

**Audit and Governance Committee WEDNESDAY, 13  
December 2023 Attachments**

**8.1 Audited Financial Statements for the year ended 30 June 2023.....2**

8.1.1 Town of Bassendean Financial Statements 2022-23 - Signed.....2

**TOWN OF BASSENDEAN**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	41

The Town of Bassendean conducts the operations of a local government with the following community vision:

- *A welcoming and inclusive community whose members know and support each other.*
- *A community and local government that take environmentally sustainable actions for our Town, State, country and planet.*
- *An accessible place with a rich, natural environment, thriving town centre and precincts, and connection to history.*
- *Supported by a proactive local government that makes brave decisions and enables positive change.*
- *Resilient, adaptable to change and moving towards self-sufficiency.*

Principal place of business:  
48 Old Perth Road  
BASSENDEAN WA 6054

**TOWN OF BASSENDEAN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The accompanying financial report of the Town of Bassendean has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 7th day of December 2023



---

Chief Executive Officer

Cameron Woods

---

Name of Chief Executive Officer

**TOWN OF BASSENDEAN  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),26	14,399,380	14,511,165	13,811,350
Grants, subsidies and contributions	2(a)	1,167,056	554,442	1,329,075
Fees and charges	2(a)	6,558,419	6,767,613	6,596,944
Service charges	2(a)	505,423	513,034	0
Interest revenue	2(a)	722,851	317,345	190,278
Other revenue	2(a)	325,615	267,981	459,634
		23,678,744	22,931,580	22,387,281
<b>Expenses</b>				
Employee costs	2(b)	(12,167,228)	(12,049,864)	(11,068,024)
Materials and contracts		(6,424,768)	(8,147,824)	(6,125,083)
Utility charges		(839,755)	(698,715)	(682,707)
Depreciation		(4,949,571)	(3,881,983)	(3,699,531)
Finance costs	2(b)	(25,342)	(28,797)	(26,133)
Insurance		(483,416)	(489,297)	(440,177)
Other expenditure	2(b)	(2,139,352)	(2,047,865)	(860,369)
		(27,029,432)	(27,344,345)	(22,902,024)
		(3,350,688)	(4,412,765)	(514,743)
Discontinued operations		0	0	(280,377)
Capital grants, subsidies and contributions	2(a)	1,102,751	1,770,730	2,097,693
Loss on asset disposals		(3,595)	(15,000)	(394,816)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	6,450	0	6,994
Share of other comprehensive income of associates and joint ventures accounted for using the equity method - EMRC	23(e)	271,582	0	48,865
Impairment of plant and equipment	8(a)	0	0	(145,413)
		1,377,188	1,755,730	1,332,946
<b>Net result for the period</b>		<b>(1,973,500)</b>	<b>(2,657,035)</b>	<b>818,203</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	0	0	(8,747,236)
Share of other comprehensive income of associates accounted for using the equity method - EMRC	16	0	0	172,840
<b>Total other comprehensive income for the period</b>	16	<b>0</b>	<b>0</b>	<b>(8,574,396)</b>
<b>Total comprehensive income for the period</b>		<b>(1,973,500)</b>	<b>(2,657,035)</b>	<b>(7,756,193)</b>

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

**TOWN OF BASSENDEAN  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	NOTE	2023	2022
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	11,366,920	9,502,792
Trade and other receivables	5	1,643,903	2,074,632
Other financial assets	4(a)	4,029,566	5,069,478
Inventories	6	6,624	15,976
Other assets	7	221,102	128,670
<b>TOTAL CURRENT ASSETS</b>		<b>17,268,115</b>	<b>16,791,548</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	353,782	334,682
Other financial assets	4(b)	260,501	279,335
Investment in associate	23(a)	8,328,620	8,057,038
Property, plant and equipment	8	55,114,575	55,870,143
Infrastructure	9	91,432,848	93,435,467
Right-of-use assets	11(a)	174,268	212,650
<b>TOTAL NON-CURRENT ASSETS</b>		<b>155,664,594</b>	<b>158,189,315</b>
<b>TOTAL ASSETS</b>		<b>172,932,709</b>	<b>174,980,863</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	3,398,156	4,319,267
Other liabilities	13	185,022	142,674
Lease liabilities	11(b)	99,738	89,871
Borrowings	14	287,354	104,062
Employee related provisions	15	2,431,680	2,198,462
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,401,950</b>	<b>6,854,336</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11(b)	72,428	125,236
Borrowings	14	713,198	250,552
Employee related provisions	15	153,950	186,056
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>939,576</b>	<b>561,844</b>
<b>TOTAL LIABILITIES</b>		<b>7,341,526</b>	<b>7,416,180</b>
<b>NET ASSETS</b>		<b>165,591,183</b>	<b>167,564,683</b>
<b>EQUITY</b>			
Retained surplus		22,493,406	25,320,330
Reserve accounts	29	9,596,927	8,743,503
Revaluation surplus	16	133,500,850	133,500,850
<b>TOTAL EQUITY</b>		<b>165,591,183</b>	<b>167,564,683</b>

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

**TOWN OF BASSENDEAN  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	<b>NOTE</b>	<b>RETAINED SURPLUS</b>	<b>RESERVE ACCOUNTS</b>	<b>REVALUATION SURPLUS</b>	<b>TOTAL EQUITY</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance as at 1 July 2021</b>		<b>26,369,739</b>	<b>6,875,891</b>	<b>142,075,246</b>	<b>175,320,876</b>
Comprehensive income for the period					
Net result for the period		818,203	0	0	818,203
Other comprehensive income for the period	16	0	0	(8,574,396)	(8,574,396)
Total comprehensive income for the period		818,203	0	(8,574,396)	(7,756,193)
Transfers from reserve accounts	29	2,354,369	(2,354,369)	0	0
Transfers to reserve accounts	29	(4,221,981)	4,221,981	0	0
<b>Balance as at 30 June 2022</b>		<b>25,320,330</b>	<b>8,743,503</b>	<b>133,500,850</b>	<b>167,564,683</b>
Comprehensive income for the period					
Net result for the period		(1,973,500)	0	0	(1,973,500)
Other comprehensive income for the period	16	0	0	0	0
Total comprehensive income for the period		(1,973,500)	0	0	(1,973,500)
Transfers from reserve accounts	29	41,675	(41,675)	0	0
Transfers to reserve accounts	29	(895,099)	895,099	0	0
<b>Balance as at 30 June 2023</b>		<b>22,493,406</b>	<b>9,596,927</b>	<b>133,500,850</b>	<b>165,591,183</b>

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

**TOWN OF BASSENDEAN  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Rates	14,560,357	14,041,559
Grants, subsidies and contributions	1,496,936	841,677
Fees and charges	6,558,419	6,265,351
Service charges	505,423	0
Interest revenue	722,851	190,278
Goods and services tax received	1,115,376	1,126,484
Other revenue	333,754	156,987
	<b>25,293,116</b>	<b>22,622,336</b>
<b>Payments</b>		
Employee costs	(12,592,963)	(10,755,389)
Materials and contracts	(6,832,366)	(6,955,909)
Utility charges	(839,755)	(682,707)
Finance costs	(25,342)	(26,543)
Insurance paid	(483,416)	(440,177)
Goods and services tax paid	(1,098,661)	(1,039,298)
Other expenditure	(2,139,352)	(860,369)
	<b>(24,011,855)</b>	<b>(20,760,392)</b>
Discontinued operations	0	(240,339)
<b>Net cash provided by (used in) operating activities</b>	<b>1,281,261</b>	<b>1,621,605</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for financial assets at amortised cost	0	(5,047,975)
Payments for purchase of property, plant & equipment	(518,425)	(690,493)
Payments for construction of infrastructure	9(a) (1,289,764)	(2,537,478)
Capital grants, subsidies and contributions	807,755	1,417,189
Proceeds for financial assets at amortised cost	1,039,912	1,685,090
Proceeds from financial assets at amortised cost - self supporting loans	21,503	16,348
Proceeds from financial assets at fair values through profit and loss	0	6,994
Proceeds from sale of property, plant & equipment	405	4,184
<b>Net cash provided by (used in) investing activities</b>	<b>61,386</b>	<b>(5,146,141)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	28(a) (104,062)	(97,695)
Payments for principal portion of lease liabilities	28(b) (124,457)	(97,874)
Proceeds from new borrowings	28(a) 750,000	0
<b>Net cash provided by (used in) financing activities</b>	<b>521,481</b>	<b>(195,569)</b>
<b>Net increase (decrease) in cash held</b>	<b>1,864,128</b>	<b>(3,720,105)</b>
Cash at beginning of year	9,502,792	13,222,897
<b>Cash and cash equivalents at the end of the year</b>	<b>11,366,920</b>	<b>9,502,792</b>

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

**TOWN OF BASSENDEAN  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	26	14,399,380	14,511,165	13,811,350
Grants, subsidies and contributions		1,167,056	554,442	1,329,075
Fees and charges		6,558,419	6,767,613	6,596,944
Service charges		505,423	513,034	0
Interest revenue		722,851	317,345	190,278
Other revenue		325,615	267,981	459,634
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	6,450	0	6,994
Share of net profit of associates accounted for using the equity method	23(e)	271,582	0	48,865
		23,956,776	22,931,580	22,443,140
<b>Expenditure from operating activities</b>				
Employee costs		(12,167,228)	(12,049,864)	(11,068,024)
Materials and contracts		(6,424,768)	(8,147,824)	(6,125,083)
Utility charges		(839,755)	(698,715)	(682,707)
Depreciation		(4,949,571)	(3,881,983)	(3,699,531)
Finance costs		(25,342)	(28,797)	(26,133)
Insurance		(483,416)	(489,297)	(440,177)
Other expenditure		(2,139,352)	(2,047,865)	(860,369)
Loss on asset disposals		(3,595)	(15,000)	(394,816)
Loss on revaluation of non-current assets		0	0	(145,413)
		(27,033,027)	(27,359,345)	(23,442,253)
Discontinued operations		0	0	(240,339)
Non-cash amounts excluded from operating activities	27(a)	4,689,145	3,896,983	4,753,083
<b>Amount attributable to operating activities</b>		1,612,894	(530,782)	3,513,631
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		1,102,751	1,770,730	2,097,693
Proceeds from disposal of assets		405	52,000	4,184
Proceeds from financial assets at amortised cost - self supporting loans	28(a)	21,503	21,503	16,348
		1,124,659	1,844,233	2,118,225
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	8(a)	(813,421)	(1,516,700)	(690,493)
Purchase and construction of infrastructure	9(a)	(1,289,764)	(2,991,951)	(2,537,478)
		(2,103,185)	(4,508,651)	(3,227,971)
<b>Amount attributable to investing activities</b>		(978,526)	(2,664,418)	(1,109,746)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	28(a)	750,000	750,000	0
Transfers from reserve accounts	29	41,675	2,330,707	2,354,369
		791,675	3,080,707	2,354,369
<b>Outflows from financing activities</b>				
Repayment of borrowings	28(a)	(104,062)	(104,061)	(97,695)
Payments for principal portion of lease liabilities	28(b)	(124,457)	(160,000)	(97,874)
Transfers to reserve accounts	29	(895,099)	(790,763)	(4,221,981)
		(1,123,618)	(1,054,824)	(4,417,550)
<b>Amount attributable to financing activities</b>		(331,943)	2,025,883	(2,063,181)
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	27(b)	2,206,060	1,320,660	1,865,356
Amount attributable to operating activities		1,612,894	(530,782)	3,513,631
Amount attributable to investing activities		(978,526)	(2,664,418)	(1,109,746)
Amount attributable to financing activities		(331,943)	2,025,883	(2,063,181)
<b>Surplus or deficit after imposition of general rates</b>	27(b)	<b>2,508,485</b>	<b>151,343</b>	<b>2,206,060</b>

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



**TOWN OF BASSENDEAN  
FOR THE YEAR ENDED 30 JUNE 2023  
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	14
Note 8	Property, Plant and Equipment	15
Note 9	Infrastructure	17
Note 10	Fixed Assets	19
Note 11	Leases	21
Note 12	Trade and Other Payables	22
Note 13	Other Liabilities	23
Note 14	Borrowings	24
Note 15	Employee Related Provisions	25
Note 16	Revaluation Surplus	26
Note 17	Restriction Over Financial Assets	27
Note 18	Undrawn Borrowing Facilities and Credit Standby Arrangements	27
Note 19	Discontinued Operations	28
Note 20	Contingent Liabilities	29
Note 21	Capital Commitments	29
Note 22	Related Party Transactions	30
Note 23	Joint Arrangements	32
Note 24	Events Occurring After the End of the Reporting Period	33
Note 25	Other Significant Accounting Policies	34
Note 26	Rating Information	35
Note 27	Determination of Surplus or Deficit	36
Note 28	Borrowing and Lease Liabilities	37
Note 29	Reserve Accounts	39
Note 30	Trust Funds	40

# TOWN OF BASSENDEAN NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

## 1. BASIS OF PREPARATION

The financial report of the Town of Bassendean which is a class 3 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

### Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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

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

### The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 of the financial report.

### Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible assets

### Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

These amendments have no material impact on the current annual financial report

### New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates  
This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified. Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

**Revenue Recognition**

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

**For the year ended 30 June 2023**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	14,399,380	0	14,399,380
Grants, subsidies and contributions	319,781	0	847,275	0	1,167,056
Fees and charges	6,241,873	0	316,546	0	6,558,419
Service charges	0	0	0	505,423	505,423
Interest revenue	0	0	0	722,851	722,851
Other revenue	325,615	0	0	0	325,615
Capital grants, subsidies and contributions	0	1,102,751	0	0	1,102,751
<b>Total</b>	<b>6,887,269</b>	<b>1,102,751</b>	<b>15,563,201</b>	<b>1,228,274</b>	<b>24,781,495</b>

**For the year ended 30 June 2022**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	13,811,350	0	13,811,350
Grants, subsidies and contributions	517,621	0	811,454	0	1,329,075
Fees and charges	6,284,902	0	312,042	0	6,596,944
Interest revenue	0	0	0	190,278	190,278
Other revenue	459,634	0	0	0	459,634
Capital grants, subsidies and contributions	0	2,097,693	0	0	2,097,693
<b>Total</b>	<b>7,262,157</b>	<b>2,097,693</b>	<b>14,934,846</b>	<b>190,278</b>	<b>24,484,974</b>

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**(a) Revenue (Continued)**

Note	2023 Actual \$	2022 Actual \$
<b>Assets and services acquired below fair value</b>		
Contributed assets	294,996	0
	<u>294,996</u>	<u>0</u>
<b>Interest revenue</b>		
Financial assets at amortised cost - self supporting loans	10,171	11,409
Interest on reserve funds	284,703	35,812
Rates instalment and penalty interest	136,083	123,857
Other interest earnings	291,894	19,200
	<u>722,851</u>	<u>190,278</u>
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$0		

**(b) Expenses**

<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report <sup>*</sup>	53,768	45,300
- Other services – grant acquittals	20,841	24,025
	<u>74,609</u>	<u>69,325</u>
<b>Employee Costs</b>		
Employee benefit costs	11,979,197	10,721,023
Other employee costs	188,031	347,001
	<u>12,167,228</u>	<u>11,068,024</u>
<b>Finance costs</b>		
Borrowings	20,258	26,133
Lease liabilities	5,084	6,545
	<u>25,342</u>	<u>32,678</u>
<b>Other expenditure</b>		
Fees, expenses and allowances to elected council members	203,169	206,643
Information technology licencing and maintenance and implementation	266,053	281,340
Contribution to underground power	1,227,284	0
Waste education	30,843	120,161
Library book purchases	43,932	57,454
Road weeding	129,080	159,150
Other expenses	238,991	369,154
	<u>2,139,352</u>	<u>1,193,902</u>
Discontinued operations	0	(333,533)
Other expenditure after removing discontinued operations	<u>2,139,352</u>	<u>860,369</u>

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**3. CASH AND CASH EQUIVALENTS**

Note	2023	2022
	\$	\$
Cash at bank and on hand	1,769,993	5,502,126
Term deposits	9,596,927	4,000,666
<b>Total cash and cash equivalents</b>	<b>11,366,920</b>	<b>9,502,792</b>
Held as		
- Unrestricted cash and cash equivalents	1,584,971	3,451,981
- Restricted cash and cash equivalents	9,781,949	6,050,811
	<b>11,366,920</b>	<b>9,502,792</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

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

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised and unspent loans .

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Self supporting loans receivable

Term deposits

Held as

- Unrestricted other financial assets at amortised cost

- Restricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at amortised cost

Financial assets at fair value through profit or loss

**Financial assets at amortised cost**

Self supporting loans receivable

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

Units in Local Government House Trust - opening balance

Increase in valuation, Local Government House

Units in Local Government House Trust - closing balance

	2023	2022
	\$	\$
	4,029,566	5,069,478
	4,029,566	5,069,478
	21,503	21,503
27(b)	4,008,063	5,047,975
	4,029,566	5,069,478
	21,503	21,503
16(a)	4,008,063	5,047,975
	4,029,566	5,069,478
	117,894	143,179
	142,607	136,156
	260,501	279,335
	117,894	143,179
	117,894	143,179
	136,157	129,162
	6,450	6,994
	142,607	136,156

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates).

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

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

The Town has elected to classify the following financial assets at fair value through profit or loss:

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**5. TRADE AND OTHER RECEIVABLES**

Note	2023	2022
	\$	\$
<b>Current</b>		
Rates and statutory receivables	728,331	827,574
Trade receivables	569,713	1,138,778
GST receivable	6,171	31,025
Receivables for employee related provisions	168,383	59,469
Accrued income	171,305	17,786
	1,643,903	2,074,632
<b>Non-current</b>		
Pensioner's rates and ESL deferred	334,682	334,682
Long service leave due from other councils	19,100	0
	353,782	334,682

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

**Trade receivables**

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

**Other receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

**Measurement**

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

**Classification and subsequent measurement**

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

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

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**6. INVENTORIES**

Note	2023	2022
	\$	\$
<b>Current</b>		
Fuel and materials	6,624	15,976
	6,624	15,976
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	15,976	6,298
Inventories expensed during the year	(105,356)	(99,019)
Additions to inventory	96,004	108,697
<b>Balance at end of year</b>	6,624	15,976

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**7. OTHER ASSETS**

	2023	2022
	\$	\$
<b>Other assets - current</b>		
Prepayments	198,102	105,670
Assets held for sale	23,000	23,000
	221,102	128,670

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**Assets held for sale**

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Land	Buildings	Total land and buildings	Furniture and Equipment	Plant and Equipment	Works in Progress	Minor Assets - Artwork	Total property, plant and equipment
	\$	\$		\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	35,308,023	17,563,654	52,871,677	952,848	922,423	198,043	62,620	55,007,611
Additions	0	144,655	144,655	134,382	86,219	325,237	0	690,493
Disposals	(375,000)	0	(375,000)	0	(24,000)	0	0	(399,000)
Revaluation increments / (decrements) transferred to revaluation surplus	(1,572,122)	2,987,641	1,415,519	0	0	0	0	1,415,519
Impairment (losses) / reversals	0	0	0	0	(145,413)	0	0	(145,413)
Depreciation	0	(501,298)	(501,298)	(111,607)	(79,323)	0	0	(692,228)
Transfers		0	0	0	(6,839)	0	0	(6,839)
<b>Balance at 30 June 2022</b>	33,360,901	20,194,652	53,555,553	975,623	753,067	523,280	62,620	55,870,143
<b>Comprises:</b>								
Gross balance amount at 30 June 2022	33,360,901	29,701,362	63,062,263	1,357,302	2,288,548	523,280	62,620	67,294,013
Accumulated depreciation at 30 June 2022	0	(9,506,710)	(9,506,710)	(381,679)	(1,535,481)	0	0	(11,423,870)
<b>Balance at 30 June 2022</b>	33,360,901	20,194,652	53,555,553	975,623	753,067	523,280	62,620	55,870,143
Additions	0	118,467	118,467	195,826	499,128	0	0	813,421
Disposals	0	0	0	0	(4,000)	0	0	(4,000)
Depreciation	0	(1,321,069)	(1,321,069)	(142,104)	(101,816)	0	0	(1,564,989)
Transfers	0	489,311	489,311	0	33,969	(523,280)	0	0
<b>Balance at 30 June 2023</b>	33,360,901	19,481,361	52,842,262	1,029,345	1,180,348	0	62,620	55,114,575
<b>Comprises:</b>								
Gross balance amount at 30 June 2023	33,360,901	30,310,131	63,671,032	1,553,128	2,774,251	0	62,620	68,061,031
Accumulated depreciation at 30 June 2023	0	(10,828,770)	(10,828,770)	(523,783)	(1,593,903)	0	0	(12,946,456)
<b>Balance at 30 June 2023</b>	33,360,901	19,481,361	52,842,262	1,029,345	1,180,348	0	62,620	55,114,575



**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land - Freehold Land	2 & 3	Market approach using recent observable market data for similar items. (Gross revaluation method)	Independent Valuation	June 2022	Price per hectare/market borrowing rate
Buildings - specialised	3	Cost approach using depreciated replacement cost. (Gross revaluation method)	Independent Valuation	June 2022	Construction/Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**(ii) Cost**

Following changes to the Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment, furniture and equipment, works in progress and artworks) are being measured using the cost model rather than fair value. This change was effective for the financial year 2019.

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Parks and Reserves	Infrastructure - Drainage	Works in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	64,390,929	6,535,310	10,436,852	20,800,100	1,754,305	103,917,496
Additions	835,256	0	427,218	176,630	1,098,374	2,537,478
Revaluation increments / (decrements) transferred to revaluation surplus <sup>*</sup>	(9,248,900)	1,081,082	888,736	(2,775,673)	0	(10,054,755)
Depreciation	(1,495,907)	(246,355)	(612,088)	(594,241)	0	(2,948,591)
Transfers	3,883,955	0	(2,226,554)	3,692	(1,677,254)	(16,161)
<b>Balance at 30 June 2022</b>	58,365,333	7,370,037	8,914,164	17,610,508	1,175,425	93,435,467
<b>Comprises:</b>						
Gross balance at 30 June 2022	112,736,584	11,564,507	13,986,781	31,885,885	1,175,425	171,349,182
Accumulated depreciation at 30 June 2022	(54,371,251)	(4,194,470)	(5,072,617)	(14,275,377)	0	(77,913,715)
<b>Balance at 30 June 2022</b>	58,365,333	7,370,037	8,914,164	17,610,508	1,175,425	93,435,467
Additions	873,602	59,536	236,525	48,628	71,473	1,289,764
Depreciation	(1,895,789)	(272,922)	(670,604)	(453,068)	0	(3,292,383)
Transfers		0	1,122,334	0	(1,122,334)	0
<b>Balance at 30 June 2023</b>	57,343,146	7,156,651	9,602,419	17,206,068	124,564	91,432,848
<b>Comprises:</b>						
Gross balance at 30 June 2023	113,610,187	11,624,043	15,345,640	31,934,513	124,564	172,638,947
Accumulated depreciation at 30 June 2023	(56,267,041)	(4,467,392)	(5,743,221)	(14,728,445)	0	(81,206,099)
<b>Balance at 30 June 2023</b>	57,343,146	7,156,651	9,602,419	17,206,068	124,564	91,432,848

\* The Revaluation increments / (decrements) transferred to revaluation surplus for Infrastructure - Parks and Ovals in 2022 has been increased by \$108,000 from the amount reported in the 2022 Annual Financial Statements to recognise the revaluation of an asset that should have been recognised in 2022 but was not.

**TOWN OF BASSEDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - Roads</b>	3	Cost approach using depreciated replacement cost. (Gross revaluation method)	Independent Valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Drainage</b>	3	Cost approach using depreciated replacement cost. (Gross revaluation method)	Independent Valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Footpaths</b>	3	Cost approach using depreciated replacement cost. (Gross revaluation method)	Independent Valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - Parks &amp; Ovals</b>	3	Cost approach using depreciated replacement cost. (Gross revaluation method)	Independent Valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Buildings	20 to 100 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Minor Art Works	Not depreciated
Infrastructure - Roads Componentised *	18 to 120 years
Infrastructure - Roads Subgrade	Not depreciated
Infrastructure - Parks Plant & Equipment	3 to 80 years
Infrastructure - Footpaths Componentised	10 to 50 years
Infrastructure - Drainage Componentised	10 to 80 years
* Sub-grade component is not depreciated	

**(b) Fully Depreciated Assets in Use**

The gross carrying value of assets held by the Town which are currently in use yet fully depreciated are shown in the table below.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Furniture and Equipment	90,159	87,431
Plant and Equipment	200,567	170,414
	290,726	257,845

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

**Initial recognition and measurement between**

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

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

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

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

**Revaluation**

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

**Revaluation (continued)**

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

**Depreciation**

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

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

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

**Gains and losses on disposal**

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

**Depreciation on revaluation**

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

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**11. LEASES**

**(a) Right-of-Use Assets**

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - Furniture and Equipment \$	Right-of-use assets - Plant and Equipment \$	Right-of-use assets Total \$
<b>Balance at 1 July 2021</b>		93,793	154,474	248,267
Additions		0	63,133	63,133
Depreciation		(31,596)	(67,154)	(98,750)
<b>Balance at 30 June 2022</b>		62,197	150,453	212,650
Gross balance amount at 30 June 2022		165,062	500,655	665,717
Accumulated depreciation at 30 June 2022		(102,865)	(350,202)	(453,067)
<b>Balance at 30 June 2022</b>		62,197	150,453	212,650
Additions		0	78,137	78,137
Depreciation		(27,571)	(88,948)	(116,519)
<b>Balance at 30 June 2023</b>		34,626	139,642	174,268
Gross balance amount at 30 June 2023		143,705	369,788	513,493
Accumulated depreciation at 30 June 2023		(109,079)	(230,146)	(339,225)
<b>Balance at 30 June 2023</b>		34,626	139,642	174,268

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

	2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets	(116,519)	(98,750)
Finance charge on lease liabilities	(5,084)	(6,545)
<b>Total amount recognised in the statement of comprehensive income</b>	(121,603)	(105,295)
Total cash outflow from leases	(124,457)	(104,419)
<b>(b) Lease Liabilities</b>		
Current	99,738	89,871
Non-current	72,428	125,236
	28(b) 172,166	215,107

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 28(b).

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

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

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

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

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
Prepaid rates  
Accrued salaries and wages  
Bonds and deposits held  
Hyde Retirement Village bonds  
Payroll creditors  
Accrued Interest on loans  
Revenue Received in Advance

	2023	2022
	\$	\$
	726,704	1,030,151
	497,535	435,801
	294,483	923,733
	1,744,247	1,911,096
	39,600	16,300
	0	46
	2,159	2,140
	93,428	0
	<b>3,398,156</b>	<b>4,319,267</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Town prior to the end of the financial year that are unpaid and arise when the Town becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**13. OTHER LIABILITIES**

**Current**

Contract liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Additions

	2023	2022
	\$	\$
	185,022	142,674
	185,022	142,674
	142,674	0
	42,348	142,674
	185,022	142,674

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.



**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**14. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
		\$	\$	\$	\$	\$	\$
Loans from WATC		287,354	713,198	1,000,552	104,062	250,552	354,614
<b>Total borrowings</b>	28(a)	<b>287,354</b>	<b>713,198</b>	<b>1,000,552</b>	<b>104,062</b>	<b>250,552</b>	<b>354,614</b>

**Secured liabilities and assets pledged as security**

All of the Town's borrowings are from the Western Australian Treasury Corporation (WATC) and are un-secured.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Details of individual borrowings required by regulations are provided at Note 28(a).

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	751,394	879,781
Long service leave	1,356,526	1,065,760
	<b>2,107,920</b>	<b>1,945,541</b>
<b>Employee related other provisions</b>		
Employment on-costs	323,760	252,921
	<b>323,760</b>	<b>252,921</b>
<b>Total current employee related provisions</b>	<b>2,431,680</b>	<b>2,198,462</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	139,527	164,651
	<b>139,527</b>	<b>164,651</b>
<b>Employee related other provisions</b>		
Employment on-costs	14,423	21,405
	<b>14,423</b>	<b>21,405</b>
<b>Total non-current employee related provisions</b>	<b>153,950</b>	<b>186,056</b>
<b>Total employee related provisions</b>	<b>2,585,630</b>	<b>2,384,518</b>

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**16. REVALUATION SURPLUS**

	<b>2023 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2023 Closing Balance</b>	<b>2022 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2022 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Land - freehold land	39,680,067	0	39,680,067	41,252,189	(1,572,122)	39,680,067
Revaluation surplus - Buildings	15,499,268	0	15,499,268	12,511,627	2,987,641	15,499,268
Revaluation surplus - Furniture and Equipment	56,792	0	56,792	56,792	0	56,792
Revaluation surplus - Plant and Equipment	732,285	0	732,285	732,285	0	732,285
Revaluation surplus - Infrastructure - Roads	48,747,740	0	48,747,740	57,996,641	(9,248,901)	48,747,740
Revaluation surplus - Infrastructure - Drainage	14,522,995	0	14,522,995	17,406,668	(2,883,673)	14,522,995
Revaluation surplus - Infrastructure - Footpaths	5,779,454	0	5,779,454	4,698,372	1,081,082	5,779,454
Revaluation surplus - Infrastructure - Parks & Ovals	6,551,598	0	6,551,598	5,662,862	888,736	6,551,598
Revaluation surplus/(deficit) EMRC	1,930,651	0	1,930,651	1,757,811	172,840	1,930,651
	<b>133,500,850</b>	<b>0</b>	<b>133,500,850</b>	<b>142,075,247</b>	<b>(8,574,397)</b>	<b>133,500,850</b>

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**17. RESTRICTIONS OVER FINANCIAL ASSETS**

	Note	2023 Actual	2022 Actual
		\$	\$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		7,786,895	6,050,811
- Financial assets at amortised cost	4	4,008,063	5,047,975
		11,794,958	11,098,786
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	29	9,596,927	8,743,503
Other restricted assets		266,987	266,987
Bonds and deposits held		1,791,647	1,927,396
Loans to clubs/associations	28(a)	139,397	160,900
<b>Total restricted financial assets</b>		11,794,958	11,098,786
<b>18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS</b>			
Bank overdraft limit		100,000	100,000
Bank overdraft at balance date		0	0
Credit card limit		150,000	150,000
Credit card balance at balance date		(12,078)	(25,008)
<b>Total amount of credit unused</b>		237,922	224,992
<b>Loan facilities</b>			
Loan facilities - current		287,354	104,062
Loan facilities - non-current		713,198	250,552
<b>Total facilities in use at balance date</b>		1,000,552	354,614

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**19. DISCONTINUED OPERATIONS**

By a confidential Council resolution in November 2020, Council decided to cease provision of home support services to seniors, from the date of expiration of the CHSP funding agreement, on 30 June 2022. Council endorsed a Transition Out Plan, Workforce Plan, Communications Plan and Service Continuity Plan on 28 September 2021.

The Town formally notified the Department of Health of the Town's decision to divest on 31 August 2021. The Department of Health then appointed Amana Living to take over the CHSP programme.

Operations ceased on 30 June 2022 and as per the accounting standards, the income and expenditure is excluded from normal operations for 2021/22 which is estimated as being a net deficit of \$280,377, of which \$40,038 relates to depreciation (a non-cash charge).

Council expects that there will be no significant assets that will be held for sale as a result of divestment except those identified in Note 7

	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>Revenue</b>		
Operating grants, subsidies and contributions	0	2,970,325
Fees and charges	0	178,137
Other revenue	0	56,516
	0	3,204,978
<b>Expenses</b>		
Employee costs	0	(2,699,294)
Materials and contracts	0	(369,646)
Utility charges	0	(7,339)
Depreciation	0	(40,038)
Finance costs	0	0
Insurance	0	(35,505)
Other expenditure	0	(333,533)
	0	(3,485,355)
<b>Net operating result for discontinued operations</b>	0	(280,377)
Impairment of plant and equipment	0	(145,413)
<b>IMPACT ON STATEMENT OF FINANCIAL POSITION</b>		
Assets	0	125,892
Liabilities	0	(633,835)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash outflows from operating activities	0	(240,399)
	0	(240,399)

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**20. CONTINGENT LIABILITIES**

**Contaminated Sites**

In compliance with the Contaminated Sites Act 2003 Section 11, the Town has listed the following sites as potential sources of contamination:

- 87 Whitfield Street, Bassendean
- 69 Scadden Street, Bassendean
- 17 Anstey Road, Bassendean
- 19 Anstey Road, Bassendean
- 27 Hyland Street, Bassendean
- 87 Whitfield Street, Bassendean
- 35 Villiers St West and 29 Elder Parade, Bassendean\*
- Ashfield Reserve, Bassendean\*
- Lots 214-220 (37-47 Hyland St, 214 Lot Carnegie Rd), Bassendean\*

The Town may have other sites that are possible sources of contamination. Until the Town conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with Department of Water and Environmental Regulation on the need and criteria for remediation of risk based approach, the Town is unable to estimate the potential costs associated with remediation of these sites except those marked with an \* where only minor works are involved that would be undertaken at the time of any future This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

**21. CAPITAL COMMITMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	313,544	43,520
- infrastructure projects	207,362	0
- Underground Power - Eden Hill NRUPP Contribution	1,227,284	2,454,568
	<b>1,748,190</b>	<b>2,498,088</b>
Payable:		
- not later than one year	1,748,190	1,270,804
- later than one year	0	1,227,284

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**22. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
Mayor's annual allowance	37,881	37,881	28,747
Mayor's meeting attendance fees	25,976	25,976	22,684
Mayor's ICT expenses	3,500	3,500	3,500
Mayor's training expenses	706	2,500	2,669
	68,063	69,857	57,600
Deputy Mayor's annual allowance	9,470	9,470	17,524
Deputy Mayor's meeting attendance fees	16,776	16,776	19,050
Deputy Mayor's ICT expenses	3,500	3,500	3,500
Deputy Mayor's training expenses	815	2,500	5,512
	30,561	32,246	45,586
All other council member's meeting attendance fees	83,880	83,880	78,989
All other council member's ICT expenses	17,500	17,500	16,891
All other council member's training expenses	3,155	22,200	7,577
	104,535	123,580	103,457
22(b)	203,159	225,683	206,643

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

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

Note	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	865,042	984,698
Post-employment benefits	145,224	137,949
Employee - other long-term benefits	(82,207)	(81,188)
Employee - termination benefits	26,254	0
Council member costs	203,159	206,643
22(a)	1,157,472	1,248,102

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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

*Council member costs*

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**22. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

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

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

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

<b>2023</b>	<b>2022</b>
<b>Actual</b>	<b>Actual</b>
\$	\$
0	0

**Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.



**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**23. JOINT ARRANGEMENTS**

**Share of joint operations**

The Council is a member of the Eastern Metropolitan Regional Council. EMRC was established in accordance with the Local Government Act 1995 and consists of five local governments, namely, Town of Bassendean, City of Bayswater, City of Kalamunda, Shire of Mundaring, and City of Swan. The Town's interest in the associate calculated by EMRC as at 30 June 2023 was 4.69% (4.72% at 30 June 2022, representing its share of the net assets of \$177,673,742 (\$170,759,354 at 30 June 2022). Bassendean's interest in the assets and liabilities of the EMRC is as follows:

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Current assets	84,995,182	85,207,247
Non current assets	129,024,122	121,339,609
<b>Total assets</b>	<b>214,019,304</b>	<b>206,546,856</b>
Current liabilities	29,938,415	8,077,758
Non current liabilities	6,407,147	27,709,744
<b>Total liabilities</b>	<b>36,345,562</b>	<b>35,787,502</b>
<b>Net assets</b>	<b>177,673,742</b>	<b>170,759,354</b>
<b>Share of EMRC'S net Assets</b>		
Operating activities		
-Share of associates profit/(loss) from ordinary activities	271,582	48,865
- Share of associates other comprehensive income arising during the period	0	172,840
- Share of associates total comprehensive income arising during the period	271,582	221,705
<b>Balance at 1 July</b>	<b>8,057,038</b>	<b>7,835,333</b>
- Share of associates total comprehensive income arising during the period	271,582	221,705
<b>Balance at 30 June</b>	<b>8,328,620</b>	<b>8,057,038</b>

**Joint operations**

A joint operation is a joint arrangement where the Town has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Town's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

There have been no material events after the reporting period which would affect the financial report of the Town for the year ended 30th June 2023 or which would require a separate disclosure.

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**25. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

In accordance with Australian Accounting Standards the Town'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 impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**26. RATING INFORMATION**

**(a) General Rates**

<b>RATE TYPE</b>	<b>Basis of valuation</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2022/23 Actual Rateable Value*</b>	<b>2022/23 Actual Rate Revenue</b>	<b>2022/23 Actual Interim Rates</b>	<b>2022/23 Actual Back Rates</b>	<b>2022/23 Actual Total Revenue</b>	<b>2022/23 Budget Rate Revenue</b>	<b>2022/23 Budget Interim Rate</b>	<b>2022/23 Budget Back Rate</b>	<b>2022/23 Budget Total Revenue</b>	<b>2021/22 Actual Total Revenue</b>
Residential	Gross rental valuation	0.087771	5,823	91,969,437	8,072,249	67,486	4,344	8,144,079	8,072,249	65,000	0	8,137,249	7,249,295
Comm/Industrial	Gross rental valuation	0.090404	346	47,248,220	4,271,428	0	0	4,271,428	4,271,428	0	0	4,271,428	3,985,993
Vacant Land - Residential, Commercial and Industrial	Gross rental valuation	0.131656	105	2,542,230	333,594	0	0	333,594	334,700	0	0	334,700	291,284
<b>Total general rates</b>			6,274	141,759,887	12,677,271	67,486	4,344	12,749,101	12,678,377	65,000	0	12,743,377	11,526,572
<b>Minimum payment</b>													
<b>Minimum payment</b>		<b>\$</b>											
Residential	Gross rental valuation	1,106	978	17,544,250	1,673,378	0	0	1,673,378	1,673,378	0	0	1,673,378	2,184,350
Comm/Industrial	Gross rental valuation	1,106	2	21,100	2,212	0	0	2,212	2,212	0	0	2,212	4,424
Vacant Land - Residential	Gross rental valuation	1,106	136	606,480	99,540	0	0	99,540	99,540	0	0	99,540	102,858
<b>Total minimum payments</b>			1,116	18,171,830	1,775,130	0	0	1,775,130	1,775,130	0	0	1,775,130	2,291,632
<b>Total general rates and minimum payments</b>			7,390	159,931,717	14,452,401	67,486	4,344	14,524,231	14,453,507	65,000	0	14,518,507	13,818,204
Exemptions, waivers and concessions								(124,851)				(7,342)	(6,854)
<b>Total Rates</b>								14,399,380				14,511,165	13,811,350

The rate revenue was recognised from the rate record as soon as practicable after the Town resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

All land (other than exempt land) in the Town is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Town.

The general rates detailed in the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increases in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**27. DETERMINATION OF SURPLUS OR DEFICIT**

Note	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)
	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Fair value adjustments to financial assets at fair value through profit or loss	(6,450)		(6,994)
Less: Share of net profit of associates and joint ventures accounted for using the equity method	(271,582)	0	0
Add: Loss on disposal of assets	3,595	15,000	394,816
Add: Loss on revaluation of fixed assets	0	0	145,413
Add: Depreciation	4,949,571	3,881,983	3,699,531
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	0	0	(17,186)
Employee benefit provisions	(32,106)	0	(65,463)
Other provisions	12,375	0	0
Contract liabilities	0	0	1,560
Employee entitlement reserve	33,742	0	601,406
<b>Non-cash amounts excluded from operating activities</b>	<b>4,689,145</b>	<b>3,896,983</b>	<b>4,753,083</b>
<b>(b) Surplus or deficit after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	29 (9,596,927)	(7,236,210)	(8,743,498)
Less: Financial assets at amortised cost - self supporting loans	4(a) (21,503)	0	(21,503)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 287,354	104,061	104,062
- Current portion of lease liabilities	11(b) 99,738	108,701	89,871
- Employee benefit provisions held in reserves	0	238,508	0
<b>Total adjustments to net current assets</b>	<b>(9,231,338)</b>	<b>(6,784,940)</b>	<b>(8,571,068)</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets	17,268,115	12,300,560	16,791,548
Less: Total current liabilities	(6,401,950)	(5,364,277)	(6,854,336)
Less: Total adjustments to net current assets	(9,231,338)	(6,784,940)	(8,571,068)
Add: Liabilities funded by Cash Backed Reserve	873,658		839,916
<b>Surplus or deficit after imposition of general rates</b>	<b>2,508,485</b>	<b>151,343</b>	<b>2,206,060</b>

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**28. BORROWING AND LEASE LIABILITIES**

**(a) Borrowings**

Purpose	Note	Actual							Budget			
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Civic Centre Redevelopment		185,824	0	(58,046)	127,778	0	(61,859)	65,919	127,778	0	(61,858)	65,920
Civic Centre Redevelopment		85,455	0	(19,519)	65,936	0	(20,700)	45,236	65,936	0	(20,700)	45,236
Underground Power		0	0	0	0	750,000	0	750,000	0	750,000	0	750,000
<b>Total</b>		271,279	0	(77,565)	193,714	750,000	(82,559)	861,155	193,714	750,000	(82,558)	861,156
<b>Self Supporting Loans</b>												
TADWA		181,030		(20,130)	160,900	0	(21,503)	139,397	160,900	0	(21,503)	139,397
<b>Total Self Supporting Loans</b>		181,030	0	(20,130)	160,900	0	(21,503)	139,397	160,900	0	(21,503)	139,397
<b>Total Borrowings</b>	14	452,309	0	(97,695)	354,614	750,000	(104,062)	1,000,552	354,614	750,000	(104,061)	1,000,553

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

**Borrowing Finance Cost Payments**

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Civic Centre Redevelopment		160A	WATC	6.31%	28/06/2024	(6,587)	(6,618)	(10,340)
Civic Centre Redevelopment		160B	WATC	5.92%	26/01/2025	(3,227)	(3,450)	(4,421)
Underground Power		164	WATC	4.45%	30/06/2027	(456)	(2,228)	0
<b>Total</b>						(10,270)	(12,296)	(14,761)
<b>Self Supporting Loans Finance Cost Payments</b>								
TADWA		162	WATC	6.50%	1/09/2028	(9,988)	(10,171)	(11,372)
<b>Total Self Supporting Loans Finance Cost Payments</b>						(9,988)	(10,171)	(11,372)
<b>Total Finance Cost Payments</b>						(20,258)	(22,467)	(26,133)

\* WA Treasury Corporation

TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

28. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal			Principal at 30 June 2022	Principal			Principal at 1 July 2022	Principal		
		Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22		New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023		New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
Furniture and equipment	11	118,859	97,290	(64,719)	151,430	0	(115,669)	35,761	30,585	30,000	(52,000)	8,585
Plant and equipment	11	96,831	0	(33,155)	63,676	81,517	(8,788)	136,405	37,981	80,000	(108,000)	9,981
<b>Total Lease Liabilities</b>	11(b)	215,690	97,290	(97,874)	215,106	81,517	(124,457)	172,166	68,566	110,000	(160,000)	18,566

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
Furniture and equipment						\$ (1,001)	\$ (3,798)	\$ (4,145)	
Plant and equipment						(5,084)	(2,532)	(2,400)	
<b>Total Finance Cost Payments</b>						(6,085)	(6,330)	(6,545)	

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

29. RESERVE ACCOUNTS	2023	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Closing
	Balance		(from)	Balance	Balance		(from)	Balance	Balance		(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Aged Persons	513,632	18,756	(41,675)	490,713	567,189	8,508	(100,000)	475,697	565,493	32,876	(84,737)	513,632
(b) Bus Shelter	21,931	711	0	22,642	21,867	(21,867)	0	0	21,802	129	0	21,931
(c) Community Facilities	155,343	5,067	0	160,410	129,795	1,902	(5,000)	126,697	55,018	100,325	0	155,343
(d) Drainage Infrastructure	138,346	4,498	0	142,844	137,992	102,820	(50,000)	190,812	127,594	10,752	0	138,346
(e) Employee Entitlements	839,916	33,742	0	873,658	915,479	15,982	(250,000)	681,461	238,510	601,406	0	839,916
(f) Future Projects	682,020	22,207	0	704,227	731,097	12,991	(185,098)	558,990	459,314	222,706	0	682,020
(g) HACC Asset Replacement	0	0	0	0	115,376	1,731	(117,107)	0	115,031	678	(115,709)	0
(h) Information Technology	881,412	28,698	0	910,110	571,388	211,149	(150,000)	632,537	200,232	681,180	0	881,412
(i) Jubilee Reserve	50,000	1,623	0	51,623	50,075	203,751	0	253,826	0	50,000	0	50,000
(j) Land and Buildings Infrastructure	2,362,135	76,927	0	2,439,062	2,423,799	34,857	(200,000)	2,258,656	2,778,666	175,742	(592,273)	2,362,135
(k) Marine Assets	75,176	2,449	0	77,625	75,179	1,128	0	76,307	25,029	50,147	0	75,176
(l) Natural Area	251,555	8,200	0	259,755	295,818	4,197	(62,000)	238,015	0	251,555	0	251,555
(m) Plant and Equipment	369,531	12,043	0	381,574	468,618	6,137	(403,500)	71,255	367,366	2,165	0	369,531
(n) Street Tree	94,265	3,075	0	97,340	194,144	2,912	(50,000)	147,056	93,713	552	0	94,265
(o) Underground Power	87,070	2,847	0	89,917	86,820	1,302	0	88,122	86,560	510	0	87,070
(p) Unspent Grants	144,674	4,698	0	149,372	469,481	3,521	(473,002)	0	293,600	1,505	(150,431)	144,674
(q) Waste Asset	200,000	61,624	0	261,624	320,780	15,456	(50,000)	286,236	0	200,000	0	200,000
(r) Waste Management	0	0	0	0	0	0	0	0	1,402,951	8,268	(1,411,219)	0
(s) Waste Processing / Disposal	677,288	208,671	0	885,959	418,480	5,797	(94,000)	330,277	0	677,288	0	677,288
(t) Waste Programs	903,931	278,489	0	1,182,420	622,457	8,467	(6,000)	624,924	0	903,931	0	903,931
(u) Wind in the Willows Child Care	265,110	119,777	0	384,887	130,239	101,954	(125,000)	107,193	15,021	250,089	0	265,110
(v) Youth Development	30,168	997	0	31,165	30,081	451	(10,000)	20,532	29,991	177	0	30,168
(w) Underground Power Reserve - Eden Hill	0	0	0	0	0	35,750	0	35,750	0	0	0	0
(x) Events & Culture Reserve	0	0	0	0	0	31,867	0	31,867	0	0	0	0
	8,743,503	895,099	(41,675)	9,596,927	8,776,154	790,763	(2,330,707)	7,236,210	6,875,891	4,221,981	(2,354,369)	8,743,503

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

Name of reserve account	Purpose of the reserve account
<b>Restricted by council</b>	
(a) Aged Persons	To accrue funds to provide for the operational deficit, refurbishment and capital expenses, for Hyde Retirement Village.
(b) Bus Shelter	To provide funds for the purpose of installation or replacement of bus shelters within the Town.
(c) Community Facilities	To accrue funds for major expenditure in the provision of community facilities.
(d) Drainage Infrastructure	To provide for the renewal and upgrade of the drainage network.
(e) Employee Entitlements	To provide funds for future payments to staff for employee entitlements.
(f) Future Projects	To assist in funding capital initiatives that are generally significant in nature and provide a means to spread the costs of intergenerational assets over multiple years.
(g) HACC Asset Replacement	To provide funding for support of community care programs for senior and disability services.
(h) Information Technology	To fund the acquisition and enhancement of technology and digital service delivery initiatives.
(i) Jubilee Reserve	To accrue funds for major expenditure in the provision of community facilities at Jubilee Reserve.
(j) Land and Buildings Infrastructure	To hold funds accrued as a result of sale of land and buildings for the provisions of funds for the purchase and development of land and building infrastructure.
(k) Marine Assets	To fund the renewal of marine assets ie. jetty, pontoons and associated river bank restoration projects.
(l) Natural Area	To provide for the future restoration of Natural Area Reserves at Point Reserve and Bindaring Park.
(m) Plant and Equipment	To accrue funds for the purpose of replacement of major plant items.
(n) Street Tree	To accrue unspent funds from tree planting program for the purpose of planting and maintaining trees.
(o) Underground Power	To accrue funds to assist residents facing financial hardship with meeting the property owner contribution costs of underground power.
(p) Unspent Grants	To provide for unspent funding received as grant contributions to Works and Services.
(q) Waste Asset	To accrue funds for the long term asset renewal and purchase of new waste management assets.
(r) Waste Management	To accrue funds for the purpose of renewal or upgrade of waste management services.
(s) Waste Processing / Disposal	To accrue funds to accommodate fluctuations in annual waste collection costs and start-up costs of new waste processing (or reduction) programs.
(t) Waste Programs	To implement programs and projects identified in the Strategic Waste Plan.
(u) Wind in the Willows Child Care	To accrue funds for the purpose of asset improvement in the Centre and to cater for future surplus or deficit in operations.
(v) Youth Development	To provide funds for activities and facilities for the benefit of youth in the Town.
(w) Underground Power Reserve - Eden Hill	To enable an equalisation reserve to cover any timing income and expenditure related to Eden Hill Underground Project.
(x) Events & Culture Reserve	To accrue funds for significant or major events/cultural activities.



**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**30. TRUST FUNDS**

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

	<b>1 July 2022</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Public open space	745,303	0	(410,146)	335,157
	745,303	0	(410,146)	335,157

Funds of \$163,164 are required to be transferred to the Municipal account from the POS fund relating to work done to 30 June 2023 on the Sandy Beach playspace and ablutions block. This will leave \$171,993 for further utilisation in 2023-24.