



**Town of Bassendean**  
Adopted Budget Statements for the Year Ending 30 June 2021

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# TOWN OF BASSENDEAN

## BUDGET

### FOR THE YEAR ENDED 30 JUNE 2021

#### LOCAL GOVERNMENT ACT 1995

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

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

**TOWN OF BASSENDEAN**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	13,480,660	13,091,346	13,410,680
Operating grants, subsidies and contributions	9(a)	2,619,115	3,246,753	2,563,074
Fees and charges	8	6,031,127	5,891,877	5,989,971
Interest earnings	11(a)	285,208	357,926	460,345
Other revenue	11(b)	441,131	440,126	427,316
		22,857,241	23,028,028	22,851,386
<b>Expenses</b>				
Employee costs		(13,476,198)	(13,146,139)	(12,291,093)
Materials and contracts		(7,327,227)	(7,345,373)	(8,122,358)
Utility charges		(696,582)	(693,191)	(719,114)
Depreciation on non-current assets	5	(3,559,374)	(3,540,674)	(3,505,012)
Interest expenses	11(d)	(32,689)	(37,517)	(49,688)
Insurance expenses		(492,162)	(475,151)	(452,413)
Other expenditure		(978,941)	(598,514)	(870,570)
		(26,563,173)	(25,836,559)	(26,010,248)
<b>Subtotal</b>		<b>(3,705,932)</b>	<b>(2,808,531)</b>	<b>(3,158,862)</b>
Non-operating grants, subsidies and contributions	9(b)	1,837,947	1,339,665	2,066,917
Profit on asset disposals	4(b)	32,819	0	1,500
Loss on asset disposals	4(b)	(334,324)	(4,642)	(9,819)
		1,536,442	1,335,023	2,058,598
<b>Net result</b>		<b>(2,169,490)</b>	<b>(1,473,508)</b>	<b>(1,100,263)</b>
<b>Other comprehensive income</b>				
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(2,169,490)</b>	<b>(1,473,508)</b>	<b>(1,100,263)</b>

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

# TOWN OF BASSENDEAN FOR THE YEAR ENDED 30 JUNE 2021

## 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 (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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.

## 2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 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 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 is not expected to impact the annual budget. Specific impacts of AASB 2018-7 have not been identified.

## KEY TERMS AND DEFINITIONS - NATURE OR TYPE

### REVENUES

#### RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts 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, 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 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 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Revenue</b>	1,8,9(a),11(a),11(b)	\$	\$	\$
Governance		35,375	45,858	17,200
General purpose funding		14,273,838	14,405,433	14,316,403
Law, order, public safety		114,110	126,083	116,400
Health		2,835,170	2,864,860	2,732,665
Education and welfare		5,046,381	4,923,225	5,120,258
Community amenities		82,300	132,643	148,000
Recreation and culture		183,993	242,874	188,910
Transport		104,081	62,860	34,000
Economic services		78,222	114,590	95,350
Other property and services		103,771	109,602	82,200
		22,857,241	23,028,028	22,851,386
<b>Expenses excluding finance costs</b>	4(a),5,11(c),(e),(f),(g)			
Governance		(1,014,745)	(1,120,322)	(1,140,872)
General purpose funding		(880,223)	(958,175)	(914,245)
Law, order, public safety		(699,355)	(672,810)	(716,404)
Health		(3,910,909)	(3,551,939)	(3,257,400)
Education and welfare		(5,986,717)	(5,820,333)	(5,679,422)
Community amenities		(1,190,045)	(1,315,723)	(1,474,379)
Recreation and culture		(5,930,255)	(5,885,188)	(6,441,277)
Transport		(6,305,828)	(5,884,216)	(5,679,404)
Economic services		(549,407)	(527,785)	(620,697)
Other property and services		(63,000)	(62,551)	(36,459)
		(26,530,484)	(25,799,042)	(25,960,559)
<b>Finance costs</b>	,6(a),11(d)			
General purpose funding		(13,053)	(11,997)	(16,003)
Recreation and culture		(19,636)	(25,520)	(33,685)
		(32,689)	(37,517)	(49,688)
<b>Subtotal</b>		(3,705,932)	(2,808,531)	(3,158,861)
Non-operating grants, subsidies and contributions	9(b)	1,837,947	1,339,665	2,066,917
Profit on disposal of assets	4(b)	32,819	0	1,500
(Loss) on disposal of assets	4(b)	(334,324)	(4,642)	(9,819)
		1,536,442	1,335,023	2,058,598
<b>Net result</b>		<b>(2,169,490)</b>	<b>(1,473,508)</b>	<b>(1,100,263)</b>
<b>Other comprehensive income</b>				
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(2,169,490)</b>	<b>(1,473,508)</b>	<b>(1,100,263)</b>

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

**TOWN OF BASSENDEAN  
FOR THE YEAR ENDED 30 JUNE 2021**

**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.

**OBJECTIVE**

**ACTIVITIES**

**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 cycleways.

**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 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		13,680,660	13,237,798	13,610,680
Operating grants, subsidies and contributions		2,619,115	3,246,753	2,711,074
Fees and charges		6,031,127	5,505,151	6,009,971
Interest earnings		285,208	360,056	460,345
Goods and services tax		960,483	794,676	1,350,000
Other revenue		441,131	440,126	400,316
		24,017,724	23,584,560	24,542,386
<b>Payments</b>				
Employee costs		(13,411,106)	(13,454,057)	(12,391,093)
Materials and contracts		(7,354,227)	(7,352,988)	(8,166,766)
Utility charges		(696,582)	(693,191)	(719,114)
Interest expenses		(32,689)	(41,522)	(44,688)
Insurance expenses		(492,162)	(475,151)	(452,413)
Goods and services tax		(925,575)	(925,575)	(900,000)
Other expenditure		(978,941)	(598,514)	(870,570)
		(23,891,282)	(23,540,998)	(23,544,644)
<b>Net cash provided by (used in) operating activities</b>	3	126,442	43,562	997,742
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(2,220,078)	(778,195)	(2,431,788)
Payments for construction of infrastructure	4(a)	(4,195,269)	(449,669)	(3,673,163)
Non-operating grants, subsidies and contributions		1,837,947	1,339,665	2,066,917
Proceeds from sale of plant and equipment	4(b)	1,515,000	7,740	656,500
Proceeds on financial assets at amortised cost - self supporting loans	6(a)	0	23,766	0
<b>Net cash provided by (used in) investing activities</b>		(3,062,400)	143,307	(3,381,534)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(97,370)	(130,369)	(130,368)
Proceeds from self-supporting loans		24,494	0	23,766
Trust Transfers		0	242,103	400,000
<b>Net cash provided by (used in) financing activities</b>		(72,876)	111,734	293,398
<b>Net increase (decrease) in cash held</b>		(3,008,834)	298,603	(2,090,394)
Cash at beginning of year		12,653,905	12,355,302	12,377,774
<b>Cash and cash equivalents at the end of the year</b>	3	<b>9,645,071</b>	<b>12,653,905</b>	<b>10,287,380</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 2021**

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>OPERATING ACTIVITIES</b>			
<b>Net current assets at start of financial year - surplus/(deficit)</b>	745,317	1,432,345	1,630,400
	745,317	1,432,345	1,630,400
<b>Revenue from operating activities (excluding rates)</b>			
Governance	35,375	45,858	17,200
General purpose funding	799,482	1,314,087	905,723
Law, order, public safety	114,110	126,083	116,400
Health	2,835,170	2,864,860	2,732,665
Education and welfare	5,046,381	4,923,225	5,120,258
Community amenities	112,300	132,643	148,000
Recreation and culture	183,993	242,874	188,910
Transport	106,900	62,860	34,000
Economic services	78,222	114,590	95,350
Other property and services	103,771	109,602	83,700
	9,415,704	9,936,682	9,442,206
<b>Expenditure from operating activities</b>			
Governance	(1,014,745)	(1,120,322)	(1,140,872)
General purpose funding	(893,276)	(970,172)	(930,248)
Law, order, public safety	(716,355)	(672,810)	(716,404)
Health	(3,910,909)	(3,551,939)	(3,257,400)
Education and welfare	(5,986,717)	(5,820,333)	(5,679,422)
Community amenities	(1,495,045)	(1,315,723)	(1,474,379)
Recreation and culture	(5,962,215)	(5,910,708)	(6,474,962)
Transport	(6,305,828)	(5,884,216)	(5,679,404)
Economic services	(549,407)	(527,785)	(620,697)
Other property and services	(63,000)	(67,193)	(46,278)
	(26,897,497)	(25,841,201)	(26,020,066)
Non-cash amounts excluded from operating activities	2 (a)(i) 3,863,585	3,034,505	3,528,202
<b>Amount attributable to operating activities</b>	(12,872,891)	(11,437,669)	(11,419,258)
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	9(b) 1,837,947	1,339,665	2,066,917
Purchase property, plant and equipment	4(a) (2,220,078)	(778,195)	(2,431,788)
Purchase and construction of infrastructure	4(a) (4,195,269)	(449,669)	(3,673,163)
Proceeds from disposal of assets	4(b) 1,515,000	7,740	656,500
Proceeds from self supporting loans	6(a) 24,130	23,766	23,766
<b>Amount attributable to investing activities</b>	(3,038,270)	143,307	(3,357,768)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a) (97,006)	(130,369)	(130,368)
Transfers to cash backed reserves (restricted assets)	7(a) (1,620,000)	(1,798,818)	(2,150,309)
Transfers from cash backed reserves (restricted assets)	7(a) 4,158,458	877,520	3,671,705
<b>Amount attributable to financing activities</b>	2,441,452	(1,051,667)	1,391,027
<b>Budgeted deficiency before general rates</b>	(13,469,709)	(12,346,029)	(13,386,000)
<b>Estimated amount to be raised from general rates</b>	1 13,474,356	13,091,346	13,410,680
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii) <b>4,647</b>	<b>745,317</b>	<b>24,680</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 2021**

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## 1. RATES AND SERVICE CHARGES

### (a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted back rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
General rate	0.08323	4,911	129,473,404	10,776,078	50,000	3,500	10,829,578	11,982,776	11,968,496
<b>Sub-Totals</b>		4,911	129,473,404	10,776,078	50,000	3,500	10,829,578	11,982,776	11,968,496
	<b>Minimum</b>								
<b>Minimum payment</b>									
	\$								
<b>Gross rental valuations</b>									
General rate	1,106	2,397	28,207,128	2,651,082	0	0	2,651,082	1,399,111	1,448,184
<b>Sub-Totals</b>		2,397	28,207,128	2,651,082	0	0	2,651,082	1,399,111	1,448,184
		7,308	157,680,532	13,427,160	50,000	3,500	13,480,660	13,381,887	13,416,680
Concessions (Refer note 1(e))							(6,304)	(6,304)	(6,000)
Rates in Advance - prior year adjustment							0	(284,237)	0
<b>Total amount raised from general rates</b>							13,474,356	13,091,346	13,410,680

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

The general rates detailed for the 2020/21 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.

TOWN OF BASSENDEAN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES (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.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one - Full amount</b>				
Single full payment	25/09/2020	0	0.0%	8.0%
<b>Option two - Two instalments</b>				
First instalment	25/09/2020	0	0.0%	8.0%
Second instalment	27/11/2020		5.5%	8.0%
<b>Option three - Four instalments</b>				
First instalment	25/09/2020	0	0.0%	8.0%
Second instalment	27/11/2020		5.5%	8.0%
Third instalment	29/01/2021		5.5%	8.0%
Fourth instalment	1/04/2021		5.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
Interest on unpaid rates	\$ 125,000	\$ 162,575	\$ 156,000
Interest on Pensioner Deferred Rates	7,155	7,155	8,500
Charges on instalment plan	63,300	63,204	69,000
	195,455	232,934	233,500

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Specified Area Rate**

The Town did not raise specified area rates for the year ended 30 June 2021.

**(d) Service Charges**

The Town did not raise service charges for the year ended 30 June 2021.

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(e) Waivers or concessions**

Rate or fee and charge to which the waiver or concession is granted	Type	Discount %	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
General Rate	Concession	50.0%	0	\$ 6,304	\$ 6,304	\$ 6,000	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	6,000		

TOWN OF BASSENDEAN  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

2 (a). NET CURRENT ASSETS

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.

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020	
	\$	\$	\$	
<b>(i) Operating activities excluded from budgeted deficiency</b>				
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	4(b)	(32,819)	0	(1,500)
Less: Movement in employee liabilities associated with restricted cash		2,706	(510,811)	14,871
Add: Loss on disposal of assets	4(b)	334,324	4,642	9,819
Add: Depreciation on assets	5	3,559,374	3,540,674	3,505,012
<b>Non cash amounts excluded from operating activities</b>		<b>3,863,585</b>	<b>3,034,505</b>	<b>3,528,202</b>
<b>(ii) Current assets and liabilities excluded from budgeted deficiency</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.				
<b>Adjustments to net current assets</b>				
Less: Cash - restricted reserves	3	(5,339,852)	(7,878,310)	(5,387,548)
Less: Financial assets - restricted	3	(24,130)	(23,766)	0
Add: Current liabilities not expected to be cleared at end of year				
- Employee benefit provisions		235,427	232,721	
Add: Movement in provisions between current and non-current provisions				412,480
<b>Total adjustments to net current assets</b>		<b>(5,128,555)</b>	<b>(7,669,355)</b>	<b>(4,975,068)</b>

2 (a). NET CURRENT ASSETS (CONTINUED)

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

	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
Note	\$	\$	\$
<b>(iii) Composition of estimated net current assets</b>			
<b>Current assets</b>			
Cash and cash equivalents- unrestricted	1,696,170	2,166,546	3,169,482
Financial assets - unrestricted	24,130	23,766	
Financial assets - restricted	1,675,870	2,172,329	
Receivables	1,093,886	1,269,757	607,582
Inventories	26,690	24,690	16,029
	<b>10,765,647</b>	<b>13,972,118</b>	<b>10,910,991</b>
<b>Less: current liabilities</b>			
Trade and other payables	(3,119,371)	(3,144,372)	(3,260,350)
Provisions	(2,513,074)	(2,413,074)	(2,650,893)
	<b>(5,632,445)</b>	<b>(5,557,446)</b>	<b>(5,911,243)</b>
<b>Net current assets</b>	<b>5,133,202</b>	<b>8,414,672</b>	<b>4,999,748</b>
<b>Less: Total adjustments to net current assets</b>	<b>(5,128,555)</b>	<b>(7,669,355)</b>	<b>(4,975,068)</b>
<b>Closing funding surplus / (deficit)</b>	<b>4,647</b>	<b>745,317</b>	<b>24,680</b>

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

**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'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 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'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.

**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.

**PROVISIONS**

Provisions are recognised when the Town 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.

**LEASE LIABILITIES**

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

**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.

**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.

**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 2021**

**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	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	
Cash at bank and on hand	1,196,170	2,695,078	3,169,482
Term deposits	6,748,901	7,786,498	7,117,898
	<u>7,945,071</u>	<u>10,481,576</u>	<u>10,287,380</u>
- Unrestricted cash and cash equivalents	1,696,170	2,166,546	3,169,482
- Restricted cash and cash equivalents	6,248,901	8,315,030	7,117,898
	<u>7,945,071</u>	<u>10,481,576</u>	<u>10,287,380</u>
- Restricted financial assets at amortised cost - term deposits	1,700,000	2,172,329	0

The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents and financial assets at amortised cost:

Employee Entitlements Reserve	211,177	232,721	412,480
Unspent Grants Reserve	461,832	1,858,865	532,552
Plant and Equipment Reserve	309,826	373,483	354,224
Waste Management Reserve	1,038,961	1,741,533	489,500
Wind in the Willows Childcare Reserve	349	30,000	14,170
Aged Persons Reserve	567,808	561,281	517,571
Youth Development Reserve	26,120	29,774	79,813
Community Facilities Reserve	28,255	54,620	54,689
Underground Power Reserve	66,932	85,933	86,041
HACC Asset Replacement Reserve	117,320	120,914	130,878
Bus Shelter Reserve	17,896	21,644	21,726
Street Tree Reserve	0	0	103,523
Drainage Infrastructure Reserve	1,394	126,542	84,091
Land and Buildings Infrastructure Reserve	2,055,928	1,923,292	1,306,289
Information Technology Reserve	2,326	200,000	200,000
Future Projects Reserve	383,728	517,708	1,000,000
Marine Assets Reserve	50,000	0	0
Other restrictions			
Hyde Retirement Village Bonds	298,850	298,850	220,000
Bonds and Other Deposits	2,310,199	2,310,199	1,510,350
	<u>7,948,901</u>	<u>10,487,359</u>	<u>7,117,898</u>

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

<b>Net result</b>		(2,169,490)	(1,473,508)	(1,100,264)
Depreciation	5	3,559,374	3,540,674	3,505,012
(Profit)/loss on sale of asset	4(b)	301,505	4,642	8,319
(Increase)/decrease in receivables		200,000	(238,144)	(60,000)
(Increase)/decrease in inventories		(2,000)	(7,614)	
Increase/(decrease) in payables		(25,000)	(437,973)	225,000
Increase/(decrease) in employee provisions		100,000	(4,850)	50,000
Non-operating grants, subsidies and contributions		(1,837,947)	(1,339,665)	(1,630,325)
<b>Net cash from operating activities</b>		<u>126,442</u>	<u>43,562</u>	<u>997,742</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**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 2021**

**4. FIXED ASSETS**

**(a) Acquisition of Assets**

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

Asset class	Reporting program							2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Governance	Health	Education and welfare	Community amenities	Recreation and culture	Transport	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>										
Land - freehold land				725,000				725,000		
Buildings - non-specialised	6,000		30,000	143,504	476,000		120,000	775,504	518,716	1,748,710
Furniture and equipment	212,500	396,074			35,000			643,574	221,504	629,578
Plant and equipment					33,000	43,000		76,000	37,975	53,500
	218,500	396,074	30,000	868,504	544,000	43,000	120,000	2,220,078	778,195	2,431,788
<i>Infrastructure</i>										
Infrastructure - roads						1,834,854		1,834,854	291,719	2,254,002
Infrastructure - footpaths						184,531		184,531	45,946	50,000
Infrastructure - drainage						319,718		319,718	20,905	63,541
Infrastructure - parks					1,856,166			1,856,166	91,099	1,305,620
	0	0	0	0	1,856,166	2,339,103	0	4,195,269	449,669	3,673,163
<b>Total acquisitions</b>	218,500	396,074	30,000	868,504	2,400,166	2,382,103	120,000	6,415,347	1,227,864	6,104,951

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

**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 2021

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Law, order, public safety	24,000	7,000	0	(17,000)		0	0	0		0	0	0
Community amenities	1,775,000	1,500,000	30,000	(305,000)	0	0	0	0	650,000	650,000	0	0
Recreation and culture	17,324	5,000	0	(12,324)		0	0	0		0	0	0
Transport	181	3,000	2,819	0		0	0	0		0	0	0
Other property and services		0	0	0	12,382	7,740	0	(4,642)	14,819	6,500	1,500	(9,819)
	1,816,505	1,515,000	32,819	(334,324)	12,382	7,740	0	(4,642)	664,819	656,500	1,500	(9,819)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Land - freehold land	1,775,000	1,500,000	30,000	(305,000)		0			650,000	650,000		
Plant and equipment	41,505	15,000	2,819	(29,324)	12,382	7,740		(4,642)	14,819	6,500	1,500	(9,819)
	1,816,505	1,515,000	32,819	(334,324)	12,382	7,740	0	(4,642)	664,819	656,500	1,500	(9,819)

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

**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 2021**

**5. ASSET DEPRECIATION**

**By Program**

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

<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
\$	\$	\$
83,696	83,818	83,705
1,337	1,341	1,334
3,982	3,995	4,201
109,190	109,529	108,343
52,542	47,561	43,522
895,526	887,898	878,640
2,325,078	2,319,589	2,298,438
88,023	86,943	86,830
<b>3,559,374</b>	<b>3,540,674</b>	<b>3,505,012</b>
498,587	495,968	494,979
42,813	42,588	28,719
79,836	79,416	79,243
1,487,269	1,479,455	1,470,119
243,916	242,634	241,482
597,710	594,570	598,964
609,243	606,043	591,507
<b>3,559,374</b>	<b>3,540,674</b>	<b>3,505,012</b>

**By Class**

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - parks

**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 - non-specialised	20 to 150 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	18 to 120 years
Infrastructure - footpaths	10 to 50 years
Infrastructure - drainage	10 - 120 years
Infrastructure - parks	3 to 80 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 2021**

**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	2020/21	2020/21	Budget	2020/21	Actual	2019/20	2019/20	Actual	2019/20	Budget	2019/20	2019/20	Budget	2019/20	
				Principal	Budget	Budget	Principal	Budget		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Budget	Principal
				1 July 2020	New Loans	Principal Repayments	Principal outstanding 30 June 2021	Interest Repayments	Principal 1 July 2019	New Loans	Principal Repayments	Principal outstanding 30 June 2020	Interest Repayments	Principal 1 July 2019	New Loans	Principal Repayments	Principal outstanding 30 June 2020	Interest Repayments	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Governance</b>																			
<b>Recreation and culture</b>																			
Civic Centre Redevelopment	156	WATC	8.07%	0			0		38,133		(38,133)	0	(1,530)	38,133		(38,133)	0	(5,425)	
Civic Centre Redevelopment	160A	WATC	6.41%	240,295		(54,471)	185,824	(13,891)	291,410		(51,115)	240,295	(17,194)	291,410		(51,115)	240,296	(20,441)	
Civic Centre Redevelopment	160B	WATC	5.92%	103,859		(18,405)	85,454	(5,745)	121,214		(17,355)	103,859	(6,796)	121,214		(17,355)	103,860	(7,786)	
				344,154	0	(72,876)	271,278	(19,636)	450,757	0	(106,603)	344,154	(25,520)	450,757	0	(106,603)	344,156	(33,652)	
<b>Self Supporting Loans</b>																			
<b>Governance</b>																			
Ashfield Soccer Club	157	WATC	6.80%	5,285	0	(5,285)	0	(224)	11,408	0	(6,123)	5,285	(630)	11,408	0	(6,123)	5,285	(880)	
TADWA	162	WATC	6.65%	199,875	0	(18,846)	181,029	(12,829)	217,518	0	(17,643)	199,875	(11,367)	217,518	0	(17,643)	199,875	(15,157)	
				205,160	0	(24,130)	181,030	(13,053)	228,926	0	(23,766)	205,160	(11,997)	228,926	0	(23,766)	205,160	(16,037)	
				549,314	0	(97,006)	452,308	(32,689)	679,683	0	(130,369)	549,314	(37,517)	679,683	0	(130,369)	549,316	(49,689)	

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 2021**

**6. INFORMATION ON BORROWINGS**

**(b) New borrowings - 2020/21**

The Town will be establishing an overdraft facility with the Western Australian Treasury Corporation as part of the COVID-19 pandemic Short-Lending Facility. The facility is not expected to be in use as at 30 June 2021.

Council has entered into a Network Renewal Underground Program Pilot (NRUPP) Co-funding Agreement with Western Power to provide underground electricity distribution to parts of the Town.

The Town is required to make the following cash calls to Western Power under the co-funding agreement.

29/9/2021	\$ 1,137,264
29/9/2022	<u>\$ 1,137,264</u>
	<u>\$ 2,274,528</u>

The Town proposes to seek a loan from WATC for the full amount of the cash calls and to draw down on that loan as and when required.

**(c) Unspent borrowings**

The Town had no unspent borrowing funds as at 30 June 2020 nor is it expected to have unspent borrowing funds as at 30 June 2021.

**(d) Credit Facilities**

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities</b>			
<b>credit standby arrangements</b>			
Bank overdraft limit	100,000	100,000	100,000
Bank overdraft at balance date	0	0	0
Credit card limit	150,000	150,000	150,000
Credit card balance at balance date	(15,000)	(13,098)	(23,000)
<b>Total amount of credit unused</b>	<b>235,000</b>	<b>236,902</b>	<b>227,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	<b>452,308</b>	<b>549,314</b>	<b>549,316</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 2021**

**7. CASH BACKED RESERVES**

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

	<b>2020/21 Budget Opening Balance</b>	<b>2020/21 2020/21 Budget Transfer to</b>	<b>2020/21 Budget Transfer (from)</b>	<b>2020/21 Budget Closing Balance</b>	<b>2019/20 Actual Opening Balance</b>	<b>2019/20 2019/20 Actual Transfer to</b>	<b>2019/20 Actual Transfer (from)</b>	<b>2019/20 Actual Closing Balance</b>	<b>2019/20 Budget Opening Balance</b>	<b>2019/20 2019/20 Budget Transfer to</b>	<b>2019/20 Budget Transfer (from)</b>	<b>2019/20 Budget Closing Balance</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlements Reserve	232,721	2,706	(24,250)	211,177	743,532	13,020	(523,831)	232,721	743,532	14,871	(345,923)	412,480
(b) Unspent Grants Reserve	1,858,865	0	(1,397,033)	461,832	1,628,013	334,429	(103,577)	1,858,865	1,597,552	50,000	(1,115,000)	532,552
(c) Plant and Equipment Reserve	373,483	4,343	(68,000)	309,826	396,298	7,419	(30,235)	373,483	396,298	7,926	(50,000)	354,224
(d) Waste Management Reserve	1,741,533	20,252	(722,824)	1,038,961	1,085,368	668,419	(12,254)	1,741,533	1,085,370	21,707	(617,578)	489,500
(e) Wind in the Willows Childcare Reserve	30,000	349	(30,000)	349	48,206	902	(19,109)	30,000	48,206	964	(35,000)	14,170
(f) Aged Persons Reserve	561,281	6,527	0	567,808	550,966	10,315	0	561,281	507,423	10,148	0	517,571
(g) Youth Development Reserve	29,774	346	(4,000)	26,120	29,227	547	0	29,774	29,229	50,585	0	79,813
(h) Community Facilities Reserve	54,620	635	(27,000)	28,255	53,616	1,004	0	54,620	53,617	1,072	0	54,689
(i) Underground Power Reserve	85,933	999	(20,000)	66,932	84,354	1,579	0	85,933	84,354	1,687	0	86,041
(j) HACC Asset Replacement Reserve	120,914	1,406	(5,000)	117,320	122,784	2,016	(3,886)	120,914	133,214	2,664	(5,000)	130,878
(k) Bus Shelter Reserve	21,644	252	(4,000)	17,896	21,300	344	0	21,644	21,300	426	0	21,726
(l) Street Tree Reserve	0	0	0	0	160,660	3,063	(163,723)	0	176,163	103,523	(176,163)	103,523
(m) Drainage Infrastructure Reserve	126,542	1,472	(126,620)	1,394	144,737	2,709	(20,905)	126,542	144,737	2,895	(63,541)	84,091
(n) Land and Buildings Infrastructure Reserve	1,923,292	1,522,367	(1,389,731)	2,055,928	1,887,948	35,344	0	1,923,292	1,887,948	681,841	(1,263,500)	1,306,289
(o) Information Technology Reserve	200,000	2,326	(200,000)	2,326	0	200,000	0	200,000	0	200,000	0	200,000
(p) Future Projects Reserve	517,708	6,020	(140,000)	383,728	0	517,708	0	517,708	0	1,000,000	0	1,000,000
(q) Marine Assets Reserve	0	50,000	0	50,000	0	0	0	0	0	0	0	0
	<b>7,878,310</b>	<b>1,620,000</b>	<b>(4,158,458)</b>	<b>5,339,852</b>	<b>6,957,009</b>	<b>1,798,818</b>	<b>(877,520)</b>	<b>7,878,310</b>	<b>6,908,943</b>	<b>2,150,309</b>	<b>(3,671,705)</b>	<b>5,387,547</b>

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**7. CASH BACKED RESERVES (CONTINUED)**

**(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 and community events.
(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.

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**NOTES TO AND FORMING PART OF THE BUDGET**  
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**7. CASH BACKED RESERVES (CONTINUED)**

**(c) Cash Backed Reserves - Change in Use**

The Town has resolved to make the following changes in the use of part of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

<b>Cash Backed Reserve</b>	<b>Proposed new purpose of the reserve</b>	<b>Reasons for changing the use of the reserve</b>	<b>2020/21 Budget amount change of purpose</b>
Underground Power Reserve	Green Power Purchasing Project	The Town has entered into a non-binding EOI with Procurement Australia in relation to the large scale renewable energy generation power purchasing agreement.	\$ 20,000
Waste Management Reserve	Spillway Design and Construction at Success Hill, to replace the current temporary structure	The reserve exceeds the Town's requirements.	350,000
Land and Buildings Infrastructure Reserve	Sandy Beach Playground	The Town previously acquitted two parcels of land from the State Government at 5% of market value, with the proceeds from sale of land to be used for the Sandy Beach Playground. Once those parcels of land have been disposed of by the Town, the proceeds for sale will be credited to the Land and Buildings Infrastructure Reserve.	664,731
			<b>1,034,731</b>



**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**8. FEES & CHARGES REVENUE**

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
General purpose funding	110,068	106,824	114,030
Law, order, public safety	53,000	63,032	58,200
Health	2,834,670	2,858,373	2,732,166
Education and welfare	2,728,125	2,418,565	2,704,075
Community amenities	82,000	128,910	147,000
Recreation and culture	101,107	172,398	123,500
Transport	2,800	4,398	4,000
Economic services	72,722	90,160	63,800
Other property and services	46,635	49,217	43,200
	<b>6,031,127</b>	<b>5,891,877</b>	<b>5,989,971</b>

**9. GRANT REVENUE**

**Grants, subsidies and contributions revenue**

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
<b>By Program:</b>	\$	\$	\$
<b>(a) Operating grants, subsidies and contributions</b>			
Governance	26,662	2,962	0
General purpose funding	262,985	771,562	282,628
Law, order, public safety	44,110	49,676	45,000
Health	0	2,500	0
Education and welfare	2,156,256	2,322,982	2,195,446
Community amenities	0	3,609	0
Recreation and culture	30,640	35,000	10,000
Transport	98,462	58,462	30,000
	<b>2,619,115</b>	<b>3,246,753</b>	<b>2,563,074</b>
<b>(b) Non-operating grants, subsidies and contributions</b>			
Health	23,250	764,350	232,500
Recreation and culture	984,706	200,000	1,013,700
Transport	829,991	375,315	820,717
	<b>0</b>	<b>1,339,665</b>	<b>2,066,917</b>
<b>Total</b>	<b>0</b>	<b>4,586,418</b>	<b>4,629,991</b>

**(c) Unspent grants, subsidies and contributions were restricted as follows:**

	<b>Budget Closing Balance 30 June 2021</b>	<b>Actual Balance 30 June 2020</b>
Unspent Grants Reserve	461,832	1,858,865
	461,832	1,858,865

**TOWN OF BASSENDEAN**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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
Grant contracts with customers	Community events	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 contract commitments	General appropriations and contributions with no reciprocal commitment	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
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
Fees and charges for other goods and 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
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. OTHER INFORMATION

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>The net result includes as revenues</b>			
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	70,000	98,581	100,000
- Other funds	70,000	74,830	180,000
Loans receivable - clubs/institutions	13,053	14,785	15,845
Other interest revenue (refer note 1b)	132,155	169,730	164,500
	285,208	357,926	460,345
<b>(b) Other revenue</b>			
Reimbursements and recoveries	56,500	51,511	18,500
Other	384,631	388,615	408,816
	441,131	440,126	427,316
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
External Audit services	40,000	40,000	40,000
Internal Audit services	35,900	23,903	33,000
Other services	900	2,005	5,200
	76,800	65,908	78,200
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	32,689	37,517	49,689
	32,689	37,517	49,689
<b>(e) Elected members remuneration</b>			
Meeting fees	123,544	123,197	123,544
Mayor's allowance	36,957	36,957	36,957
Deputy Mayor's allowance	9,239	9,239	9,239
Telecommunications allowance	24,500	24,500	24,500
Training expenses	15,000	13,983	28,000
	209,240	207,876	222,240
<b>(f) Write offs</b>			
Fees and charges	0	500	4,000
	0	500	4,000
<b>(g) Low Value lease expenses</b>			
Office equipment	33,458	50,350	50,000
Plant and equipment	154,112	169,071	200,000
	187,570	219,421	250,000

## 12. INTERESTS IN ASSOCIATE

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 2019 was 4.29%, representing its share of the net assets of \$8,386,081. The interest in the associate at 30 June 2020 is yet to be determined.

### SIGNIFICANT ACCOUNTING POLICIES

#### Interests in equity-accounted investments

An associate is an entity over which the Town has significant influence, but has no control or joint control over the financial and operating policies. A joint venture is an arrangement in which the Town has control, whereby the Town has rights to the net assets of the arrangement, rather than rights to its assets and obligations for liabilities.

Interest in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Town's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

### 13. 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 June 2020	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2021
	\$	\$	\$	\$
Public Open Space	740,806	0	(740,806)	0
	740,806	0	(740,806)	0

#### **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.