



**TOWN OF BASSENDEAN**

**ADOPTED BUDGET**

**FOR THE YEAR ENDED**

**30 June 2019**

Adopted 24 July 2018

**TOWN OF BASSENDEAN**  
**BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2019**

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**TOWN OF BASSENDEAN  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2019**

**BY NATURE OR TYPE**

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1	13,173,005	12,913,482	12,935,762
Operating grants, subsidies and contributions	9	2,776,326	3,063,579	2,364,274
Fees and charges	8	5,968,203	5,892,909	5,838,490
Interest earnings	10(a)	459,345	506,556	452,821
Other revenue	10(b)	370,556	738,210	632,977
		<u>22,747,435</u>	<u>23,114,736</u>	<u>22,224,324</u>
<b>Expenses</b>				
Employee costs		(11,882,476)	(11,831,577)	(11,383,091)
Materials and contracts		(8,347,538)	(7,134,937)	(8,304,553)
Utility charges		(736,314)	(655,561)	(711,844)
Depreciation on non-current assets	5	(3,316,368)	(3,284,279)	(3,266,812)
Interest expenses	10(c)	(49,688)	(52,629)	(61,115)
Insurance expenses		(439,889)	(403,510)	(462,957)
Other expenditure		(1,270,852)	(1,003,283)	(954,094)
		<u>(26,043,126)</u>	<u>(24,365,776)</u>	<u>(25,144,466)</u>
		(3,295,691)	(1,251,040)	(2,920,142)
Non-operating grants, subsidies and contributions	9	2,382,964	669,225	1,478,462
Profit on asset disposals	4(b)	70,852	3,773	-
Loss on asset disposals	4(b)	(59,586)	(59,589)	(18,023)
<b>Net result</b>		<b>(901,461)</b>	<b>(637,631)</b>	<b>(1,459,702)</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>(901,461)</b>	<b>(637,631)</b>	<b>(1,459,702)</b>

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

Significant Accounting Policies - Other

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**BASIS OF PREPARATION**

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also 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 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 14 to the budget.

**2017/18 ACTUAL BALANCES**

Balances shown in this budget as 2017/18 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**KEY TERMS AND DEFINITIONS - NATURE OR TYPE**

**REVENUES**

**RATES**

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

**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. Exclude 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.

**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.

**REVENUES (CONTINUED)**

**FEES AND CHARGES**

Revenues (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, rebates etc.

**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, removal expenses, relocation 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 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  
FOR THE YEAR ENDED 30TH JUNE 2019**

**BY PROGRAM**

	NOTE	2018/19 Budget	2017/18 Actual	2017/18 Budget
<b>Revenue</b>	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		17,200	17,008	30,000
General purpose funding		14,084,228	14,107,430	13,836,253
Law, order, public safety		112,700	129,066	131,500
Health		2,760,665	2,677,209	2,657,320
Education and welfare		5,051,412	5,312,962	4,653,710
Community amenities		148,000	142,099	136,500
Recreation and culture		236,560	443,550	317,650
Transport		154,000	74,698	131,315
Economic services		100,350	105,481	131,176
Other property and services		82,320	105,234	198,900
		<u>22,747,435</u>	<u>23,114,736</u>	<u>22,224,324</u>
<b>Expenses excluding finance costs</b>	5,10(b),(e),(f)			
Governance		(1,165,965)	(903,498)	(915,058)
General purpose funding		(777,422)	(785,722)	(850,094)
Law, order, public safety		(676,252)	(661,265)	(693,558)
Health		(3,189,115)	(2,876,850)	(3,225,954)
Education and welfare		(5,550,607)	(5,453,563)	(5,099,480)
Community amenities		(1,300,057)	(1,242,825)	(1,451,670)
Recreation and culture		(6,559,803)	(6,123,637)	(6,572,181)
Transport		(6,050,683)	(5,529,361)	(5,619,401)
Economic services		(545,985)	(547,881)	(565,288)
Other property and services		(177,549)	(188,545)	(90,666)
		<u>(25,993,438)</u>	<u>(24,313,147)</u>	<u>(25,083,350)</u>
<b>Finance costs</b>	6, 10(c)			
Governance		(16,003)	(15,262)	(17,388)
Recreation and culture		(33,685)	(37,367)	(43,727)
		<u>(49,688)</u>	<u>(52,629)</u>	<u>(61,115)</u>
		<u>(3,295,691)</u>	<u>(1,251,040)</u>	<u>(2,920,141)</u>
Non-operating grants, subsidies and contributions	9	2,382,964	669,225	1,478,462
Profit on disposal of assets	4(b)	70,852	3,773	-
(Loss) on disposal of assets	4(b)	(59,586)	(59,589)	(18,023)
<b>Net result</b>		<b>(901,461)</b>	<b>(637,631)</b>	<b>(1,459,702)</b>
<b>Total other comprehensive income</b>		-	-	-
<b>Total comprehensive income</b>		<b>(901,461)</b>	<b>(637,631)</b>	<b>(1,459,702)</b>

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**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 of Bassendean's Community Vision, and for each of its broad activities/programs.

**Community Vision**

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

**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 health services.

**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 time 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 of such services as tourism, area promotion and building control.

**OTHER PROPERTY & 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 30TH JUNE 2019**

**BY NATURE OR TYPE**

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		13,011,456	12,839,608	12,882,806
Operating grants, subsidies and contributions		2,801,460	3,063,580	2,372,274
Fees and charges		5,968,203	5,884,653	5,838,490
Interest earnings		459,345	511,002	452,821
Goods and services tax		-	1,034,983	-
Other revenue		440,556	724,899	632,977
		<u>22,681,020</u>	<u>24,058,725</u>	<u>22,179,368</u>
<b>Payments</b>				
Employee costs		(11,706,476)	(11,652,262)	(11,377,547)
Materials and contracts		(8,247,538)	(6,891,874)	(8,040,124)
Utility charges		(736,314)	(655,561)	(711,844)
Interest expenses		(43,985)	(58,332)	(61,115)
Insurance expenses		(439,889)	(403,510)	(462,957)
Goods and services tax		-	(1,070,552)	-
Other expenditure		(1,270,852)	(1,003,885)	(954,094)
		<u>(22,445,054)</u>	<u>(21,735,976)</u>	<u>(21,607,681)</u>
<b>Net cash provided by (used in) operating activities</b>	3	235,966	2,322,749	571,687
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(1,904,200)	(658,596)	(1,499,062)
Payments for construction of infrastructure		(3,087,015)	(1,619,292)	(3,600,242)
Non-operating grants, subsidies and contributions used for the development of assets	9	2,382,964	669,225	1,478,462
Proceeds from sale of plant & equipment	4(b)	897,300	35,036	605,150
<b>Net cash provided by (used in) investing activities</b>		<u>(1,710,951)</u>	<u>(1,573,627)</u>	<u>(3,015,692)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6	(132,881)	(123,994)	(123,995)
Proceeds from self supporting loans	6(a)	21,134	19,779	19,779
Trust Transfers		70,000	308,289	200,000
<b>Net cash provided by (used in) financing activities</b>		<u>(41,747)</u>	<u>204,074</u>	<u>95,784</u>
<b>Net increase (decrease) in cash held</b>		(1,516,731)	953,195	(2,348,221)
Cash at beginning of year		11,428,316	10,475,121	10,656,168
<b>Cash and cash equivalents at the end of the year</b>	3	<u><u>9,911,585</u></u>	<u><u>11,428,316</u></u>	<u><u>8,307,947</u></u>

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

**TOWN OF BASSENDEAN  
RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2019**

**BY REPORTING PROGRAM**

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2	1,646,933	2,184,378	2,531,579
		1,646,933	2,184,378	2,531,579
<b>Revenue from operating activities (excluding rates)</b>				
Governance		17,200	17,008	30,000
General purpose funding		911,223	1,193,948	900,491
Law, order, public safety		112,700	129,066	131,500
Health		2,760,665	2,677,209	2,657,320
Education and welfare		5,051,412	5,312,962	4,653,710
Community amenities		148,000	142,099	136,500
Recreation and culture		236,560	443,550	317,650
Transport		224,000	74,698	131,315
Economic services		100,350	105,481	131,176
Other property and services		83,172	109,007	198,900
		9,645,282	10,205,028	9,288,562
<b>Expenditure from operating activities</b>				
Governance		(1,181,968)	(918,760)	(932,446)
General purpose funding		(777,422)	(785,722)	(850,094)
Law, order, public safety		(676,252)	(661,265)	(693,558)
Health		(3,189,115)	(2,876,850)	(3,225,954)
Education and welfare		(5,560,607)	(5,453,563)	(5,099,480)
Community amenities		(1,325,057)	(1,280,192)	(1,495,397)
Recreation and culture		(6,593,488)	(6,123,637)	(6,572,181)
Transport		(6,050,683)	(5,529,361)	(5,619,401)
Economic services		(545,985)	(547,881)	(565,288)
Other property and services		(202,135)	(248,134)	(108,689)
		(26,102,712)	(24,425,365)	(25,162,488)
<b>Operating activities excluded from budget</b>				
(Profit) on asset disposals	4(b)	(70,852)	(3,773)	-
Loss on disposal of assets	4(b)	59,586	59,589	18,023
Movement in employee benefit provisions (non-current)		-	31,675	-
Depreciation on assets	5	3,316,368	3,284,279	3,266,812
Movement in employee cash back reserve		10,405	12,878	24,000
<b>Amount attributable to operating activities</b>		(11,494,990)	(8,651,311)	(10,033,512)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	2,382,964	669,225	1,478,462
Purchase property, plant and equipment	4 (a)	(1,904,200)	(658,596)	(1,499,062)
Purchase and construction of infrastructure	4 (a)	(3,087,015)	(1,619,292)	(3,600,242)
Proceeds from disposal of assets	4(b)	897,300	35,036	605,150
<b>Amount attributable to investing activities</b>		(1,710,951)	(1,573,627)	(3,015,692)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(132,881)	(123,994)	(123,995)
Proceeds from self supporting loans	6(a)	21,134	19,779	19,779
Transfers to cash backed reserves (restricted assets)	7	(1,248,204)	(1,356,037)	(821,362)
Transfers from cash backed reserves (restricted assets)	7	1,414,500	418,641	1,077,343
<b>Amount attributable to financing activities</b>		54,550	(1,041,611)	151,766
<b>Budgeted deficiency before general rates</b>		(13,151,391)	(11,266,549)	(12,897,438)
<b>Estimated amount to be raised from general rates</b>	1	13,173,005	12,913,482	12,935,762
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2	<b>21,614</b>	<b>1,646,933</b>	<b>38,324</b>

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



**TOWN OF BASSENDEAN  
RATES SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2019**

**BY NATURE OR TYPE**

	NOTE	2018/19 Budget \$	2017/18 Actual \$	2017/18 Budget \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2	1,646,933	2,184,378	2,531,579
		<u>1,646,933</u>	<u>2,184,378</u>	<u>2,531,579</u>
<b>Revenue from operating activities (excluding rates)</b>				
Operating grants, subsidies and contributions	9	2,776,326	3,063,579	2,364,274
Fees and charges	8	5,968,203	5,892,909	5,838,490
Interest earnings	10(a)	459,345	506,556	452,821
Other revenue	10(b)	370,556	738,210	632,977
Profit on asset disposals	4(b)	70,852	3,773	-
		<u>9,645,282</u>	<u>10,205,028</u>	<u>9,288,562</u>
<b>Expenditure from operating activities</b>				
Employee costs		(11,882,476)	(11,831,577)	(11,383,091)
Materials and contracts		(8,347,538)	(7,134,937)	(8,304,553)
Utility charges		(736,314)	(655,561)	(711,844)
Depreciation on non-current assets	5	(3,316,368)	(3,284,279)	(3,266,812)
Interest expenses	10(c)	(49,688)	(52,629)	(61,115)
Insurance expenses		(439,889)	(403,510)	(462,957)
Other expenditure		(1,270,852)	(1,003,283)	(954,094)
Loss on asset disposals	4(b)	(59,586)	(59,589)	(18,023)
		<u>(26,102,711)</u>	<u>(24,425,365)</u>	<u>(25,162,489)</u>
<b>Operating activities excluded from budget</b>				
(Profit) on asset disposals	4(b)	(70,852)	(3,773)	-
Loss on disposal of assets	4(b)	59,586	59,589	18,023
Movement in employee benefit provisions (non-current)		-	31,675	-
Depreciation on assets	5	3,316,368	3,284,279	3,266,812
Movement in employee benefit provisions (non-current)		10,405	12,878	24,000
<b>Amount attributable to operating activities</b>		<u>(11,494,989)</u>	<u>(8,651,311)</u>	<u>(10,033,513)</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	2,382,964	669,225	1,478,462
Purchase property, plant and equipment	4(a)	(1,904,200)	(658,596)	(1,499,062)
Purchase and construction of infrastructure	4(a)	(3,087,015)	(1,619,292)	(3,600,242)
Proceeds from disposal of assets	4(b)	897,300	35,036	605,150
<b>Amount attributable to investing activities</b>		<u>(1,710,951)</u>	<u>(1,573,627)</u>	<u>(3,015,692)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(132,881)	(123,994)	(123,995)
Proceeds from self supporting loans	6(a)	21,134	19,779	19,779
Transfers to cash backed reserves (restricted assets)	7(a)	(1,248,204)	(1,356,037)	(821,362)
Transfers from cash backed reserves (restricted assets)	7(a)	1,414,500	418,641	1,077,343
<b>Amount attributable to financing activities</b>		<u>54,550</u>	<u>(1,041,611)</u>	<u>151,766</u>
<b>Budgeted deficiency before general rates</b>		<u>(13,151,390)</u>	<u>(11,266,549)</u>	<u>(12,897,438)</u>
<b>Estimated amount to be raised from general rates</b>	1	<u>13,173,005</u>	<u>12,913,482</u>	<u>12,935,762</u>
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2	<u><b>21,614</b></u>	<u><b>1,646,933</b></u>	<u><b>38,324</b></u>

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

TOWN OF BASSENDEAN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2019

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2018/19 Budgeted rate revenue	2018/19 Budgeted interim rates	2018/19 Budgeted back rates	2018/19 Budgeted total revenue	2017/18 Actual Revenue
<b>General rate</b>	\$		\$	\$	\$	\$	\$	\$
General Rate	7.230	4,581	161,158,994	11,651,795			11,651,795	11,330,584
Interim Rate					75,000	-	75,000	96,102
Back Rates					-	3,000	3,000	3,600
<b>Sub-Totals</b>		<b>4,581</b>	<b>161,158,994</b>	<b>11,651,795</b>	<b>75,000</b>	<b>3,000</b>	<b>11,729,795</b>	<b>11,430,286</b>
<b>Minimum payment</b>	<b>Minimum</b>							
	\$							
Minimum Rate	1,095	1,318	18,297,341	1,443,210	-	-	1,443,210	1,483,195
<b>Sub-Totals</b>		<b>1,318</b>	<b>18,297,341</b>	<b>1,443,210</b>	<b>-</b>	<b>-</b>	<b>1,443,210</b>	<b>1,483,195</b>
<b>Non Rateable</b>								
Non Rateable Properties		48	652,195	-				
<b>Exempt Properties</b>								
Exempt Properties		324	983,810	-				
		<b>6,271</b>	<b>179,456,335</b>	<b>13,095,005</b>	<b>75,000</b>	<b>3,000</b>	<b>13,173,005</b>	<b>12,913,482</b>
<b>Total rates</b>							<b>13,173,005</b>	<b>12,913,482</b>

The general rates detailed for the 2018/2019 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.

## **1. RATES AND SERVICE CHARGES**

### **(b) SPECIFIED AREA RATE - 2018/19 FINANCIAL YEAR**

The Town does not impose a specified area rate as prescribed under the Local Government Act WA.

### **(c) SERVICE CHARGES - 2018/19 FINANCIAL YEAR**

The Town will not impose a service charge as prescribed under the Local Government Act WA.

### **(d) INTEREST CHARGES AND INSTALMENTS 2018/2019 FINANCIAL YEAR**

Council has imposed an interest charge on rates which remain unpaid 35 days after the date of issue of the rate assessment notice. The interest charge for 2018/2019 is 10% pa calculated on a daily basis and it continues to be applied daily until all rates are paid in full.

Interest is charged on instalment payments at 5.5% and an administration fee of \$12 per Instalment when the option is used.

Interest is not chargeable to eligible pensioners who have had their entitlement registered with the Council in accordance with the Pensioner Rates, Rebates and Deferments Act.

In the event that the payment of rates is not received by installments the ratepayer can make a special payment arrangement and an administrative fee of \$36 will apply.

#### **Option 1 (Full Payment)**

The full amount of rates including arrears to be paid on or before 14 September 2018.

#### **Option 2 (4 Instalments)**

The first instalment is to be received on or before 14 September 2018 including all arrears and a quarter of the current rates. The second, third and fourth instalments are to be made at two monthly intervals thereafter.

There is a \$36 Administration Fee attached to this instalment payment option. Instalment payments are due on:

- 14 September 2018
- 16 November 2018
- 18 January 2019
- 22 March 2019

#### **Option 3 (2 Instalments)**

The first instalment is to be received on or before 14 September 2018 including all arrears and a 50% of the current rates. The second instalment to be paid on 18 January 2019.

There is a \$12 Administration fee attached to this instalment payment option. Instalment payments are due on:

- 14 September 2018
- 18 January 2019

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2019**

**1. RATES AND SERVICE CHARGES**

**(d) INTEREST CHARGES AND INSTALMENTS 2018/2019 FINANCIAL YEAR  
CONTINUED**

		<b>2018/19 Budget \$</b>	<b>2017/18 Forecast \$</b>
Charges on Instalment Plan	\$12	69,000	67,032
		69,000	67,032

**Interest on Overdue Accounts - (Fees & Charges)**

Interest can be levied on the total outstanding debt in the categories of 60 days and over.

The rate applicable is that as determined by Council as contained in the Annual Budget.

This is done in accordance with Section 6.13 of the Local Government Act

The applicable rate as determined by Council for 2018/2019 Financial Year will be 10% applied on a daily basis on the outstanding balance

<b>Fee and Charge</b>	<b>2018/19 Budget \$</b>	<b>2017/18 Forecast \$</b>
Interest on Late Payment of Rates	156,000	209,936
Interest on Deferred Rates	7,500	7,451
	163,500	217,386

**(e) PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS  
- 2018/19 FINANCIAL YEAR**

Council has offered a rate incentive scheme which offers prizes for payment of rates within the 35 days from the date of issue of the Rates Notice.

Council will be offering prizes of 2 iPad Mini's in addition to prizes offered by sponsors which are at no cost to Council.

All ratepayers who pay rates on or before the due date are automatically entered into the draw unless Council is notified that any person does not wish to participate.

The draw is conducted by random computer selection of eligible ratepayers as soon as possible after the due date. All winners are notified in writing by Council.

Council will also be providing a rates concession to Westcare Inc which equates to 50% of the individual property rates levied (28 Hanwell Way Bassendean).

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**2. NET CURRENT ASSETS**

	Note	2018/19 Budget	2017/18 Actual
		\$	\$
<b>Composition of estimated net current assets</b>			
<b>Current assets</b>			
Cash unrestricted	3	2,295,488	3,407,340
Cash Restricted	3	5,572,411	5,738,707
Restricted Cash - Trust		2,043,686	2,282,269
Rates Outstanding		843,965	793,965
Receivables		205,060	205,060
GST Receivable		127,316	148,291
Inventories		15,646	17,646
		11,103,572	12,593,278
<b>Less: current liabilities</b>			
Sundry Creditors		(1,833,076)	(1,294,143)
Accrued Salaries and Wages		(132,871)	(130,907)
Rates in Advance		(290,701)	(270,701)
Hyde Retirement Village Bonds		(189,650)	(259,650)
Other Bonds and Deposits		(1,854,036)	(2,022,619)
Current Employee Provisions		(2,249,871)	(2,249,871)
		(6,550,205)	(6,227,891)
<b>Unadjusted net current assets</b>		4,553,367	6,365,387
<b>Adjustments</b>			
Less: Cash Reserves	3	(5,572,411)	(5,738,707)
Add: Liabilities funded by Cash Backed Reserves		1,040,658	1,020,253
<b>Adjusted net current assets - surplus/(deficit)</b>		21,614	1,646,933

**Reason for Adjustments**

The differences between the net current assets at the end of each financial year in the rate setting statement and net current assets detailed above arise from amounts which have been excluded when calculating the budget deficiency in accordance with *Local Government (Financial Management) Regulation 32* as movements for these items have been funded within the budget estimates. These differences are disclosed as adjustments above.

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

**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.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

## **2. NET CURRENT ASSETS (CONTINUED)**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **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.

#### **PROVISIONS**

Provisions are recognised when the Town of Bassendean has a 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.

#### **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.

#### **EMPLOYEE BENEFITS**

##### **Short-term employee benefits**

Provision is made for the Town of Bassendean'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 of Bassendean'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 of Bassendean's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

##### **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.

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

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**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:

	<b>2018/19 Budget</b>	<b>2017/18 Actual</b>	<b>2017/18 Budget</b>
	\$	\$	\$
Cash - unrestricted	2,295,488	3,407,340	1,472,649
Cash - restricted	7,616,097	8,020,976	6,835,298
	<u>9,911,585</u>	<u>11,428,316</u>	<u>8,307,947</u>

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

Employee Entitlements Reserve	1,040,658	1,020,253	1,031,375
Plant & Equipment Reserve	326,781	384,099	358,737
Community Facilities Reserve	53,005	51,965	51,651
Land and Building Infrastructure Reserve	2,396,425	1,829,829	1,635,247
Waste Management Reserve	443,562	697,119	550,559
Wind in the Willows Reserve	76,524	79,926	64,577
Aged Persons Reserve	485,057	484,370	480,918
Youth Development Reserve	28,894	28,327	28,156
Underground Power Reserve	50,392	81,757	81,263
Roads and Drainage Reserve	25,769	417,420	116,710
HACC Assets Replacement	316,815	335,113	90,318
Unspent Grants Reserve	328,528	328,528	171,893
	<u>5,572,411</u>	<u>5,738,707</u>	<u>4,661,404</u>
Other Restrictions			
Hyde Retirement Village Retention Bonds	189,650	259,650	250,000
Other Bonds & Deposits	1,854,036	2,022,619	1,923,894
	<u>2,043,686</u>	<u>2,282,269</u>	<u>2,173,894</u>
		-	
	<u>7,616,097</u>	<u>8,020,976</u>	<u>6,835,298</u>

**Reconciliation of net cash provided by operating activities to net result**

<b>Net result</b>	(901,461)	(637,631)	(1,459,702)
Depreciation	3,316,368	3,284,279	3,266,812
(Profit)/loss on sale of asset	(11,266)	55,817	18,023
(Increase)/decrease in receivables	(29,866)	(88,932)	(44,956)
(Increase)/decrease in inventories	-	(2,063)	-
Increase/(decrease) in payables	224,749	209,428	264,429
Increase/(decrease) in employee provisions	20,405	171,076	5,544
Grants/contributions for the development of assets	(2,382,964)	(669,225)	(1,478,462)
<b>Net cash from operating activities</b>	<u>235,966</u>	<u>2,322,749</u>	<u>571,687</u>

**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.

TOWN OF BASSENDEAN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR YEAR ENDED 30 JUNE 2019

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset Class	Reporting Program										2018/19 Budget Total \$	2017/18 Forecast Total \$
	Governance \$	General Purpose Funding \$	Law, Order & Public Safety \$	Health \$	Education & Welfare \$	Community Amenities \$	Recreation & Culture \$	Transport \$	Economic Services \$	Other Property & Services \$		
<i>Property, Plant and Equipment</i>												
Land Assets	-	-	-	-	-	41,000	-	-	-	-	41,000	-
Building Assets	25,000	-	-	-	24,500	-	828,500	-	-	36,500	914,500	387,420
Furniture & Equipment Assets	50,000	-	-	706,000	-	-	45,000	-	-	-	801,000	152,483
Plant & Equipment Assets	-	-	-	-	35,000	-	-	-	-	112,700	147,700	118,693
Minor Assets	-	-	-	-	-	-	-	-	-	-	-	-
	<b>75,000</b>	-	-	<b>706,000</b>	<b>59,500</b>	<b>41,000</b>	<b>873,500</b>	-	-	<b>149,200</b>	<b>1,904,200</b>	<b>658,596</b>
<i>Infrastructure</i>												
Infrastructure - Road Construction Assets	-	-	-	-	-	-	-	1,878,165	-	-	1,878,165	714,384
Infrastructure - Drainage Assets	-	-	-	-	-	-	-	547,750	-	-	547,750	449,340
Infrastructure - Footpaths Assets	-	-	-	-	-	-	-	25,500	-	-	25,500	57,541
Infrastructure - Park Plant & Equipment	-	-	-	-	35,000	-	600,600	-	-	-	635,600	398,027
	-	-	-	-	<b>35,000</b>	-	<b>600,600</b>	<b>2,451,415</b>	-	-	<b>3,087,015</b>	<b>1,619,292</b>
<b>Total Acquisitions</b>	<b>75,000</b>	-	-	<b>706,000</b>	<b>94,500</b>	<b>41,000</b>	<b>1,474,100</b>	<b>2,451,415</b>	-	<b>149,200</b>	<b>4,991,215</b>	<b>2,277,888</b>

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



**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**4. FIXED ASSETS (CONTINUED)**

**(b) Disposals of Assets**

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

	Net book value	Sale proceeds	2018-2019 Budget	
			Profit	Loss
	\$	\$	\$	\$
<b>By Program</b>				
Education and welfare	20,000	10,000	-	(10,000)
Community amenities	805,000	850,000	70,000	(25,000)
Other property and services	61,034	37,300	852	(24,586)
	<b>886,034</b>	<b>897,300</b>	<b>70,852</b>	<b>(59,586)</b>

	Net Book Value	Sale Proceeds	2018/2019 Budget	
			Profit	Loss
	\$	\$	\$	\$
<b>By Class</b>				
Plant and Equipment	81,034	(47,300)	852	(34,586)
Land	805,000	(850,000)	70,000	(25,000)
	<b>886,034</b>	<b>(897,300)</b>	<b>70,852</b>	<b>(59,586)</b>

A detailed breakdown of disposals on an individual asset basis can be found in the supplementary information attached to this budget document.

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**5. ASSET DEPRECIATION**

	<b>2018/19 Budget</b>	<b>2017/18 Actual</b>	<b>2017/18 Budget</b>
	\$	\$	\$
<b>By Program</b>			
Governance	82,627	82,725	97,627
Law, order, public safety	1,372	1,341	1,372
Health	3,998	3,995	3,998
Education and welfare	96,818	91,835	82,164
Community amenities	45,114	42,007	45,114
Recreation and culture	690,172	692,931	679,304
Transport	2,312,820	2,285,908	2,283,286
Other property and services	83,447	83,537	73,947
	<b>3,316,368</b>	<b>3,284,279</b>	<b>3,266,812</b>
<b>By Class</b>			
Land and Buildings	491322	483,894	482994
Furniture and equipment	28000	26,199	20000
Plant and equipment	80000	77,971	76400
Roads	1475111	1,462,098	1460953
Parks	415000	410,413	404132
Footpaths	241935	240,605	240643
Drainage	585000	583,099	581690
	<b>3,316,368</b>	<b>3,284,279</b>	<b>3,266,812</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 of the lease or the estimated useful life of the improvements.

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

**DEPRECIATION (CONTINUED)**

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

Buildings	20 to 150 Years
Furniture and equipment	4 to 10 Years
Plant and equipment	5 to 15 Years
Roads - Componetised	18 to 120 Years
Parks, Plant & Equipment	3 to 80 Years
Footpaths - Componetised	10 to 50 Years
Drainage - Componetised	10 to 120 Years

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**6. INFORMATION ON BORROWINGS**

**(a) Borrowing repayments**

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

Particulars	Principal 01/07/2018	Principal Repayments		Principal Outstanding 2018/19 Budget \$	Interest Repayments	
		2018/19 Budget \$	2017/18 Forecast \$		2018/19 Budget \$	2017/18 Forecast \$
<b>Governance</b>						
Loan 157 Ashfield Soccer Club-SSL	14,842	4,617	4,316	10,224	880	1,177
Loan 162- TADWA SSL	234,035	16,517	15,462	217,518	15,157	16,211
	<b>248,877</b>	<b>21,134</b>	<b>19,779</b>	<b>227,743</b>	<b>16,037</b>	<b>17,388</b>
<b>Recreation and culture</b>						
Loan 156 Civic Centre Redevelopment	85,549	47,416	43,775	38,133	5,425	9,021
Loan 160A Civic Centre Redevelopment	339,375	47,965	45,010	291,410	20,441	17,501
Loan 160B Civic Centre Redevelopment	137,579	16,364	15,430	121,214	7,786	8,720
	<b>562,503</b>	<b>111,746</b>	<b>104,215</b>	<b>450,757</b>	<b>33,651</b>	<b>35,241</b>
			-			-
	<b>811,379</b>	<b>132,881</b>	<b>123,994</b>	<b>678,500</b>	<b>49,688</b>	<b>52,629</b>

**(b) New Borrowings - 2018/19**

The Town of Bassendean does not intend to undertake any new borrowings for the year ended 30th June 2019.

**(c) Unspent borrowings**

The Town of Bassendean had no unspent borrowing funds as at 30th June 2018 nor is it expected to have unspent borrowings funds as at 30th June 2019.

**(d) Credit Facilities**

	<b>2018/19 Budget</b>	<b>2017/18 Actual</b>
	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>		
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	-	-
Credit card limit	150,000	150,000
Credit card balance at balance date	(23,000)	(24,931)
<b>Total amount of credit unused</b>	<b>227,000</b>	<b>225,069</b>

**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 2019

	2018/19 Original Budget \$	2017/18 Actual (Forecast) \$	2017/18 Original Budget \$
<b>7. CASH BACKED RESERVES</b>			
<b>(a) Plant &amp; Equipment Reserve</b>			
Opening Balance	384,099	379,103	379,103
Amount Set Aside / Transfer to Reserve	7,682	10,996	8,634
Amount Used / Transfer from Reserve	(65,000)	(6,000)	(29,000)
	<u>326,781</u>	<u>384,099</u>	<u>358,737</u>
<b>(b) Community Facilities Reserve</b>			
Opening Balance	51,965	37,139	37,139
Amount Set Aside / Transfer to Reserve	1,039	14,827	14,512
Amount Used / Transfer from Reserve	-	-	-
	<u>53,005</u>	<u>51,965</u>	<u>51,651</u>
<b>(c) Waste Management Reserve</b>			
Opening Balance	697,119	288,744	438,744
Amount Set Aside / Transfer to Reserve	213,942	408,375	111,815
Amount Used / Transfer from Reserve	(467,500)	-	-
	<u>443,562</u>	<u>697,119</u>	<u>550,559</u>
<b>(d) Wind in the Willows Reserve</b>			
Opening Balance	79,926	53,361	103,362
Amount Set Aside / Transfer to Reserve	41,599	65,689	1,215
Amount Used / Transfer from Reserve	(45,000)	(39,124)	(40,000)
	<u>76,524</u>	<u>79,926</u>	<u>64,577</u>
<b>(e) Aged Persons Housing Reserve</b>			
Opening Balance	484,370	470,209	470,209
Amount Set Aside / Transfer to Reserve	9,687	14,161	10,709
Amount Used / Transfer from Reserve	(9,000)	-	-
	<u>485,057</u>	<u>484,370</u>	<u>480,918</u>
<b>(f) Youth Development Reserve</b>			
Opening Balance	28,327	27,529	27,529
Amount Set Aside / Transfer to Reserve	567	799	627
Amount Used / Transfer from Reserve	-	-	-
	<u>28,894</u>	<u>28,327</u>	<u>28,156</u>
<b>(g) Cultural Events Reserve</b>			
Opening Balance	-	5,162	5,162
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	(5,162)	(5,162)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(h) Self Insurance Reserve</b>			
Opening Balance	-	8,199	8,199
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	(8,199)	(8,199)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(i) Underground Power Reserve</b>			
Opening Balance	81,757	79,452	79,453
Amount Set Aside / Transfer to Reserve	1,635	2,305	1,810
Amount Used / Transfer from Reserve	(33,000)	-	-
	<u>50,392</u>	<u>81,757</u>	<u>81,263</u>
<b>(j) Land and Buildings Infrastructure Reserve</b>			
Opening Balance	1,829,829	1,843,265	1,843,265
Amount Set Aside / Transfer to Reserve	886,597	53,466	591,982
Amount Used / Transfer from Reserve	(320,000)	(66,903)	(800,000)
	<u>2,396,425</u>	<u>1,829,829</u>	<u>1,635,247</u>
<b>(k) Drainage Infrastructure</b>			
Opening Balance	417,420	114,110	114,111
Amount Set Aside / Transfer to Reserve	8,348	303,310	2,599
Amount Used / Transfer from Reserve	(400,000)	-	-
	<u>25,769</u>	<u>417,420</u>	<u>116,709</u>
<b>(l) Employee Entitlement Reserve</b>			
Opening Balance	1,020,253	1,007,375	1,007,375
Amount Set Aside / Transfer to Reserve	20,405	12,878	24,000
Amount Used / Transfer from Reserve	-	-	-
	<u>1,040,658</u>	<u>1,020,253</u>	<u>1,031,375</u>

TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2019

	2018/19 Original Budget \$	2017/18 Actual (Forecast) \$	2017/18 Original Budget \$
<b>7. CASH BACKED RESERVES (CONTINUED)</b>			
<b>(m) HACC Reserve</b>			
Opening Balance	335,113	151,861	151,860
Amount Set Aside / Transfer to Reserve	6,702	210,405	3,459
Amount Used / Transfer from Reserve	(25,000)	(27,153)	(65,000)
	<u>316,815</u>	<u>335,113</u>	<u>90,318</u>
<b>(n) Unspent Grants &amp; Contributions</b>			
Opening Balance	328,528	335,803	251,875
Amount Set Aside / Transfer to Reserve	50,000	258,826	50,000
Amount Used / Transfer from Reserve	(50,000)	(266,101)	(129,982)
	<u>328,528</u>	<u>328,528</u>	<u>171,893</u>
	<u><b>5,572,411</b></u>	<u><b>5,738,707</b></u>	<u><b>4,661,404</b></u>
<b>Summary of Transfers</b>			
<b>To Cash Backed Reserves</b>			
<b>Transfers to Reserves</b>			
Plant Reserve	7,682	10,996	8,634
Recreation Development Reserve	1,039	14,827	14,512
Waste Management Reserve	213,942	408,375	111,815
Wind in the Willows Reserve	41,599	65,689	1,215
Aged Persons Housing Reserve	9,687	14,161	10,709
Youth Development Reserve	567	799	627
Cultural Events Reserve	-	-	-
Self Insurance Reserve	-	-	-
Underground Power Reserve	1,635	2,305	1,810
Municipal Building & TP Reserve	886,597	53,466	591,982
Drainage Infrastructure	8,348	303,310	2,599
Employee Entitlement Reserve	20,405	12,878	24,000
HACC Reserve	6,702	210,405	3,459
Unspent Grants & Contributions	50,000	258,826	50,000
<b>Rates Setting Budget</b>	<u>1,248,204</u>	<u>1,356,037</u>	<u>821,362</u>
<b>Transfers from Reserves</b>			
Plant Reserve	(65,000)	(6,000)	(29,000)
Recreation Development Reserve	-	-	-
Waste Management Reserve	(467,500)	-	-
Wind in the Willows Reserve	(45,000)	(39,124)	(40,000)
Aged Persons Housing Reserve	(9,000)	-	-
Youth Development Reserve	-	-	-
Cultural Events Reserve	-	(5,162)	(5,162)
Self Insurance Reserve	-	(8,199)	(8,199)
Underground Power Reserve	(33,000)	-	-
Municipal Building & TP Reserve	(320,000)	(66,903)	(800,000)
Drainage Infrastructure	(400,000)	-	-
Employee Entitlement Reserve	-	-	-
HACC Reserve	(25,000)	(27,153)	(65,000)
Unspent Grants & Contributions	(50,000)	(266,101)	(129,982)
<b>Rates Setting Budget</b>	<u>(1,414,500)</u>	<u>(418,641)</u>	<u>(1,077,343)</u>
<b>Adjustment</b>			
<b>Total Transfer to/(from) Reserves</b>	<u>(166,296)</u>	<u>937,395</u>	<u>(255,981)</u>
<b>Opening Balance</b>	5,738,707	4,801,312	4,917,385
Transfers to Reserve	1,248,204	1,356,037	821,362
Transfer from Reserve	(1,414,500)	(418,641)	(1,077,343)
<b>Closing Balance (as per Budget)</b>	<u><b>5,572,411</b></u>	<u><b>5,738,707</b></u>	<u><b>4,661,404</b></u>

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2019**

**Note 7: Cash Backed Reserves continued**

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

**Plant & Equipment Reserve:**

To accrue funds for the purpose of replacement of major plant items.

**Community Facilities Reserve:**

To accrue funds for major expenditure in the provision of community facilities.

**Waste Management Reserve:**

To accrue funds for the purpose of renewal or upgrade of waste management services.

**Wind in the Willows Child Care Reserve:**

To accrue funds for the purpose of asset improvement in the Centre and to cater for future surplus or deficit from operations.

**Aged Persons Housing Reserve:**

To accrue funds to provide for the operational deficit, refurbishment and capital expenses, for Hyde Retirement Village.

**Youth Development Reserve:**

To provide funds for activities and facilities for the benefit of youth in the Town.

**Underground Power Reserve:**

To accrue funds for engaging consultants to consider the implementation of Underground Power.

**Land and Building Infrastructure Reserve:**

To hold funds accrued as a result of sale of land and buildings and for the provisions of funds for the purchase and development of land, and building infrastructure.

**Drainage Infrastructure Reserve:**

To provide for the renewal and upgrade of the drainage network.

**Employee Entitlement Reserve**

To provide funds for future payments to staff for employee entitlements

**HACC Reserve**

To provide funding for support of community care programs for senior and disability services

**Unspent Grants & Contributions**

To provide for unspent funding received as grant contributions to Works and Services.

**New Reserves for 2018/2019**

**Tree Reserve**

To accrue unspent funds from tree planting program for the purpose of planting and maintaining trees.

**Bus Shelter Reserve**

To provide funds for the purpose of installation or replacement of bus shelters within the Town.

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**8. FEES & CHARGES REVENUE**

	<b>2018/19 Budget</b>	<b>2017/18 Actual</b>
	\$	\$
Governance	120,530	113,827
General purpose funding	54,500	58,839
Law, order, public safety	2,732,165	2,676,363
Health	2,604,858	2,554,291
Housing	147,000	135,945
Community amenities	198,150	244,334
Recreation and culture	4,000	8,673
Transport	63,800	60,429
Economic services	43,200	40,208
	<u>5,968,203</u>	<u>5,892,909</u>

**9. GRANT REVENUE**

	<b>2018/19 Budget</b>	<b>2017/18 Actual</b>
	\$	\$
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
<b>By Program:</b>		
<b>Operating grants, subsidies and contributions</b>		
General purpose funding	282,628	520,525
Law, order, public safety	45,000	56,090
Health	28,000	-
Education and welfare	2,260,698	2,330,052
Recreation and culture	10,000	106,739
Transport	150,000	50,174
	<u>2,776,326</u>	<u>3,063,579</u>
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	-	3,864
Education and welfare	-	40,000
Recreation and culture	776,600	47,965
Transport	1,373,864	577,396
	<u>2,382,964</u>	<u>669,225</u>

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**10. OTHER INFORMATION**

	<b>2018/19 Budget</b>	<b>2017/18 Actual</b>	<b>2017/18 Budget</b>
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	100,000	113,190	108,000
- Other funds	180,000	209,936	180,000
Late payment of fees and charges	179,345	183,431	164,821
	<b>459,345</b>	<b>506,556</b>	<b>452,821</b>
<b>(b) Auditors remuneration</b>			
External Audit services	25,000	19,420	17,000
Internal Audit services	21,000	25,439	15,000
Other services	2,000	7,250	2,000
	<b>48,000</b>	<b>52,109</b>	<b>34,000</b>
<b>(c) Interest expenses (finance costs)</b>			
Borrowings (refer note 6(a))	49,688	52,629	61,115
	<b>49,688</b>	<b>52,629</b>	<b>61,115</b>
<b>(d) Elected members remuneration</b>			
Meeting fees	121,000	118,250	113,000
Mayor's allowance	36,000	27,375	36,000
Deputy Mayors allowance	9,000	6,188	9,000
Training expenses	28,000	17,634	14,000
Telecommunications allowance	24,500	20,781	24,500
	<b>218,500</b>	<b>190,228</b>	<b>196,500</b>
<b>(e) Write offs</b>			
General rate	-	52,956	52,956
Fees and charges	4,000	512	3,500
	<b>4,000</b>	<b>53,468</b>	<b>56,456</b>
<b>(f) Operating lease expenses</b>			
Office equipment	50,000	49,995	50,000
Plant and equipment	224,402	223,606	234,268
	<b>274,402</b>	<b>273,601</b>	<b>284,268</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**LEASES**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Town of Bassendean are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.



**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**11. MAJOR LAND TRANSACTIONS**

**(a) Current year transactions**

It is not anticipated any land transactions or major land transactions will occur in 2018/19.

**12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated any trading undertakings or major trading undertakings will occur in 2018/19.

**13. INTERESTS IN JOINT ARRANGEMENTS**

**Eastern Metropolitan Regional Council**

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 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 joint venture calculated by EMRC as at 30 June 2017 was 4.31%, representing its share of the net assets of \$7,538,338. The interest in the joint venture at 30 June 2018 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 venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Town of Bassendean's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.

**14. TRUST FUNDS**

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

Detail	Balance 30-Jun-18	Estimated amounts received	Estimated amounts paid	Estimated balance 30-Jun-19
	\$	\$	(\$)	\$
Public Open Space Contributions	892,683	-	(500,000)	392,683
BRB Funds	3,388	43,077	(42,418)	4,047
BCITF Funds	11,262	46,045	(45,806)	11,501
	<u>907,333</u>	<u>89,122</u>	<u>(588,224)</u>	<u>408,231</u>

**TOWN OF BASSENDEAN  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2019**

**15. 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 budget 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.

**REVENUE RECOGNITION**

Rates, grants, donations and other contributions are recognised as revenues when the Town of Bassendean obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.