

# TOWN OF BASSENDEAN

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2022

#### LOCAL GOVERNMENT ACT 1995

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#### **TOWN'S VISION**

"A connected community, developing a vibrant and sustainable future, that is built upon the foundations of our past."

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

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	13,889,479	13,493,905	13,480,660
Operating grants, subsidies and contributions	9(a)	2,620,978	3,203,670	2,619,115
Fees and charges	8	6,865,618	6,373,284	6,031,127
Interest earnings	12(a)	186,903	225,577	285,208
Other revenue	12(b)	229,451	476,126	441,131
		23,792,429	23,772,562	22,857,241
<b>Expenses</b>				
Employee costs		(13,478,467)	(12,594,905)	(13,476,198)
Materials and contracts		(8,484,276)	(6,102,959)	(7,327,227)
Utility charges		(688,434)	(641,969)	(696,582)
Depreciation on non-current assets	5	(3,891,328)	(3,559,224)	(3,559,374)
Interest expenses	12(d)	(33,089)	(29,749)	(32,689)
Insurance expenses		(496,374)	(474,756)	(492,162)
Other expenditure		(1,156,113)	(716,869)	(978,941)
		(28,228,081)	(24,120,431)	(26,563,173)
<b>Subtotal</b>		(4,435,652)	(347,869)	(3,705,932)
Non-operating grants, subsidies and contributions	9(b)	1,408,141	2,270,453	1,837,947
Profit on asset disposals	4(b)	100	30,000	32,819
Loss on asset disposals	4(b)	(40,426)	(212,727)	(334,324)
		1,367,815	2,087,726	1,536,442
<b>Net result</b>		<b>(3,067,837)</b>	<b>1,739,857</b>	<b>(2,169,490)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(3,067,837)</b>	<b>1,739,857</b>	<b>(2,169,490)</b>

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

# TOWN OF BASSENDEAN

## FOR THE YEAR ENDED 30 JUNE 2022

### BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is 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 Town to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget 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 of Bassendean controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 13 to the budget.

### 2020/21 ACTUAL BALANCES

Balances shown in this budget as 2020/21 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

### CHANGE IN ACCOUNTING POLICIES

On the 1 July 2021 no new accounting policies are to be adopted and no new policies are expected to impact the annual budget.

### KEY TERMS AND DEFINITIONS - NATURE OR TYPE

#### REVENUES RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, minimum rates, interim rates, back rates, and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

#### SERVICE CHARGES

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

#### PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

### REVENUES (CONTINUED)

#### OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

#### NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

#### FEES AND CHARGES

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

#### INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

#### OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

### EXPENSES

#### EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, , worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

#### MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

#### UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

#### INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

#### LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

#### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

#### INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

#### OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

**TOWN OF BASSENDEAN**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
<b>Revenue</b>	1,8,9(a),12(a),12(b)	\$	\$	\$
Governance		7,800	37,615	35,375
General purpose funding		14,486,459	14,478,061	14,273,838
Law, order, public safety		113,600	117,716	114,110
Health		3,316,100	2,958,165	2,835,170
Education and welfare		5,263,923	5,141,439	5,046,381
Community amenities		127,006	271,093	82,300
Recreation and culture		192,320	286,244	183,993
Transport		80,650	120,520	104,081
Economic services		103,300	192,381	78,222
Other property and services		101,271	119,330	103,771
		23,792,429	23,722,564	22,857,241
<b>Expenses excluding finance costs</b>	4(a),5,12(c)(e)(e)			
Governance		(1,681,938)	(928,587)	(1,014,745)
General purpose funding		(986,108)	(800,775)	(880,223)
Law, order, public safety		(728,068)	(602,862)	(699,355)
Health		(4,457,165)	(3,335,284)	(3,910,909)
Education and welfare		(6,185,399)	(5,660,194)	(5,986,717)
Community amenities		(1,170,099)	(1,087,212)	(1,190,045)
Recreation and culture		(6,096,938)	(5,293,153)	(5,930,255)
Transport		(6,444,224)	(5,783,637)	(6,305,828)
Economic services		(452,156)	(476,029)	(549,407)
Other property and services		7,103	(72,950)	(63,000)
		(28,194,992)	(24,040,683)	(26,530,484)
<b>Finance costs</b>	7,6(a),12(d)			
General purpose funding		(11,543)	(11,352)	(13,053)
Recreation and culture		(21,546)	(18,398)	(19,636)
		(33,089)	(29,750)	(32,689)
<b>Subtotal</b>		(4,435,652)	(347,869)	(3,705,932)
Non-operating grants, subsidies and contributions	9(b)	1,408,141	2,270,453	1,837,947
Profit on disposal of assets	4(b)	100	30,000	32,819
(Loss) on disposal of assets	4(b)	(40,426)	(212,727)	(334,324)
		1,367,815	2,087,726	1,536,442
<b>Net result</b>		<b>(3,067,837)</b>	<b>1,739,857</b>	<b>(2,169,490)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(3,067,837)</b>	<b>1,739,857</b>	<b>(2,169,490)</b>

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

**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Town's Community Vision, and for each of its broad activities/programs.

<b>OBJECTIVE</b>	<b>ACTIVITIES</b>
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**GOVERNANCE**

Administration and operation of facilities and services to members of council; Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

Supervision of various by-laws, fire prevention, emergency services and animal control.

**HEALTH**

Food quality and pest control, immunisation services, inspection of public buildings and operation of child care centres.

**EDUCATION AND WELFARE**

Provision, management and support of educational services at the pre-school level and assistance to schools. The provision, management and support of welfare services for families, youth, children and the aged within the community.

**COMMUNITY AMENITIES**

The provision of sanitation (waste management), stormwater drainage, town and regional planning and development, the provision of rest rooms and protection of environment.

**RECREATION AND CULTURE**

Provision of facilities, and support of organisations concerned with leisure activities and sport. This includes the provision of leisure programs, halls and community centres, libraries, historical sites, recreation centres, parks, gardens and sportsgrounds.

**TRANSPORT**

The construction and maintenance of streets, roads, bridges, footpaths and cycle ways.

**ECONOMIC SERVICES**

Regulation support and/or provision for such services as tourism, area promotion and building control.

**OTHER PROPERTY AND SERVICES**

Private works, public works overheads, plant operations and other revenues and expenses not elsewhere classified.

**TOWN OF BASSENDEAN**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		13,889,479	13,586,640	13,680,660
Operating grants, subsidies and contributions		2,620,978	2,800,650	2,619,115
Fees and charges		6,865,618	6,373,284	6,031,127
Interest received		186,903	225,577	285,208
Goods and services tax received		960,370	826,292	960,483
Other revenue		229,451	476,126	441,131
		24,752,799	24,288,569	24,017,724
<b>Payments</b>				
Employee costs		(13,181,195)	(12,338,537)	(13,411,106)
Materials and contracts		(8,484,276)	(7,717,694)	(7,354,227)
Utility charges		(688,434)	(641,969)	(696,582)
Interest expenses		(33,089)	(32,686)	(32,689)
Insurance paid		(496,374)	(474,756)	(492,162)
Goods and services tax paid		(862,672)	(860,000)	(925,575)
Other expenditure		(1,156,113)	(716,869)	(978,941)
		(24,902,153)	(22,782,511)	(23,891,282)
<b>Net cash provided by (used in) operating activities</b>	3	(149,354)	1,506,058	126,442
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(4,517,500)	(1,391,812)	(2,220,078)
Payments for construction of infrastructure	4(a)	(1,223,500)	(2,123,118)	(4,195,269)
Non-operating grants, subsidies and contributions	9(b)	1,408,141	2,270,453	1,837,947
Proceeds from sale of plant and equipment	4(b)	15,100	1,592,273	1,515,000
<b>Net cash provided by (used in) investing activities</b>		(4,317,759)	347,796	(3,062,400)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(97,696)	(97,006)	(97,006)
Proceeds from self-supporting loans		21,000	24,130	24,130
Proceeds on disposal of financial assets at amortised cost - term deposits		4,000,000	(4,449,882)	0
<b>Net cash provided by (used in) financing activities</b>		3,923,304	(4,522,758)	(72,876)
<b>Net increase (decrease) in cash held</b>		(543,809)	(2,668,904)	(3,008,834)
Cash at beginning of year		1,604,218	4,273,122	12,653,905
<b>Cash and cash equivalents at the end of the year</b>	3	<b>1,060,409</b>	<b>1,604,218</b>	<b>9,645,071</b>

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

**TOWN OF BASSENDEAN**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2(a)	3,379,043	796,267	745,317
		3,379,043	796,267	745,317
<b>Revenue from operating activities (excluding rates)</b>				
Governance		7,800	37,615	35,375
General purpose funding		596,980	984,156	799,482
Law, order, public safety		113,600	117,716	114,110
Health		3,316,100	2,958,165	2,835,170
Education and welfare		5,263,923	5,141,439	5,046,381
Community amenities		127,006	301,093	112,300
Recreation and culture		192,420	286,244	183,993
Transport		80,650	120,520	106,900
Economic services		103,300	192,381	78,222
Other property and services		101,271	119,330	103,771
		9,903,050	10,258,659	9,415,704
<b>Expenditure from operating activities</b>				
Governance		(1,681,938)	(928,587)	(1,014,745)
General purpose funding		(997,651)	(812,127)	(893,276)
Law, order, public safety		(728,068)	(602,862)	(716,355)
Health		(4,457,165)	(3,335,284)	(3,910,909)
Education and welfare		(6,185,399)	(5,660,194)	(5,986,717)
Community amenities		(1,170,099)	(1,299,939)	(1,495,045)
Recreation and culture		(6,158,910)	(5,311,551)	(5,962,215)
Transport		(6,444,224)	(5,783,637)	(6,305,828)
Economic services		(452,156)	(476,029)	(549,407)
Other property and services		7,103	(72,950)	(63,000)
		(28,268,507)	(24,283,160)	(26,897,497)
Non-cash amounts excluded from operating activities	2(b)	4,054,352	3,471,333	3,863,585
<b>Amount attributable to operating activities</b>		(10,932,062)	(9,756,901)	(12,872,891)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,408,141	2,270,453	1,837,947
Payments for property, plant and equipment	4(a)	(4,517,500)	(1,391,812)	(2,220,078)
Payments for construction of infrastructure	4(a)	(1,223,500)	(2,123,118)	(4,195,269)
Proceeds from disposal of assets	4(b)	15,100	1,592,273	1,515,000
Proceeds from self-supporting loans		21,000	24,130	24,130
		(4,296,759)	371,926	(3,038,270)
<b>Amount attributable to investing activities</b>		(4,296,759)	371,926	(3,038,270)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(97,696)	(97,006)	(97,006)
Proceeds from self-supporting loans				
Transfers to cash backed reserves (restricted assets)	7(a)	(2,978,455)	(1,688,940)	(1,620,000)
Transfers from cash backed reserves (restricted assets)	7(a)	4,569,585	1,056,057	4,158,458
<b>Amount attributable to financing activities</b>		1,493,434	(729,888)	2,441,452
<b>Budgeted deficiency before imposition of general rates</b>		(13,735,387)	(10,114,863)	(13,469,709)
<b>Estimated amount to be raised from general rates</b>	1	13,889,479	13,493,906	13,474,356
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2(a)	<b>154,092</b>	<b>3,379,043</b>	<b>4,647</b>

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

**TOWN OF BASSENDEAN**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2021/22 Budget	2020/21 Actual	2020/21 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2	3,379,043	796,267	745,317
		3,379,043	796,267	745,317
<b>Revenue from operating activities (excluding rates)</b>				
Operating grants, subsidies and contributions	9(a)	2,620,978	3,203,670	2,625,419
Fees and charges	8	6,865,618	6,373,284	6,031,127
Interest earnings	12(a)	186,903	225,577	285,208
Other revenue	12(b)	229,451	476,126	441,131
Profit on asset disposals	4(b)	100	30,000	32,819
		9,903,050	10,308,657	9,415,704
<b>Expenditure from operating activities</b>				
Employee costs		(13,478,467)	(12,594,905)	(13,476,198)
Materials and contracts		(8,484,276)	(6,102,959)	(7,327,227)
Utility charges		(688,434)	(641,969)	(696,582)
Depreciation on non-current assets	5	(3,891,328)	(3,559,224)	(3,559,374)
Interest expenses	12(d)	(33,089)	(29,749)	(32,689)
Insurance expenses		(496,374)	(474,756)	(492,162)
Other expenditure		(1,156,113)	(716,869)	(978,941)
Loss on asset disposals	4(b)	(40,426)	(212,727)	(334,324)
		(28,268,507)	(24,333,158)	(26,897,497)
Non-cash amounts excluded from operating activities	2(b)	4,054,352	3,471,333	3,863,585
<b>Amount attributable to operating activities</b>		<b>(10,932,062)</b>	<b>(9,756,901)</b>	<b>(12,872,891)</b>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9(b)	1,408,141	2,270,453	1,837,947
Payments for property, plant and equipment	4(a)	(4,517,500)	(1,391,812)	(2,220,078)
Payments for construction of infrastructure	4(a)	(1,223,500)	(2,123,118)	(4,195,269)
Proceeds from disposal of assets	4(b)	15,100	1,592,273	1,515,000
Proceeds from self-supporting loans		21,000	24,130	24,130
<b>Amount attributable to investing activities</b>		<b>(4,296,759)</b>	<b>371,926</b>	<b>(3,038,270)</b>
<b>Amount attributable to investing activities</b>		<b>(4,296,759)</b>	<b>371,926</b>	<b>(3,038,270)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(97,696)	(97,006)	(97,006)
Transfers to cash backed reserves (restricted assets)	7(a)	(2,978,455)	(1,688,940)	(1,620,000)
Transfers from cash backed reserves (restricted assets)	7(a)	4,569,585	1,056,057	4,158,458
<b>Amount attributable to financing activities</b>		<b>1,493,434</b>	<b>(729,888)</b>	<b>2,441,452</b>
<b>Budgeted deficiency before general rates</b>		<b>(13,735,387)</b>	<b>(10,114,863)</b>	<b>(13,469,709)</b>
<b>Estimated amount to be raised from general rates</b>	1(a)	<b>13,889,479</b>	<b>13,493,906</b>	<b>13,474,356</b>
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2	<b>154,092</b>	<b>3,379,043</b>	<b>4,647</b>

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



TOWN OF BASSENDEAN  
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FOR THE YEAR ENDED 30 JUNE 2022

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TOWN OF BASSENDEAN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022

1. RATES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2021/22 Budgeted rate revenue	2021/22 Budgeted interim rates	2021/22 Budgeted back rates	2021/22 Budgeted total revenue	2020/21 Actual total revenue	2020/21 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate</b>									
<b>Gross rental valuations</b>									
Improved – Residential, Commercial and Industrial	0.084895	5,152	132,416,939	11,241,536	65,000	3,500	11,310,036	10,849,128	10,829,578
Vacant Land - Residential, Commercial and Industrial	0.127342	126	23,096	2,941			294,115		
<b>Sub-Totals</b>		5,278	132,440,035	11,244,477	65,000	3,500	11,604,151	10,849,128	10,829,578
<b>Minimum</b>									
<b>Minimum payment</b>									
<b>Gross rental valuations</b>									
Improved – Residential, Commercial and Industrial	1106	1,980	23,492,099	2,189,880			2,189,880	2,651,082	2,651,082
Vacant Land - Residential, Commercial and Industrial	1106	92	2,906,254	101,752			101,752		
<b>Sub-Totals</b>		2,072	26,398,352	2,291,632	0	0	2,291,632	2,651,082	2,651,082
		7,350	158,838,387	13,536,109	65,000	3,500	13,895,783	13,500,210	13,480,660
Discounts (Refer note 1(c))							(6,304)	(6,304)	(6,304)
<b>Total amount raised from general rates</b>							13,889,479	13,493,906	13,474,356

All land (other than exempt land) in the Town of Bassendean is rated according to its Gross Rental Value (GRV).

The general rates detailed for the 2021/22 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 increase 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.

**1. RATES (CONTINUED)**

**(b) Interest Charges and Instalments - Rates and Service Charges**

The following instalment options are available to ratepayers for the payment of rates and service charges.

<b>Instalment options</b>	<b>Date due</b>	<b>Instalment plan admin charge</b>	<b>Instalment plan interest rate</b>	<b>Unpaid rates interest rates</b>
		\$	%	%
<b>Option one</b>				
<b>Option one- Full amount</b>				
Single full payment	1-Oct-21		0.0%	7.0%
<b>Option two- Two instalments</b>				
First instalment	1-Oct-21		0.0%	7.0%
Second instalment	4-Feb-22		5.5%	7.0%
<b>Option two- Two instalments</b>				
First instalment	1-Oct-21		0.0%	7.0%
Second instalment	3-Dec-21		5.5%	7.0%
Third instalment	4-Feb-22		5.5%	8.0%
Fourth instalment	8-Apr-22		5.5%	7.0%

	<b>2021/22 Budget revenue</b>	<b>2020/21 Actual revenue</b>	<b>2020/21 Budget revenue</b>
	\$	\$	\$
Instalment plan admin charge revenue	100,000	144,372	125,000
Instalment plan interest earned	3,360	3,360	7,155
Unpaid rates and service charge interest earned	57,250	57,204	63,300
	160,610	204,936	195,455

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**1. RATES (CONTINUED)**

The Town did not raise specified area rates for the year ended 30th June 2022.

The Town did not raise service charges for the year ended 30th June 2022.

**1. RATES (CONTINUED)**

**(c) Waivers or concessions**

<b>Rate or fee and charge to which the waiver or concession is granted</b>	<b>Type</b>	<b>Discount %</b>	<b>Discount (\$)</b>	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>	<b>Circumstances in which the waiver or concession is granted</b>	<b>Objects and reasons of the waiver or concession</b>
Concessions (Refer note 1 e) "Concession"	"Concession"	50.0%	0	\$ (6,304)	\$ (6,304)	\$ (6,304)	Westcare Inc.	Assist in maintaining the ability to fulfill the mission of 'empowering, enriching and enhancing' the lives of people with disabilities.
				(6,304)	(6,304)	(6,304)		

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**2. NET CURRENT ASSETS**

**(a) Composition of estimated net current assets**

**Current assets**

Cash and cash equivalents- unrestricted	3	1,060,409	1,604,218	1,696,170
Cash and cash equivalents - restricted	3	0	0	6,248,901
Financial assets - unrestricted		1,761,507	4,170,377	24,494
Financial assets - restricted	3	7,658,867	9,249,997	1,675,506
Receivables		1,580,872	1,580,872	1,093,886
Inventories		6,298	6,298	26,690

**Less: current liabilities**

Trade and other payables		(3,918,373)	(3,918,373)	(3,119,371)
Contract liabilities		(55,426)	(55,426)	0
Lease liabilities	7	(112,712)	(112,712)	0
Long term borrowings	6	(97,696)	(97,696)	(97,370)
Employee provisions		(2,738,621)	(2,466,349)	(2,415,704)

**Net current assets**

**Less: Total adjustments to net current assets**

2.(c)		(4,991,033)	(6,582,163)	(5,128,555)
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**Net current assets used in the Rate Setting Statement**

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
	12,067,953	16,611,762	10,765,647
	(3,918,373)	(3,918,373)	(3,119,371)
	(55,426)	(55,426)	0
7	(112,712)	(112,712)	0
6	(97,696)	(97,696)	(97,370)
	(2,738,621)	(2,466,349)	(2,415,704)
	(6,922,828)	(6,650,556)	(5,632,445)
	5,145,125	9,961,206	5,133,202
2.(c)	(4,991,033)	(6,582,163)	(5,128,555)
	154,092	3,379,043	4,647

TOWN OF BASSENDEAN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022  
 2. NET CURRENT ASSETS (CONTINUED)

**EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)**

**Items excluded from calculation of budgeted deficiency**

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

**(b) Operating activities excluded from budgeted deficiency**

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

**Adjustments to operating activities**

Less: Profit on asset disposals  
 Add: Loss on disposal of assets  
 Add: Depreciation on assets  
 Movement in non-current employee provisions  
 Movement in non-current contract liability  
 Movement in current employee provisions associated with restricted cash

**Non cash amounts excluded from operating activities**

Note	2021/22 Budget 30 June 2022	2020/21 Actual 30 June 2021	2020/21 Budget 30 June 2021
	\$	\$	\$
4(b)	(100)	(30,000)	(32,819)
4(b)	40,426	212,727	334,324
5	3,891,328	3,559,224	3,559,374
	25,000	10,767	0
	97,698	(281,385)	0
	0		2,706
	4,054,352	3,471,333	3,863,585

**(c) Current assets and liabilities excluded from budgeted deficiency**

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

**Adjustments to net current assets**

Less: Cash - restricted reserves  
 Less: Financial assets - restricted  
 Less: Current assets restricted to trading undertaking  
 Add: Current liabilities not expected to be cleared at end of year  
     - Current portion of borrowings  
     - Current portion of lease liabilities  
     - Current portion of employee benefit provisions held in reserve

**Total adjustments to net current assets**

7	(5,201,441)	(6,792,571)	(5,339,852)
3			
	0	0	(24,130)
	97,696	97,696	97,370
	112,712	112,712	0
	0	0	138,157
	(4,991,033)	(6,582,163)	(5,128,455)

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**2 (d) NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

An 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.

**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 of Bassendean 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 normally paid within 30 days of recognition.

**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 City recognises revenue for the prepaid rates that have not been refunded.

**INVENTORIES**

**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.

**Superannuation**

The Town of Bassendean contributes to a number of superannuation funds on behalf of employees.

All funds to which the Town of Bassendean contributes are defined contribution plans.

**LAND HELD FOR RESALE**

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

**CONTRACT ASSETS**

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

**TRADE AND OTHER RECEIVABLES**

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore 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.

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

**PROVISIONS**

Provisions are recognised when the Town has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**EMPLOYEE BENEFITS**

**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. The Town's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**CONTRACT LIABILITIES**

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Town are recognised as a liability until such time as the Town satisfies its obligations under the agreement.

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**3. RECONCILIATION OF CASH**

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

Note	2021/22 Budget	2020/21 Actual	2020/21 Budget	
	\$	\$	\$	
Cash at bank and on hand	371,612	819,206	1,196,170	
Term deposits	688,797	785,012	6,748,901	
<b>Total cash and cash equivalents</b>	<b>1,060,409</b>	<b>1,604,218</b>	<b>7,945,071</b>	
Held as				
- Unrestricted cash and cash equivalents	1,060,409	1,604,218	1,696,170	
- Restricted cash and cash equivalents	0	0	6,248,901	
	1,060,409	1,604,218	7,945,071	
- Restricted financial assets at amortised cost	7,658,867	9,249,997	1,700,000	
<b>Restrictions</b>				
The following classes of 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	0	0	6,248,901	
- Restricted financial assets at amortised cost - term deposits	7,658,867	9,249,997	1,700,000	
	7,658,867	9,249,997	7,948,901	
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Reserves - cash/financial asset backed	7	5,201,441	6,792,571	5,339,852
Contract liabilities		75,426	75,426	0
Bonds and other deposits		2,200,000	2,200,000	2,310,199
Hyde Retirement Village Bonds		182,000	182,000	298,850
		7,658,867	9,249,997	7,948,901
<b>Reconciliation of net cash provided by operating activities to net result</b>				
<b>Net result</b>		(3,067,837)	1,739,857	(2,169,490)
Depreciation	5	3,891,328	3,559,224	3,559,374
(Profit)/loss on sale of asset	4(b)	40,326	182,727	301,505
(Increase)/decrease in receivables		(0)	125,293	200,000
(Increase)/decrease in inventories		0	2,739	(2,000)
Increase/(decrease) in payables		97,698	(1,642,989)	(25,000)
Increase/(decrease) in contract liabilities		0	(409,286)	0
Increase/(decrease) in employee provisions		297,272	218,946	100,000
Non-operating grants, subsidies and contributions		(1,408,141)	(2,270,453)	(1,837,947)
<b>Net cash from operating activities</b>		<b>(149,354)</b>	<b>1,506,058</b>	<b>126,442</b>

**SIGNIFICANT ACCOUNTING POLICES**

**CASH AND CASH EQUIVALENTS**

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 - Net Current Assets.

**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.



TOWN OF BASSENDEAN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022  
 4. FIXED ASSETS

(a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

Asset class	Reporting program											2021/22 Budget total	2020/21 Actual total	2020/21 Budget total
	Governance	General purpose funding	Law, order, public safety	Health	Education and welfare	Housing	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Property, Plant and Equipment</b>														
Land - freehold land						1,536,000					31,000	1,567,000	701,376	725,000
Buildings - non-specialised												0	0	775,504
Buildings - specialised							1,465,000	691,000		228,000		2,384,000	372,550	
Furniture and equipment	290,000						60,500					350,500	266,276	643,574
Plant and equipment								216,000				216,000	51,610	76,000
	290,000	0	0	0	0	0	1,536,000	1,525,500	907,000	0	259,000	4,517,500	1,391,812	2,220,078
<b>Infrastructure</b>														
Infrastructure - roads									915,000			915,000	1,672,943	1,834,854
Infrastructure - Footpaths	16,000											16,000	109,639	184,531
Infrastructure - Parks & Ovals							92,500					92,500	289,678	1,856,166
Infrastructure - Drainage								200,000				200,000	50,858	319,718
	16,000	0	0	0	0	0	0	292,500	915,000	0	0	1,223,500	2,123,118	4,195,269
<b>Total acquisitions</b>	<b>306,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,536,000</b>	<b>1,818,000</b>	<b>1,822,000</b>	<b>0</b>	<b>259,000</b>	<b>5,741,000</b>	<b>3,514,930</b>	<b>6,415,347</b>

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

**SIGNIFICANT ACCOUNTING POLICIES**

**RECOGNITION OF ASSETS**

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.

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**4. FIXED ASSETS**

**(b) Disposals of Assets**

The following assets are budgeted to be disposed of during the year.

	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Law, order, public safety	0	0	0	0	0	0	0	0	24,000	7,000	0	(17,000)
Community amenities	0	0	0	0	1,775,000	1,592,273	30,000	(212,727)	1,775,000	1,500,000	30,000	(305,000)
Recreation and culture	55,427	15,100	100	(40,427)	0	0	0	0	17,324	5,000	0	(12,324)
Transport		0	0	0	0	0	0	0	181	3,000	2,819	0
	55,427	15,100	100	(40,427)	1,775,000	1,592,273	30,000	(212,727)	1,816,505	1,515,000	32,819	(334,324)
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Land - freehold land	0	0	0	0	1,775,000	1,592,273	30,000	(212,727)	1,775,000	1,500,000	30,000	(305,000)
Plant and equipment	55,427	15,100	100	(40,427)	0	0	0	0	41,505	15,000	2,819	(29,324)
	55,427	15,100	100	(40,427)	1,775,000	1,592,273	30,000	(212,727)	1,816,505	1,515,000	32,819	(334,324)

**SIGNIFICANT ACCOUNTING POLICIES**

**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 profit or loss in the period which they arise.

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**5. ASSET DEPRECIATION**

**By Program**

Governance
Law, order, public safety
Health
Education and welfare
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

**By Class**

Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - Footpaths
Infrastructure - Parks & Ovals
Infrastructure - Drainage

<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
\$	\$	\$
101,589	81,044	83,696
22,161	1,341	1,337
96,020	3,995	3,982
135,722	104,802	109,190
56,124	52,587	52,542
925,778	900,498	895,526
2,382,374	2,330,840	2,325,078
6,057	0	0
165,503	84,117	88,023
<b>3,891,328</b>	<b>3,559,224</b>	<b>3,559,374</b>
549,052	502,193	498,587
38,303	35,034	42,813
86,646	79,251	79,836
1,629,427	1,490,364	1,487,269
266,655	243,897	243,916
670,427	613,210	609,243
650,819	595,275	597,710
<b>3,891,329</b>	<b>3,559,224</b>	<b>3,559,374</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**DEPRECIATION**

The depreciable amount of all fixed assets including buildings but excluding freehold land, 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.

Major depreciation periods used for each class of depreciable asset are:

Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	
Infrastructure - Footpaths	20 years
Infrastructure - Parks & Ovals	80 years
Infrastructure - Drainage	30 to 75 years

**AMORTISATION**

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

TOWN OF BASSENDEAN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2022  
 6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Loan Number	Institution	Interest Rate	Budget	2021/22	2021/22	Budget	2021/22	Actual	2020/21	2020/21	Actual	2020/21	Budget	2020/21	2020/21	Budget	2020/21
				Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Interest Repayments	Principal 1 July 2020	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2021	Interest Repayments	Principal 1 July 2020	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2021	Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Recreation and culture</b>																		
Civil Centre Developme	160A	WATC	6.41%	185,825	0	(58,047)	127,778	(10,370)	240,296	0	(54,471)	185,825	(13,891)	240,295	0	(54,471)	185,824	(13,891)
Civil Centre Developme	160B	WATC	5.92%	85,454	0	(19,519)	65,935	(4,631)	103,859	0	(18,405)	85,454	(5,745)	103,859	0	(18,405)	85,454	(5,745)
				271,279	0	(77,566)	193,713	(15,001)	344,155	0	(72,876)	271,279	(19,636)	344,154	0	(72,876)	271,278	(19,636)
<b>Self Supporting Loans</b>																		
<b>Recreation and culture</b>																		
Ashfield Soccer Club	157	WATC	0.068	0	0	0	0	0	5,285	0	(5,285)	0	(224)	5,285	0	(5,285)	0	(224)
TADWA	162	WATC	0.0665	181,030	0	(20,130)	160,900	(11,543)	199,875	0	(18,845)	181,030	(12,829)	199,875	0	(18,845)	181,030	(12,829)
				181,030	0	(20,130)	160,900	(11,543)	205,160	0	(24,130)	181,030	(13,053)	205,160	0	(24,130)	181,030	(13,053)
				452,309	0	(97,696)	354,613	(26,544)	549,315	0	(97,006)	452,309	(32,689)	549,314	0	(97,006)	452,308	(32,689)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.  
 The self supporting loan(s) repayment will be fully reimbursed.

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**6. INFORMATION ON BORROWINGS**

**(b) New borrowings - 2021/22**

The Town does not intend to undertake any new borrowings for the year ended 30th June 2022

**(c) Unspent borrowings**

The Town had no unspent borrowing funds as at 30th June 2021 nor is it expected to have unspent borrowing funds as at 30th June 2022.

**(d) Credit Facilities**

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date			
Credit card limit	150,000	150,000	150,000
Credit card balance at balance date	(15,000)	(14,916)	(15,000)
<b>Total amount of credit unused</b>	<b>235,000</b>	<b>235,084</b>	<b>235,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	354,613	452,309	452,308

**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.

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**7. CASH BACKED RESERVES**

**(a) Cash Backed Reserves - Movement**

	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>Opening</b>	<b>Transfer to</b>	<b>Transfer</b>	<b>Closing</b>	<b>Opening</b>	<b>Transfer to</b>	<b>Transfer</b>	<b>Closing</b>	<b>Opening</b>	<b>Transfer to</b>	<b>Transfer</b>	<b>Closing</b>
	<b>Balance</b>	<b>Balance</b>	<b>(from)</b>	<b>Balance</b>	<b>Balance</b>	<b>Balance</b>	<b>(from)</b>	<b>Balance</b>	<b>Balance</b>	<b>Balance</b>	<b>(from)</b>	<b>Balance</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlements Reserve	238,510	1,062,241	(400,000)	900,751	232,226	6,284	0	238,510	232,721	2,706	(24,250)	211,177
(b) Unspent Grants Reserve	400,432	0	(400,432)	0	400,432	0	0	400,432	1,858,865	0	(1,397,033)	461,832
(c) Plant and Equipment Reserve	352,766	2,266	0	355,032	373,872	3,284	(24,390)	352,766	373,483	4,343	(68,000)	309,826
(d) Waste Management Reserve	1,402,951	0	(1,402,951)	0	1,393,498	9,453	0	1,402,951	1,741,533	20,252	(722,824)	1,038,961
(e) Wind in the Willows Childcare Reserve	15,021	97	0	15,118	40,683	365	(26,027)	15,021	30,000	349	(30,000)	349
(f) Aged Persons Reserve	565,493	3,680	0	569,173	560,864	4,629	0	565,493	561,281	6,527	0	567,808
(g) Youth Development Reserve	29,992	195	0	30,187	29,746	246	0	29,992	29,774	346	(4,000)	26,120
(h) Community Facilities Reserve	28,018	100,182	(25,500)	102,700	54,568	450	(27,000)	28,018	54,620	635	(27,000)	28,255
(i) Underground Power Reserve	86,560	563	0	87,123	85,851	709	0	86,560	85,933	999	(20,000)	66,932
(j) HACC Asset Replacement Reserve	115,031	716	(105,000)	10,747	114,083	948	0	115,031	120,914	1,406	(5,000)	117,320
(k) Bus Shelter Reserve	21,802	142	0	21,944	21,623	179	0	21,802	21,644	252	(4,000)	17,896
(l) Street Tree Reserve	93,713	610	(93,604)	719	92,670	1,043	0	93,713	0	0	0	0
(m) Drainage Infrastructure Reserve	80,428	10,307	0	90,735	126,402	1,192	(47,166)	80,428	126,542	1,472	(126,620)	1,394
(n) Land and Buildings Infrastructure Reserve	2,777,290	18,083	(2,142,098)	653,275	1,921,462	1,609,364	(753,537)	2,777,290	1,923,292	1,522,367	(1,389,731)	2,055,928
(o) Information Technology Reserve	75,221	324,195	0	399,416	200,000	232	(125,011)	75,221	200,000	2,326	(200,000)	2,326
(p) Future Projects Reserve	459,314	1,901	0	461,215	511,708	532	(52,926)	459,314	517,708	6,020	(140,000)	383,728
(q) Marine Assets Reserve	50,029	50,326	0	100,355	0	50,029	0	50,029	0	50,000	0	50,000
(r) Waste Processing/Disposal Reserve	0	377,288	0	377,288	0	0	0	0	0	0	0	0
(s) Waste Asset Reserve	0	200,000	0	200,000	0	0	0	0	0	0	0	0
(t) Waste Programs Reserve	0	575,663	0	575,663	0	0	0	0	0	0	0	0
(u) Natural Area Reserves	0	250,000	0	250,000	0	0	0	0	0	0	0	0
	6,792,571	2,978,455	(4,569,585)	5,201,441	6,159,688	1,688,940	(1,056,057)	6,792,571	7,878,310	1,620,000	(4,158,458)	5,339,852

**7. CASH BACKED RESERVES**

**(b) Cash Backed Reserves - Purposes**

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

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

## 8. FEES & CHARGES REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
Governance	118,167	106,202	110,068
Law, order, public safety	52,500	62,566	53,000
Health	3,312,250	2,909,615	2,834,670
Education and welfare	2,934,900	2,640,563	2,728,125
Community amenities	114,096	218,223	82,000
Recreation and culture	186,770	164,745	101,107
Transport	2,500	18,097	2,800
Economic services	97,800	184,885	72,722
Other property and services	46,635	68,388	46,635
	6,865,618	6,373,284	6,031,127

## 9. GRANT REVENUE

	2021/22 Budget	2020/21 Actual	2020/21 Budget
	\$	\$	\$
<b>By Program:</b>			
<b>(a) Operating grants, subsidies and contributions</b>			
Governance	257,095	21,120	26,662
General purpose funding	0	551,155	262,985
Law, order, public safety	44,100	42,999	44,110
Health	0	46,656	
Education and welfare	2,258,023	2,402,813	2,156,256
Community amenities	3,610	3,282	
Recreation and culture	0	63,222	30,640
Transport	58,150	72,423	98,462
	2,620,978	3,203,670	2,619,115
<b>(b) Non-operating grants, subsidies and contributions</b>			
Health	0	56,736	23,250
Recreation and culture	787,217	395,763	984,706
Transport	620,924	1,817,954	829,991
	1,408,141	2,270,453	1,837,947
Total grants, subsidies and contributions	4,029,119	5,474,123	4,457,062



**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**10. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
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	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	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	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	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	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	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	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**11. ELECTED MEMBERS REMUNERATION**

	<b>2021/22 Budget</b>	<b>2020/21 Actual</b>	<b>2020/21 Budget</b>
	\$	\$	\$
Meeting fees	123,544	123,544	123,544
Mayor's allowance	36,957	36,957	36,957
Deputy Mayor's allowance	9,239	9,239	9,239
Telecommunication allowance	24,500	24,500	24,500
Conference and training expenses	15,000	5,996	15,000
Donations	5,000	3,000	5,000
	<b>214,240</b>	<b>203,236</b>	<b>214,240</b>

## 12. OTHER INFORMATION

### The net result includes as revenues

#### (a) Interest earnings

##### Investments

- Reserve funds	50,100	70,200	70,000
- Other funds	56,063	70,683	70,000
Loans receivables -clubs/institutions	20,130	24,130	13,053
Other interest revenue (refer note 1b)	60,610	60,564	132,155
	186,903	225,577	285,208

#### (b) Other revenue

##### Reimbursements and recoveries

Other	32,803	49,421	56,500
	196,648	426,705	384,631
	229,451	476,126	441,131

### The net result includes as expenses

#### (c) Auditors remuneration

##### External Audit services

Internal Audit services	45,000	43,140	40,000
Other services	45,000	26,046	35,900
	1,200	1,200	900
	91,200	70,386	76,800

#### (d) Interest expenses (finance costs)

##### Borrowings (refer Note 6(a))

Interest expense on lease liabilities	26,544	32,689	32,689
	6,545	6,400	0
	33,089	39,089	32,689

### 13. INVESTMENT IN ASSOCIATES

The Council is a member of the Eastern Metropolitan Regional Council (EMRC). EMRC was established in accordance with the Local Government Act 1995 and consists of six local governments, namely, Town of Bassendean, City of Bayswater, City of Belmont, Shire of Kalamunda, Shire of Mundaring and City of Swan. The Town's interest in the associate calculated by EMRC as at 30 June 2021 was 4.26%, representing its share of the net assets of \$7,852,617. The interest in the associate at 30 June 2021 is yet to be determined.

#### SIGNIFICANT ACCOUNTING POLICIES

##### INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Town's share of net assets of the associate. In addition, the Town's share of the profit or loss of the associate is included in the Town's profit or loss.

**13. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 30 June 2021</b>	<b>Estimated amounts received</b>	<b>Estimated amounts paid</b>	<b>Estimated balance 30 June 2022</b>
	\$	\$	\$	\$
Public Open Space	744,752	0	(488,700)	256,052
	744,752	0	(488,700)	256,052

#### **14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION**

##### **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.

##### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of a budget 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.

##### **ROUNDING OFF FIGURES**

All figures shown in this statement are rounded to the nearest dollar.

##### **COMPARATIVE FIGURES**

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

##### **BUDGET COMPARATIVE FIGURES**

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