125)	(1,355,601)
Other Movements			0
Balance as at 30 June 2008	<u>19,734,142</u>	<u>2,125</u>	<u>19,736,267</u>

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

	2008 \$	2007 \$
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	136,685	153,621
Accrued Interest on Debentures	0	0
Accrued Salaries and Wages	0	0
	<u>136,685</u>	<u>153,621</u>
<b>10. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge		
Debentures	0	0
Lease Liability	0	0
	<u>0</u>	<u>0</u>
<b>Non-Current</b>		
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 22.		
<b>11. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	75,886	83,689
Provision for Long Service Leave	125,488	75,388
	<u>201,374</u>	<u>159,077</u>
<b>Non-Current</b>		
Provision for Annual Leave	0	0
Provision for Long Service Leave	20,319	28,920
	<u>20,319</u>	<u>28,920</u>



**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

	2008 \$	2008 Budget \$	2007 \$
<b>12. RESERVES - CASH/INVESTMENT BACKED</b>			
<b>(a) Long Service Leave Reserve</b>			
Opening Balance	67,949	67,949	62,648
Amount Set Aside / Transfer to Reserve	5,114	4,395	5,301
Amount Used / Transfer from Reserve	0	0	0
	<u>73,063</u>	<u>72,344</u>	<u>67,949</u>
<b>(a) Be-Active Long Service Leave Reserve</b>			
Opening Balance	2,934	2,934	0
Amount Set Aside / Transfer to Reserve	2,247	205	2,934
Amount Used / Transfer from Reserve	0	0	0
	<u>5,181</u>	<u>3,139</u>	<u>2,934</u>
<b>(b) Plant Reserve</b>			
Opening Balance	3,705	3,705	3,497
Amount Set Aside / Transfer to Reserve	279	240	208
Amount Used / Transfer from Reserve	0	0	0
	<u>3,984</u>	<u>3,945</u>	<u>3,705</u>
<b>(c) Housing Reserve</b>			
Opening Balance	128,886	128,886	117,169
Amount Set Aside / Transfer to Reserve	9,700	8,300	11,717
Amount Used / Transfer from Reserve	0	0	0
	<u>138,586</u>	<u>137,186</u>	<u>128,886</u>
<b>(b) Community Development Reserve</b>			
Opening Balance	131,940	131,940	281,517
Amount Set Aside / Transfer to Reserve	0	8,600	10,423
Amount Used / Transfer from Reserve	(131,940)	(140,540)	(160,000)
	<u>0</u>	<u>0</u>	<u>131,940</u>
<b>(c) Recreation Centre Upgrade Reserve</b>			
Opening Balance	730,116	730,116	674,433
Amount Set Aside / Transfer to Reserve	199,972	187,940	55,683
Amount Used / Transfer from Reserve	(141,870)	(350,000)	0
	<u>788,218</u>	<u>568,056</u>	<u>730,116</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u>1,009,032</u>	<u>784,670</u>	<u>1,065,530</u>

All of the cash backed reserve accounts are supported by money held in financial institutions or in separate investments and match the amounts shown as restricted cash and restricted investments in Notes 3 and 4 to this report.

**SHIRE OF BRUCE ROCK****NOTES TO AND FORMING PART OF THE FINANCIAL REPORT****FOR THE YEAR ENDED 30TH JUNE 2008****12. RESERVES - CASH/INVESTMENT BACKED (Cont.)**

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 for the Be-Active Scheme

Plant Reserve

- to be used for the purchase of major plant

Housing Reserve

- to be used for the construction of housing

Community Development Reserve

- to be used for community development

Recreation Centre Upgrade Reserve

- to be used for the upgrade of the Recreation Centre

**13. RESERVES - ASSET REVALUATION**

The Shire of Bruce Rock did not revalue any assets during 2007-08 financial year.

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**14. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

For the purposes of the cash flow statement, 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 balance sheet as follows:

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Cash and Cash Equivalents	<u>1,423,146</u>	<u>2,439,019</u>
<b>(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>		
Net Result	(92,866)	(1,061,909)
Depreciation	1,804,289	2,632,539
(Profit)/Loss on Sale of Asset	(169,148)	(19,993)
(Increase)/Decrease in Receivables	167,190	(144,040)
(Increase)/Decrease in Inventories	3,382	(401)
Increase/(Decrease) in Payables	(16,935)	(12,352)
Increase/(Decrease) in Employee Provisions	33,696	12,138
Grants/Contributions for the Development of Assets	<u>(494,511)</u>	<u>(625,691)</u>
<b>Net Cash from Operating Activities</b>	<u><u>1,235,097</u></u>	<u><u>780,291</u></u>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	0	5,000
Credit Card Balance at Balance Date	<u>0</u>	<u>0</u>
<b>Total Amount of Credit Unused</b>	<u><u>0</u></u>	<u><u>5,000</u></u>
<b>Loan Facilities</b>		
Loan Facilities - Current	0	0
Loan Facilities - Non-Current	<u>0</u>	<u>0</u>
<b>Total Facilities in Use at Balance Date</b>	<u><u>0</u></u>	<u><u>0</u></u>
<b>Unused Loan Facilities at Balance Date</b>	<u><u>0</u></u>	<u><u>0</u></u>

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**15. CONTINGENT LIABILITIES**

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

**16. CAPITAL AND LEASING COMMITMENTS**

**(a) Finance Lease Commitments**

The Shire of Bruce Rock has no Financial 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 2008**

**17. JOINT VENTURE**

The Shire of Bruce Rock was not involved in any Joint Venture Projects for the financial year 2007-08.

**18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Governance	98,892	838,522
General Purpose Funding	0	0
Law, Order, Public Safety	162,217	285,013
Health	708,655	1,177,842
Education and Welfare	69,997	8,494
Housing	2,655,687	1,749,998
Community Amenities	49,877	61,656
Recreation and Culture	2,859,409	2,878,284
Transport	19,694,087	22,986,149
Economic Services	842,548	1,230,894
Other Property and Services	2,474,708	104,074
	<u>29,616,077</u>	<u>31,320,926</u>

## SHIRE OF BRUCE ROCK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30TH JUNE 2008

	2008	2007	2006
<b>19. FINANCIAL RATIOS</b>			
Current Ratio	0.790	4.340	2.460
Untied Cash to Trade Creditors Ratio	3.030	6.390	4.720
Debt Ratio	0.011	0.010	0.010
Debt Service Ratio	0.000	0.000	N/A
Gross Debt to Revenue Ratio	0.000	0.000	N/A
Gross Debt to Economically Realisable Assets Ratio	0.000	0.000	N/A
Rate Coverage Ratio	0.208	0.190	0.170
Outstanding Rates Ratio	0.016	0.020	0.020

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 Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
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 2008**

**20. TRUST FUNDS**

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

	Balance 1-Jul-07 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-08 \$
Nomination Deposits	0	480	(480)	0
Factory Unit & Housing Bonds	5,942	1,713	(520)	7,135
Cemetery Donations	973	0	0	973
Hydro Pool & Other Key Deposits	1,250	20	(1,250)	20
Kwolyin Progress Association	671	0	0	671
Sale of Land Deposits	5,050	2,000	(1,500)	5,550
Bruce Rock Museum Funds	34	0	0	34
Tidy Towns	1,413	100	0	1,513
Vietnam Veterans	24,381	22,379	(30,116)	16,644
Wind Up	101	2,395	(2,725)	-229
Fundraisers	0	1,741	(1,741)	0
Community Sporting Complex	0	25	0	25
Wheatbelt Women	2,598	0	0	2,598
LGMA	0	2,622	0	2,622
	<u>42,413</u>			<u>37,556</u>
				0

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**21. DISPOSALS OF ASSETS - 2007/08 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Land</b>						
Location 14870 Portion 1	800	0	0	0	(800)	0
Lot 13 (44) Johnson St	500	0	500	0	0	0
Lot 32 (16) Teasdale Rd	410	0	500	0	90	0
Lot 21 Jermyn St, Shackleton	31	0	1,364	0	1,333	0
Lot 22 Jermyn St, Shackleton	31	0	1,364	0	1,333	0
Lot 35 York St, Ardath	4,070	0	25,000	0	20,930	0
Ex-Main Rds Depot	5,000	0	0	0	(5,000)	0
<b>Buildings</b>						
44 Johnson St	4,000	15,000	13,136	15,000	9,136	0
Lot 53 (9) Bean Rd	39,000	0	0	0	(39,000)	0
16 Teasdale Rd	68,896	0	214,000	0	145,104	0
26 Osborne St	0	170,000	0	170,000	0	0
<b>Plant &amp; Equipment</b>						
BK267 - Backhoe	0	40,000	17,000	40,000	17,000	0
Two Way Radio System	0	0	0	0	0	0
14,000l Water Tank	900	0	0	0	(900)	0
BK6183 Mitsubishi Truck	0	0	55,455	0	55,455	0
Salt Water Chlorinator	9,600	0	0	0	(9,600)	0
BK724 Mitsubishi Truck	31,575	0	87,072	0	55,497	0
Mobile Phone Tower	98,400	0	0	0	(98,400)	0
BK472 Holden Rodeo Ute	13,545	12,000	13,182	12,000	(363)	0
BK04 Holden Rodeo Ute	13,545	12,000	12,500	12,000	(1,045)	0
BK792 Holden Rodeo Ute	13,545	12,000	12,955	12,000	(590)	0
BK05 Holden Rodeo Ute	13,545	12,000	13,182	12,000	(363)	0
BK09 - Ford XR6	26,583	25,500	23,182	25,500	(3,401)	0
BK010 - Holden Commodore	23,846	23,000	20,655	23,000	(3,191)	0
BK1 Holden V8 Statesman	41,070	42,000	43,196	42,000	2,126	0
BK3 Ford Falcon Ute	19,864	19,500	17,794	19,500	(2,070)	0
BK02 Holden Rodeo Crew Cab	20,800	21,000	21,818	21,000	1,018	0
BK2 Holden V6 Statesman	36,797	37,000	36,818	37,000	21	0
BK123 Ford Ranger Crew Cab	24,230	23,000	27,273	23,000	3,043	0
BK6020 Ardath Fast Attack	0	0	0	0	0	0
BK2 Holden V6 Statesman	42,096	37,000	36,818	37,000	(5,278)	0
17K Grader 1986	0	0	40,000	0	40,000	0
BK09 - Ford XR6	0	25,500	0	25,500	0	0
BK010 - Holden Commodore	0	23,000	0	23,000	0	0
BK1 Holden V8 Statesman	0	42,000	0	42,000	0	0
BK3 Ford Falcon Ute	0	19,500	0	19,500	0	0
BK02 Holden Rodeo Crew Cab	0	21,000	0	21,000	0	0
BK08 Holden Rodeo Crew Cab	0	20,500	0	20,500	0	0
BK08 Holden Rodeo Crew Cab	0	20,500	0	20,500	0	0
Cherry Picker	0	5,000	0	5,000	0	0
Sale of Surplus Plant	0	32,000	0	32,000	0	0
BK6299 Community Bus	0	38,000	0	38,000	0	0
Hospital Bus	0	10,000	0	10,000	0	0
<b>Sub Total</b>	<b>552,679</b>	<b>758,000</b>	<b>734,764</b>	<b>758,000</b>	<b>182,085</b>	<b>0</b>



## SHIRE OF BRUCE ROCK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

## 21. DISPOSALS OF ASSETS - 2007/08 FINANCIAL YEAR (Continued)

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Furniture &amp; Equipment</b>						
Chemist Shop Furnishings	700	0	0	0	(700)	0
Office Computer Equipment	10,059	0	0	0	(10,059)	0
Workstation Desks in Office	468	0	0	0	(468)	0
Traffic Classifier	0	0	0	0	0	0
Office Computer Equipment	0	0	0	0	0	0
Aircon at Rec Centre House	0	0	0	0	0	0
Collator	0	0	0	0	0	0
Catering Oven in Hall	0	0	0	0	0	0
Air Con at 8 Bean Rd	0	0	0	0	0	0
Air Con at 32 Bruce St	0	0	0	0	0	0
Air Con at Foreman's House	0	0	0	0	0	0
Air Con at 4 Buller Rd	0	0	0	0	0	0
Arcus Fridge at Rec Centre	0	0	0	0	0	0
Computers at Dr's Surgery	0	0	0	0	0	0
Germania Cooker at Hall	278	0	0	0	(278)	0
Office Computer Equipment	397	0	0	0	(397)	0
Air Con at Pharmacy	285	0	0	0	(285)	0
<b>Quarry Equipment</b>						
SDS Dust Extractor Quarry	750	0	0	0	(750)	0
O&K Excavator	0	0	0	0	0	0
	565,616	758,000	734,764	758,000	169,148	0

SHIRE OF BRUCE ROCK  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2008

22. INFORMATION ON BORROWINGS

(a) Debenture Repayments

The Shire of Bruce Rock does not have any loans as at 30th June 2008.

(b) New Debentures - 2007/08

The Shire of Bruce Rock does not have any loans as at 30th June 2008.

(c) Unspent Debentures

The Shire of Bruce Rock does not have any loans as at 30th June 2008.

(d) Overdraft

The Shire of Bruce Rock did not have an overdraft facility as at 30th June 2008.

## SHIRE OF BRUCE ROCK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

## 23. RATING INFORMATION - 2007/08 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 \$
<b>Differential General Rate</b>											
GRV - Bruce Rock	7.9824	247	1,098,352	87,675	148	0	87,823	87,675	0	0	87,675
UV - Rural	1.1771	319	66,336,000	780,841	0	0	780,841	780,806	0	0	780,806
<b>Sub-Totals</b>		566	67,434,352	868,516	148	0	868,664	868,481	0	0	868,481
<b>Minimum Rates</b>											
GRV - Bruce Rock	220	89	100,679	19,580	0	0	19,580	19,580	0	0	19,580
UV - Rural	220	20	197,900	4,400	0	0	4,400	4,400	0	0	4,400
UV - Mining	220	2	4,463	440	0	0	440	220	0	0	220
<b>Sub-Totals</b>		111	303,042	24,420	0	0	24,420	24,200	0	0	24,200
Specified Area Rate (refer note 24)							893,084				892,681
							0				0
Discounts (refer note 26)							893,084				892,681
<b>Totals</b>							(38,560)				(35,000)
							854,524				857,681

## SHIRE OF BRUCE ROCK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2008

## 24. SPECIFIED AREA RATE - 2007/08 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 has no Specified Area Rates.				0	0	0	0

## 25. SERVICE CHARGES - 2007/08 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
The Shire of Bruce Rock has no Service Charges.		0	0	0	0

## SHIRE OF BRUCE ROCK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

## FOR THE YEAR ENDED 30TH JUNE 2008

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2007/08 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	5.00%	0	0

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.

## 27. INTEREST CHARGES AND INSTALMENTS - 2007/08 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		1,977	1,000
Interest on Instalments Plan	5.50%		347	350
Charges on Instalment Plan		20	420	350
			2,744	1,700

Ratepayers had the option of paying rates in four equal instalments, due on 4th September 2007, 5th November 2007, 7th January 2008 and 7th March 2008. Administration charges and interest applied for the final three instalments.

28. FEES & CHARGES	2008 \$	2007 \$
Governance	0	5,288
General Purpose Funding	7,259	765
Law, Order, Public Safety	2,013	1,976
Health	88,925	14,426
Education and Welfare	6,944	7,050
Housing	66,995	65,220
Community Amenities	53,927	56,718
Recreation & Culture	40,467	32,149
Transport	5,139	21,367
Economic Services	70,015	61,371
Other Property & Services	58,812	417,954
	<u>400,496</u>	<u>684,284</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 2008**

<b>29. GRANT REVENUE</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Grants and Subsidies - operating	1,856,066	1,813,524
Grants and Subsidies - non-operating	494,511	625,691
	<u>2,350,577</u>	<u>2,439,215</u>
<b>By Program:</b>		
General Purpose Funding	877,729	826,680
Governance	0	2,500
Law, Order, Public Sector	42,809	170,458
Education and Welfare		400
Housing	25,000	0
Community Amenities	0	0
Recreation and Culture	133,531	16,278
Transport	1,232,592	1,391,824
Economic Services	38,916	31,075
	<u>2,350,577</u>	<u>2,439,215</u>

<b>30. COUNCILLORS' REMUNERATION</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	0	0	0
President's Allowance	7,300	7,300	7,300
Deputy President's Allowance	0	0	0
Travelling Expenses	0	0	0
Telecommunications Allowance	0	0	0
	<u>7,300</u>	<u>7,300</u>	<u>7,300</u>

**31. EMPLOYEES' REMUNERATION**

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

<b>Salary Range</b>	<b>2008</b>	<b>2007</b>
<b>\$</b>		
100,000 - 109,999	1	0

<b>32. EMPLOYEE NUMBERS</b>	<b>2008</b>	<b>2007</b>
The number of full-time equivalent employees at balance date	<u>36</u>	<u>35</u>

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**33. MAJOR LAND TRANSACTIONS**

The Shire of Bruce Rock did not participate in any major land transactions during the 2007/08 financial year.

**34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire of Bruce Rock did not participate in any trading undertakings or major trading undertakings during the 2007/08 financial year.

**SHIRE OF BRUCE ROCK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2008**

**35. FINANCIAL RISK MANAGEMENT**

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<b>Year Ended 30 June 2008</b>								
<b>FINANCIAL ASSETS</b>								
<b>Fixed Rate</b>								
Other Financial Assets	0	0	0	0	0	0	0	0.00%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
<b>Floating Rate</b>								
Cash and Cash Equivalents	1,556,888	0	0	0	0	0	1,556,888	4.08%
Weighted Average Effective Interest Rate	4.08%	0.00%	0.00%	0.00%	0.00%	0.00%		
<b>FINANCIAL LIABILITIES</b>								
<b>Fixed Rate</b>								
Debentures	0	0	0	0	0	0	0	0.00%
Weighted Average Effective Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		





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

We have audited the financial report of the Shire of Bruce Rock for the year ended 30 June 2008. The Council is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Shire of Bruce Rock.

Our audit has been conducted in accordance with Australian Auditing Standards to provide a reasonable level of assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the requirements of Local Government Act, the Local Government Financial Management Regulations and Australian Accounting Standards and other mandatory professional reporting requirements so as to present a view of the Shire which is consistent with our understanding of its financial position and the results of its operations and cashflows.

The audit opinion expressed in this report has been formed on the above basis.

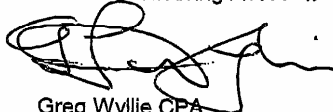
**AUDIT OPINION**

In our opinion, the financial report presents fairly the financial position of the Shire of Bruce Rock as at 30 June 2008 and the results of its operations and cashflows for the year then ended in accordance with the requirements of the Local Government Act, the Local Government Financial Management Regulations, applicable Accounting Standards and other mandatory professional reporting requirements.

**STATUTORY COMPLIANCE**

We did not, subject to our management report, become aware of any instances where the Council did not comply with the requirements of the Local Government Act and the Local Government Financial Management Regulations.

Gregory Froomes Wyllie  
Certified Practising Accountants



Greg Wyllie CPA  
Partner

PERTH WA

16 September 2008

A7/BRUCE/Audit Report