

**SHIRE OF NORTHAMPTON**  
**BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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**SHIRE OF NORTHAMPTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Revenue</b>				
Rates	8	4,005,044	3,799,302	3,805,915
Operating Grants, Subsidies and Contributions		1,296,988	3,073,614	2,004,110
Fees and Charges	11	1,085,766	1,065,897	1,082,451
Interest Earnings	2(a)	112,200	128,673	130,500
Other Revenue	2(a)	0	5,720	146,500
		<u>6,499,998</u>	<u>8,073,206</u>	<u>7,169,476</u>
<b>Expenses</b>				
Employee Costs		(2,782,410)	(2,465,712)	(2,593,249)
Materials and Contracts		(2,307,329)	(2,229,397)	(2,284,392)
Utility Charges		(344,650)	(352,577)	(376,790)
Depreciation on Non-Current Assets	2(a)	(1,888,665)	(1,919,665)	(1,663,515)
Interest Expenses	2(a)	(73,303)	(64,019)	(63,558)
Insurance Expenses		(243,352)	(230,681)	(246,492)
Other Expenditure		(240,808)	(327,137)	(301,030)
		<u>(7,880,517)</u>	<u>(7,589,188)</u>	<u>(7,529,026)</u>
		(1,380,519)	484,018	(359,550)
Non-Operating Grants, Subsidies and Contributions		2,531,210	924,414	837,790
Profit on Asset Disposals	3	23,500	53,291	7,000
Loss on Asset Disposals	3	(81,500)	(398,292)	(25,000)
<b>NET RESULT</b>		<b>1,092,691</b>	<b>1,063,431</b>	<b>460,240</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets		<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>1,092,691</u></b>	<b><u>1,063,431</u></b>	<b><u>460,240</u></b>

**Notes:**

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, are impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

**SHIRE OF NORTHAMPTON**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Revenue (Refer Notes 1,2,8 to 13)</b>				
Governance		28,700	91,015	25,450
General Purpose Funding		4,813,157	6,179,090	5,393,095
Law, Order, Public Safety		80,373	128,370	77,250
Health		52,840	44,539	32,100
Education and Welfare		199,660	207,119	164,060
Housing		21,570	17,478	19,176
Community Amenities		808,960	819,639	809,390
Recreation and Culture		56,715	149,982	38,750
Transport		157,125	94,976	127,795
Economic Services		134,811	134,238	133,795
Other Property and Services		146,087	206,760	157,381
		<u>6,499,998</u>	<u>8,073,206</u>	<u>6,978,242</u>
<b>Expenses Excluding Finance Costs (Refer Notes 1,2 &amp; 14)</b>				
Governance		(834,084)	(774,485)	(829,156)
General Purpose Funding		(105,299)	(112,167)	(102,300)
Law, Order, Public Safety		(632,075)	(609,091)	(319,871)
Health		(219,535)	(221,281)	(223,952)
Education and Welfare		(216,984)	(245,482)	(189,270)
Housing		(111,814)	(159,595)	(109,194)
Community Amenities		(1,294,136)	(1,174,872)	(1,490,170)
Recreation and Culture		(1,451,471)	(1,084,230)	(1,348,799)
Transport		(2,644,956)	(2,462,781)	(2,570,366)
Economic Services		(284,215)	(225,047)	(216,755)
Other Property and Services		(12,645)	(456,138)	(47,635)
		<u>(7,807,214)</u>	<u>(7,525,169)</u>	<u>(7,447,468)</u>
<b>Finance Costs (Refer Notes 2 &amp; 5)</b>				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	0
Education and Welfare		0	0	0
Housing		0	0	0
Community Amenities		0	0	0
Recreation and Culture		(5,962)	(6,647)	(6,617)
Transport		(28,814)	(31,533)	(31,118)
Economic Services		0	0	0
Other Property and Services		(38,527)	(25,839)	(25,823)
		<u>(73,303)</u>	<u>(64,019)</u>	<u>(63,558)</u>
<b>Non-operating Grants, Subsidies and Contributions</b>				
Governance		0	0	0
General Purpose Funding		0	0	0
Law, Order, Public Safety		0	0	0
Health		0	0	10,000
Education and Welfare		0	0	0
Housing		0	0	0
Community Amenities		876,500	0	10,000
Recreation and Culture		0	0	12,792
Transport		1,279,710	924,414	964,290
Economic Services		375,000	0	0
		<u>2,531,210</u>	<u>924,414</u>	<u>1,011,024</u>

**SHIRE OF NORTHAMPTON  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Profit/(Loss) On</b>				
<b>Disposal Of Assets (Refer Note 3)</b>				
Governance		0	0	0
General Purpose Funding		12,000	0	0
Law, Order, Public Safety		0	0	0
Health		0	(3,852)	(500)
Education and Welfare		0	0	0
Housing		0	53,291	0
Community Amenities		0	(4,960)	(4,000)
Recreation & Culture		0	(376,206)	0
Transport		(81,000)	(13,274)	(13,500)
Economic Services		11,000	0	0
Other Property and Services		0	0	0
		<u>(58,000)</u>	<u>(345,001)</u>	<u>(18,000)</u>
<b>NET RESULT</b>		<b>1,092,691</b>	<b>1,063,431</b>	<b>460,240</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets		0	0	0
<b>Total Other Comprehensive Income</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>1,092,691</u></b>	<b><u>1,063,431</u></b>	<b><u>460,240</u></b>

**Notes:**

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets in accordance with the mandating of fair value measurement through Other Comprehensive Income, is impacted upon by external forces and is not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such, have no impact on this budget document.

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

**SHIRE OF NORTHAMPTON  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		4,023,410	3,799,302	3,805,915
Operating Grants, Subsidies and Contributions		1,332,101	3,073,614	2,004,110
Fees and Charges		1,085,766	1,065,897	1,082,451
Interest Earnings		112,200	128,673	130,500
Goods and Services Tax		0		350,000
Other Revenue		<u>0</u>	<u>5,720</u>	<u>146,500</u>
		6,553,477	8,073,206	7,519,476
<b>Payments</b>				
Employee Costs		(2,807,817)	(2,465,712)	(2,593,249)
Materials and Contracts		(2,216,315)	(2,229,397)	(2,284,392)
Utility Charges		(344,650)	(352,577)	(376,790)
Interest Expenses		(74,755)	(64,019)	(63,558)
Insurance Expenses		(243,352)	(230,681)	(246,492)
Goods and Services Tax		0		(350,000)
Other Expenditure		<u>(240,808)</u>	<u>(327,137)</u>	<u>(301,030)</u>
		<u>(5,927,697)</u>	<u>(5,669,523)</u>	<u>(6,215,511)</u>
<b>Net Cash Provided By Operating Activities</b>	15(b)	<u>625,780</u>	<u>2,403,683</u>	<u>1,303,965</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale	4	0	(502,609)	(411,665)
Payments for Purchase of Property, Plant & Equipment	4	(2,382,900)	(1,080,141)	(1,452,750)
Payments for Construction of Infrastructure	4	(2,801,344)	(1,535,541)	(1,744,569)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,531,210	924,414	837,790
Proceeds from Sale of Plant & Equipment	3	<u>224,000</u>	<u>310,401</u>	<u>146,500</u>
<b>Net Cash Used in Investing Activities</b>		(2,429,034)	(1,883,476)	(2,624,694)
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures	5	(168,586)	(131,207)	(131,207)
Advances to Community Groups		0	0	0
Proceeds from Self Supporting Loans		20,621	18,280	19,734
Proceeds from New Debentures	5	<u>0</u>	<u>350,000</u>	<u>600,000</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>(147,965)</u>	<u>237,073</u>	<u>488,527</u>
<b>Net Increase (Decrease) in Cash Held Cash at Beginning of Year</b>		(1,951,219)	757,280	(832,202)
<b>Cash and Cash Equivalents at the End of the Year</b>	15(a)	<u>2,977,140</u>	<u>1,102,041</u>	<u>2,367,538</u>
		<u>1,025,921</u>	<u>1,859,321</u>	<u>1,535,336</u>

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

**SHIRE OF NORTHAMPTON  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2016**

	NOTE	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>Revenue</b>	1,2			
Governance		28,700	91,015	25,450
General Purpose Funding		863,413	2,421,464	1,628,730
Law, Order, Public Safety		80,373	128,370	77,250
Health		52,840	44,539	41,600
Education and Welfare		199,660	207,119	164,060
Housing		21,570	70,769	19,176
Community Amenities		1,685,460	819,639	815,390
Recreation and Culture		56,715	149,982	51,542
Transport		1,436,835	1,019,390	932,085
Economic Services		520,811	134,238	133,795
Other Property and Services		<u>146,087</u>	<u>206,760</u>	<u>171,323</u>
		5,092,464	5,293,285	4,060,401
<b>Expenses</b>	1,2			
Governance		(834,084)	(774,485)	(829,156)
General Purpose Funding		(105,299)	(112,167)	(102,300)
Law, Order, Public Safety		(632,075)	(609,091)	(319,871)
Health		(219,535)	(225,133)	(223,952)
Education and Welfare		(216,984)	(245,482)	(189,270)
Housing		(111,814)	(159,595)	(109,194)
Community Amenities		(1,294,136)	(1,179,832)	(1,490,170)
Recreation and Culture		(1,457,433)	(1,467,083)	(1,355,416)
Transport		(2,754,770)	(2,507,588)	(2,601,484)
Economic Services		(284,215)	(225,047)	(216,755)
Other Property and Services		<u>(51,172)</u>	<u>(481,977)</u>	<u>(73,458)</u>
		(7,961,517)	(7,987,480)	(7,511,026)
<b>Net Result Excluding General Rates</b>		(2,869,053)	(2,694,195)	(3,450,625)
<b>Adjustments for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure and Revenue</b>				
(Profit)/Loss on Asset Disposals	4	58,000	345,001	18,000
Depreciation on Assets	2(a)	1,888,665	1,919,665	1,663,515
Movement in Non-Current Staff Leave Provisions		0	0	0
<b>Capital Expenditure and Revenue</b>				
Purchase Land Held for Resale	3	0	(502,609)	(411,665)
Purchase Property, Plant and Equipment	3	(2,382,900)	(1,080,141)	(1,452,750)
Purchase Infrastructure	3	(2,801,344)	(1,535,541)	(1,744,569)
Proceeds from Disposal of Assets	4	224,000	310,401	146,500
Repayment of Debentures	5	(168,586)	(131,207)	(131,207)
Proceeds from New Debentures	5	0	350,000	600,000
Self-Supporting Loan Principal Income		20,621	18,280	19,734
Transfers to Reserves (Restricted Assets)	6	(89,685)	(303,552)	(256,000)
Transfers from Reserves (Restricted Assets)	6	628,383	3,080	0
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	1,530,155	1,073,347	1,234,702
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	0	1,530,155	0
<b>Amount Required to be Raised from General Rate</b>	8	<u>(3,961,744)</u>	<u>(3,757,626)</u>	<u>(3,764,365)</u>

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

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) 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 Council 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 16 to this budget document.

**(b) 2014/15 Actual Balances**

Balances shown in this budget as 2014/15 Actual are as forecast at the time of budget preparation and are subject to final adjustments.

**(c) Rounding Off Figures**

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

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

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

**(e) 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.

**(f) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(g) 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 7 - Net Current Assets.

**(h) 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.

**(i) 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.

***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.

**(j) Fixed Assets**

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

***Mandatory Requirement to Revalue Non-Current Assets***

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.



**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(j) Fixed Assets (Continued)**

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
  - (i) that are plant and equipment; and
  - (ii) that are -
    - (I) land and buildings; or
    - (II) infrastructure; and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the budget as necessary.

***Land Under Control***

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of state or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost (being fair value at the date of acquisition (deemed cost) as per AASB 116) they were revalued along with other items of Land and Buildings at 30 June 2014 and now form part of Land and Buildings to be subject to regular revaluation as detailed above.

***Initial Recognition and Measurement between Mandatory Revaluation Dates***

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation of the next anniversary date in accordance with the mandatory measurement framework detailed above.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(j) Fixed Assets (Continued)**

***Revaluation***

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

***Transitional Arrangement***

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation Methodology*** section as detailed above.

***Land Under Roads***

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

***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.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(j) Fixed Assets (Continued)**

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

Buildings	10 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

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.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

***Capitalisation Threshold***

Expenditure on items of equipment under \$ 5,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

**(k) Fair Value of Assets and Liabilities**

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

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

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(k) Fair Value of Assets and Liabilities (Continued)**

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

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

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

***Fair Value Hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(k) Fair Value of Assets and Liabilities (Continued)**

**Income approach**

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

**Cost approach**

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

**(l) Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(I) Financial Instruments (Continued)**

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

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

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

*(v) Financial liabilities*

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(l) Financial Instruments (Continued)**

***Impairment***

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

***Derecognition***

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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

**(m) Impairment of Assets**

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

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

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(m) Impairment of Assets (Continued)**

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

At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2016.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

**(n) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

**(o) Employee Benefits**

**Short-Term Employee Benefits**

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

**Other Long-Term Employee Benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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



**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(p) 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.

**(q) Provisions**

Provisions are recognised when the Council 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.

**(r) 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 Council, 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.

**(s) 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. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(t) Current and Non-Current Classification**

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

**(u) Comparative Figures**

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

**(v) Budget Comparative Figures**

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

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>2. REVENUES AND EXPENSES</b>			
(a) <b>Net Result</b>			
The Net Result includes:			
(i) Charging as Expenses:			
<b>Auditors Remuneration</b>			
Audit Services	24,600	28,122	20,550
Other Services	7,000	6,149	6,000
<b>Depreciation</b>			
<u><b>By Program</b></u>			
Governance	52,315	52,841	48,315
General Purpose Funding			
Law, Order, Public Safety	47,500	48,299	43,750
Health	35,500	35,415	35,300
Education and Welfare	11,500	12,281	6,200
Housing	41,000	41,343	38,000
Community Amenities	28,150	28,879	33,800
Recreation and Culture	488,000	488,716	369,350
Transport	1,183,000	1,210,211	1,088,000
Economic Services	1,700	1,680	800
Other Property and Services			
	<u>1,888,665</u>	<u>1,919,665</u>	<u>1,663,515</u>
<u><b>By Class</b></u>			
Land and Buildings	484,000	491,684	385,500
Furniture and Equipment	24,000	24,290	17,500
Plant and Equipment	296,000	301,102	157,000
Roads	896,000	910,408	929,000
Footpaths	21,000	21,224	37,900
Drainage	21,000	21,223	22,000
Airports	37,000	38,153	24,000
Parks and Ovals	109,665	111,581	90,615
	<u>1,888,665</u>	<u>1,919,665</u>	<u>1,663,515</u>
<b>Interest Expenses (Finance Costs)</b>			
- Debentures ( <i>refer note 5(a)</i> )	73,303	64,019	63,558
Other			
	<u>73,303</u>	<u>64,019</u>	<u>63,558</u>
(ii) Crediting as Revenues:			
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	32,000	45,189	66,530
- Other Funds	38,000	39,592	23,470
Other Interest Revenue ( <i>refer note 13</i> )	42,200	43,892	40,500
	<u>112,200</u>	<u>128,673</u>	<u>130,500</u>
(iii) <b>Other Revenue</b>			
Reimbursements and Recoveries			
Other		5,720	
	<u>0</u>	<u>5,720</u>	<u>0</u>

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

**(b) Statement of Objective**

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

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

**GOVERNANCE**

The delivery of Councillor services to residents, and all expenses related to such activities.  
The management and coordination of the delivery of all services to residents.

**GENERAL PURPOSE FUNDING**

Administration of general rate revenue and all expenses related to the raising and collection of rates. Administration of general purpose grants received from the Grants Commission.

**LAW, ORDER, PUBLIC SAFETY**

Supervision and enforcement of various local laws relating to bushfire control & the Bushfires Act.  
Supervision of various local laws relating to dogs and ranger services for the care & control of animals. Administration of various local laws relating to camping & other public areas under Council control.

**HEALTH**

Provision of health inspections, food quality and control, administration of Health local laws and maintenance of Doctors Surgery.

**EDUCATION AND WELFARE**

Maintenance of Day Care Centres  
Facilitation and administration of live in care units for the aged.

**HOUSING**

Administration and maintenance of staff and rental housing

**COMMUNITY AMENITIES**

Rubbish collection services, operation of refuse sites, noise control, administration of Town Planning Schemes, maintenance of cemeteries and public conveniences, and storm water drainage maintenance.

**RECREATION AND CULTURE**

Maintenance of public halls and civic centres, beaches and foreshores, recreation centres and sports ovals, recreational parks and reserves, self help television retransmission services; operation of library services; maintenance of heritage sites and Municipal inventory

**TRANSPORT**

Construction and maintenance of streets, roads, bridges, drainage and depots; cleaning and lighting of streets; street and directional signage; maintenance of airstrip.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

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

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

**ECONOMIC SERVICES**

Weed, pest and vermin control. The regulation and provision of tourism, area promotion, building control, standpipes; operation of Port Gregory water supply.

**OTHER PROPERTY & SERVICES**

Private works and plant hire; plant repairs and operation costs; works manager and staff allowance and training costs.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**3. DISPOSALS OF ASSETS**

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

<b><u>By Program</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	<b>2015/16 BUDGET</b>	<b>2015/16 BUDGET</b>	<b>2015/16 BUDGET</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Toyota Prado - CEO	28,000	40,000	12,000
Cat 12H Grader	134,000	80,000	(54,000)
4 Wheel Light Tip Truck	30,000	15,000	(15,000)
4 Wheel Dual Cab Light Tip Truck	16,000	15,000	(1,000)
Utility - Maint Grader 2wd single cab	7,500	8,000	500
Utility - Northampton Mechanic 4wd	14,000	10,000	(4,000)
Utility - Northampton Cons't 4wd dual cab	16,000	12,000	(4,000)
Utility - Northampton Ranger Extra Cab 4wd	7,500	4,000	(3,500)
Toyota Prado - EHO/Building Surveyor	29,000	40,000	11,000
	<b>282,000</b>	<b>224,000</b>	<b>(58,000)</b>

<b><u>By Class</u></b>	Net Book Value	Sale Proceeds	Profit(Loss)
	<b>2015/16 BUDGET</b>	<b>2015/16 BUDGET</b>	<b>2015/16 BUDGET</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Governance	28,000	40,000	12,000
Transport	225,000	144,000	(81,000)
Building Control (Economic Services)	29,000	40,000	11,000
	<b>282,000</b>	<b>224,000</b>	<b>(58,000)</b>

**Summary**

	<b>2015/16 BUDGET \$</b>
Profit on Asset Disposals	23,500
Loss on Asset Disposals	(81,500)
	<u><u>(58,000)</u></u>

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2016**

**4. ACQUISITION OF ASSETS**

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

Asset Class	Reporting Program											Total \$
	Governance \$	General Purpose Funding \$	Law, Order, Public Safety \$	Health \$	Education and Welfare \$	Housing \$	Community Amenities \$	Recreation and Culture \$	Transport \$	Economic Services \$	Other Property and Services \$	
<i>Property, Plant and Equipment</i>												
Land and Buildings	38,180					206,830	1,226,200	14,190	70,500			1,555,900
Furniture and Equipment												
Plant and Equipment	55,000								717,000	55,000		827,000
<i>Infrastructure</i>												
Roads									1,953,604			1,953,604
Footpaths									119,925			119,925
Drainage												
Parks & Ovals								97,755		630,060		727,815
<i>Land Held for Resale</i>												
	<b>93,180</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>206,830</b>	<b>1,226,200</b>	<b>111,945</b>	<b>2,861,029</b>	<b>685,060</b>	<b>0</b>	<b>5,184,244</b>

A detailed breakdown of acquisitions on an individual asset basis can be found in the detailed Schedule Budget document.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**5. INFORMATION ON BORROWINGS**

**(a) Debenture Repayments**

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

Particulars	Principal 1-Jul-15	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$	2015/16 Budget \$	2014/15 Actual \$
<b>Other Property</b>								
152 - Staff Housing *	375,242		14,466	13,942	360,776	395,638	25,087	25,822
154 - Staff Housing	350,000		30,116	0	319,884	350,000	13,440	17
<b>Recreation and Culture</b>								
147 - Kalbarri Bowling Club *	6,432		3,115	2,925	3,317	10,708	403	574
148 - Kalbarri Library Extensions	100,735		23,676	22,736	77,059	121,985	4,475	4,912
151 - Kalbarri Bowling Club *	17,137		3,040	2,867	14,097	20,005	1,084	1,161
<b>Transport</b>								
149 - Plant Purchases	190,717		59,096	55,029	131,621	245,746	14,123	17,177
153 - Plant Purchases	323,900		35,077	33,708	288,823	357,607	14,691	14,356
	1,364,163	0	168,586	131,207	1,195,577	1,501,689	73,303	64,019

All debenture repayments are to be financed by general purpose revenue with the exception of loans 147, 151 and 152 which are self supporting loans.

Loan 147 & 151 are funded by the Kalbarri Bowling Club.

Loan 152 is funded by the CEO, Mr Garry Keeffe.



**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**5. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures - 2015/16

Council does not anticipate utilising loan funds during 2015/16.

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2015 nor is it expected to have unspent debenture funds as at 30th June 2016.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$500,000 with the National Bank does exist. It is not anticipated that this facility will be required to be utilised during 2015/16.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>	<b>2014/15 Budget \$</b>
<b>6. RESERVES</b>			
<b>(a) Leave Reserve</b>			
Opening Balance	207,189	153,424	153,424
Amount Set Aside / Transfer to Reserve	10,000	53,765	55,500
Amount Used / Transfer from Reserve			
	<u>217,189</u>	<u>207,189</u>	<u>208,924</u>
<b>(b) Roadwork's Reserve</b>			
Opening Balance	51,960	49,920	49,920
Amount Set Aside / Transfer to Reserve	2,000	2,040	3,000
Amount Used / Transfer from Reserve			
	<u>53,960</u>	<u>51,960</u>	<u>52,920</u>
<b>(c) Kalbarri Airport Reserve</b>			
Opening Balance	4,464	4,314	4,314
Amount Set Aside / Transfer to Reserve	20,200	150	200
Amount Used / Transfer from Reserve			
	<u>24,664</u>	<u>4,464</u>	<u>4,514</u>
<b>(d) Computer and Office Equipment Reserve</b>			
Opening Balance	30,384	29,019	29,019
Amount Set Aside / Transfer to Reserve	1,500	1,365	2,000
Amount Used / Transfer from Reserve			
	<u>31,884</u>	<u>30,384</u>	<u>31,019</u>
<b>(e) Plant Reserve</b>			
Opening Balance	6,628	6,358	6,358
Amount Set Aside / Transfer to Reserve	300	270	400
Amount Used / Transfer from Reserve			
	<u>6,928</u>	<u>6,628</u>	<u>6,758</u>
<b>(f) House and Building Reserve</b>			
Opening Balance	60,687	58,157	58,157
Amount Set Aside / Transfer to Reserve	12,500	2,530	3,700
Amount Used / Transfer from Reserve			
	<u>73,187</u>	<u>60,687</u>	<u>61,857</u>
<b>(g) Kalbarri Ages Persons Accommodation Reserve</b>			
Opening Balance	238,283	215,038	215,039
Amount Set Aside / Transfer to Reserve	28,960	23,245	30,000
Amount Used / Transfer from Reserve			
	<u>267,243</u>	<u>238,283</u>	<u>245,039</u>
<b>(h) Northampton Aged Persons Reserve</b>			
Opening Balance	154,934	113,894	113,894
Amount Set Aside / Transfer to Reserve	8,000	41,040	47,300
Amount Used / Transfer from Reserve			
	<u>162,934</u>	<u>154,934</u>	<u>161,194</u>
<b>Total Reserves C/Fwd</b>	<u>837,989</u>	<u>754,529</u>	<u>772,225</u>

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

	2015/16 Budget \$	2014/15 Actual \$	2014/15 Budget \$
<b>6. RESERVES (Continued)</b>			
<b>Total Reserves B/Fwd</b>	<u>837,989</u>	<u>754,529</u>	<u>772,225</u>
<b>(i) Town Planning Scheme Reserve</b>			
Opening Balance	13,096	12,691	12,691
Amount Set Aside / Transfer to Reserve		405	600
Amount Used / Transfer from Reserve			
	<u>13,096</u>	<u>13,096</u>	<u>13,291</u>
<b>(j) Townscape Car Park Reserve</b>			
Opening Balance	5,758	5,758	5,757
Amount Set Aside / Transfer to Reserve			
Amount Used / Transfer from Reserve			
	<u>5,758</u>	<u>5,758</u>	<u>5,757</u>
<b>(k) Sport and Recreation Reserve</b>			
Opening Balance	6,225	5,955	5,955
Amount Set Aside / Transfer to Reserve		270	400
Amount Used / Transfer from Reserve	<u>(6,225)</u>		
	<u>0</u>	<u>6,225</u>	<u>6,355</u>
<b>(l) Coastal Management Reserve</b>			
Opening Balance	105,145	101,270	101,270
Amount Set Aside / Transfer to Reserve		3,875	5,700
Amount Used / Transfer from Reserve	<u>(105,145)</u>		
	<u>0</u>	<u>105,145</u>	<u>106,970</u>
<b>(m) Specified Area Rate Reserve</b>			
Opening Balance	460	3,060	3,060
Amount Set Aside / Transfer to Reserve		480	700
Amount Used / Transfer from Reserve	<u>(460)</u>	<u>(3,080)</u>	
	<u>0</u>	<u>460</u>	<u>3,760</u>
<b>(n) Land Development Reserve</b>			
Opening Balance	516,553	505,289	505,289
Amount Set Aside / Transfer to Reserve	0	11,264	16,500
Amount Used / Transfer from Reserve	<u>(516,553)</u>		
	<u>0</u>	<u>516,553</u>	<u>521,789</u>
<b>(m) Kalbarri Tennis, Netball &amp; Basketball Courts Reserve</b>			
Opening Balance	162,853	0	0
Amount Set Aside / Transfer to Reserve	6,225	162,853	90,000
Amount Used / Transfer from Reserve			
	<u>169,078</u>	<u>162,853</u>	<u>90,000</u>
<b>Total Reserves</b>	<u>1,025,921</u>	<u>1,564,619</u>	<u>1,520,147</u>

All of the above reserve accounts are to be supported by money held in the National Bank.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

<b>6. RESERVES (Continued)</b>	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>	<b>2014/15 Budget \$</b>
<b>SUMMARY OF RESERVE TRANSFERS</b>			
<b>Transfers to Reserves</b>			
Leave Reserve	10,000	53,765	55,500
Roadwork's Reserve	2,000	2,040	3,000
Kalbarri Airport Reserve	20,200	150	200
Computer and Office Equipment Reserve	1,500	1,365	2,000
Plant Reserve	300	270	400
House and Building Reserve	12,500	2,530	3,700
Kalbarri Ages Persons Accommodation Reserve	28,960	23,245	30,000
Northampton Aged Persons Reserve	8,000	41,040	47,300
Town Planning Scheme Reserve	0	405	600
Townscape Car Park Reserve	0	0	0
Sport and Recreation Reserve	0	270	400
Coastal Management Reserve	0	3,875	5,700
Specified Area Rate Reserve	0	480	700
Land Development Reserve	0	11,264	16,500
Kalbarri Tennis, Netball & Basketball Courts Re:	6,225	162,853	90,000
	<u>89,685</u>	<u>303,552</u>	<u>256,000</u>
<b>Transfers from Reserves</b>			
Leave Reserve	0	0	0
Roadwork's Reserve	0	0	0
Kalbarri Airport Reserve	0	0	0
Computer and Office Equipment Reserve	0	0	0
Plant Reserve	0	0	0
House and Building Reserve	0	0	0
Kalbarri Ages Persons Accommodation Reserve	0	0	0
Northampton Aged Persons Reserve	0	0	0
Town Planning Scheme Reserve	0	0	0
Townscape Car Park Reserve	0	0	0
Sport and Recreation Reserve	(6,225)	0	0
Coastal Management Reserve	(105,145)	0	0
Specified Area Rate Reserve	(460)	(3,080)	0
Land Development Reserve	(516,553)	0	0
Kalbarri Tennis, Netball & Basketball Courts Re:	0	0	0
	<u>(628,383)</u>	<u>(3,080)</u>	<u>0</u>
<b>Total Transfer to/(from) Reserves</b>	<u>(538,698)</u>	<u>300,472</u>	<u>256,000</u>

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**6. 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:

**Leave Reserve**

- to be used to fund annual and long service leave requirements

**Roadworks Reserve**

- to be used to fund major reseals of bitumen roads and other major road construction works including footpath construction

**Kalbarri Airport**

- to be used for the maintenance and construction of the Kalbarri Airport

**Computer and Office Reserve Equipment**

- to be used to for the purchase and upgrade of office equipment and computers

**Plant Reserve**

- to be used for the purchase of major plant

**House and Building Reserve**

- to be used for the construction of new housing and upgrades to buildings under Council control

**Kalbarri Aged Persons Accommodation**

- to be used for the construction of live in aged care facilities in Kalbarri

**Northampton Aged Persons Reserve**

- to be used for the construction of live in aged care facilities in Northampton

**Town Planning Scheme Reserve**

- to be used for the review of Council's town planning schemes

**Townscape Carpark Reserve**

- to be used for the construction of the carpark area in the CBD area adjacent to Porter Street, Kalbarri, this is a Kalbarri Townscape project.

**Sport & Recreation Reserve**

- to be used for the upgrade and capital works to Sporting and Recreation Facilities within the district.

**Coastal Management Reserve**

- to be used for the construction of capital works along the foreshore management reserve's within the district.

**Specified Area Rate Reserve**

- to be used for unspent Specified Area Rate monies allocated and not expended during the financial year.

**Northampton 150th Anniversary Reserve**

- to be utilised for the 150th Anniversary for the Northampton Shire in 2014.

**Land Development Reserve**

- For the development of Council land for sale on the open market.

**Kalbarri Tennis, Netball & Basketball Courts Reserve**

- For the development of Tennis, Netball and Basketball facilities in Kalbarri.

The Land Development Reserve is expected to be utilised in 2015/16.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

	Note	2015/16 Budget \$	2014/15 Actual \$
<b>7. NET CURRENT ASSETS</b>			
<b>Composition of Estimated Net Current Asset Position</b>			
<b>CURRENT ASSETS</b>			
Cash - Unrestricted	15(a)	0	1,412,521
Cash - Restricted Reserves	15(a)	1,025,921	1,564,619
Receivables		385,000	438,479
Inventories		<u>10,000</u>	<u>10,870</u>
		1,420,921	3,426,489
<b>LESS: CURRENT LIABILITIES</b>			
Trade and Other Payables		(395,000)	(331,715)
Short Term Borrowings		0	0
Long Term Borrowings		168,586	0
Provisions		<u>0</u>	<u>0</u>
		(226,414)	(331,715)
<b>NET CURRENT ASSET POSITION</b>		<b>1,194,507</b>	<b>3,094,774</b>
Less: Cash - Restricted Reserves	15(a)	(1,025,921)	(1,564,619)
Add: Current Portion of Debentures		<u>(168,586)</u>	<u>0</u>
<b>ESTIMATED SURPLUS/(DEFICIENCY) C/FWD</b>		<b><u>0</u></b>	<b><u>1,530,155</u></b>

The estimated surplus c/fwd in the 2014/15 actual column represents the surplus brought forward as at 1 July 2015.

The estimated surplus/(deficiency) c/fwd nil balance in the 2015/16 budget column represents the carried forward as at 30 June 2016.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**8. RATING INFORMATION - 2015/16 FINANCIAL YEAR**

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2015/16 Budgeted Rate Revenue \$	2015/16 Budgeted Interim Rates \$	2015/16 Budgeted Back Rates \$	2015/16 Budgeted Total Revenue \$	2014/15 Actual \$
<b>General Rate</b>								
General GRV	0.073928	1,566	19,860,030	1,468,212			1,468,212	1,385,123
General UV	0.010796	457	196,063,491	2,116,701			2,116,701	2,009,573
<b>Sub-Totals</b>		2,023	215,923,521	3,584,914	0	0	3,584,914	3,394,696
<b>Minimum         \$</b>								
<b>Minimum Payment</b>								
General GRV	495	976	5,172,366	483,120			483,120	476,900
General UV	495	58	2,180,211	28,710			28,710	20,900
<b>Sub-Totals</b>		1,034	7,352,577	511,830	0	0	511,830	497,800
Discounts (Note 12)							(135,000)	(134,870)
<b>Total Amount Raised from     General Rate</b>							3,961,744	3,757,626
Specified Area Rates (Note 9)							43,300	41,676
<b>Total Rates</b>							4,005,044	3,799,302

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**8(a). RATING INFORMATION - 2015/16 FINANCIAL YEAR (CONTINUED)**

All land except exempt land in the Shire of Northampton is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2015/16 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 the Local Government services/facilities.



**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**9. SPECIFIED AREA RATE - 2015/16 FINANCIAL YEAR**

	Rate in \$	Rateable Value	2015/16 Budgeted Revenue \$	Budget Applied to Costs \$	2014/15 Actual \$
<b>Port Gregory Water Supply</b>	0.026130	508,992	13,300	13,300	11,550
<b>Kalbarri Tourism Rate</b>	0.0018	16,614,680	30,000	30,000	30,126
			43,300	43,300	41,676

**Port Gregory Water Supply**

The specified area rate for the Port Gregory Water Supply is designated for the operation of the Port Gregory water supply. The amount required has been estimated, as the cost to operate the water supply during 2014/2015. There will be no transfer to or from a reserve.

**Kalbarri Tourism Rate**

The Kalbarri Tourism Specified Area Rate is levied on all rateable Kalbarri Gross Rental Value in accordance with the Kalbarri Town Planning Scheme No 9.

The proceeds of the rate have been applied in full.

**10. SERVICE CHARGES - 2015/16 FINANCIAL YEAR**

Council does not anticipate raising Service charges for the 2015/2016 Financial Year.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

<b>11. FEES &amp; CHARGES REVENUE</b>	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>
Governance	12,000	10,942
General Purpose Funding	0	
Law, Order, Public Safety	19,550	25,526
Health	10,840	840
Education and Welfare	108,000	106,179
Housing	17,570	13,347
Community Amenities	801,810	792,941
Recreation and Culture	15,260	15,598
Transport	4,025	3,634
Economic Services	76,711	77,030
Other Property and Services	<u>20,000</u>	<u>19,860</u>
	<u><u>1,085,766</u></u>	<u><u>1,065,897</u></u>

**12. RATE PAYMENT DISCOUNTS, WAIVERS AND CONCESSIONS  
- 2015/16 FINANCIAL YEAR**

	Type	Disc %	2015/16 Budget \$	2014/15 Actual \$
General/Minimum Rates	Discount	5	135,000	134,870
			<u>135,000</u>	<u>134,870</u>

A discount on rates is granted upon full payment of rates within 35 days of the date of service appearing on the rate notice.

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**13. INTEREST CHARGES AND INSTALMENTS - 2015/16 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	2015/16 Budget Revenue	2014/15 Actual \$
Interest on Unpaid Rates	10		25,500	28,441
Interest/Charges on Instalments Plan	5	5	15,500	15,451
Deferred Interest - Pensioners			1,200	1,164
			<u>42,200</u>	<u>45,056</u>

Ratepayers had the option of paying rates in four equal instalments, due on 2nd October 2015, 4th December 2015, 5th February 2016 and 8th April 2016. Administration charges and interest applied for the final three instalments.

**14. ELECTED MEMBERS REMUNERATION**

**2015/16  
Budget  
\$**

**2014/15  
Actual  
\$**

The following fees, expenses and allowances were paid to council members, deputy president and the president.

Meeting Fees	17,790	15,940
President's Allowance	10,000	10,000
Deputy President's Allowance	1,000	1,000
Travelling Expenses	24,500	21,837
Telecommunications Allowance	4,500	4,500
	<u>57,790</u>	<u>53,277</u>

**NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**15. NOTES TO THE STATEMENT OF CASH FLOWS****(a)****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>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>	<b>2014/15 Budget \$</b>
Cash - Unrestricted	0	1,412,521	15,189
Cash - Restricted	<u>1,025,921</u>	<u>1,564,619</u>	<u>1,520,147</u>
	<u>1,025,921</u>	<u>2,977,140</u>	<u>1,535,336</u>

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

Leave Reserve	217,189	207,189	208,924
Roadwork's Reserve	53,960	51,960	52,920
Kalbarri Airport Reserve	24,664	4,464	4,514
Computer and Office Equipment Reserve	31,884	30,384	31,019
Plant Reserve	6,928	6,628	6,758
House and Building Reserve	73,187	60,687	61,857
Kalbarri Aged Persons Accommodation Reserve	267,243	238,283	245,039
Northampton Aged Persons Reserve	162,934	154,934	161,194
Town Planning Scheme Reserve	13,096	13,096	13,291
Townscape Car Park Reserve	5,758	5,758	5,757
Sport and Recreation Reserve	0	6,225	6,355
Coastal Management Reserve	0	105,145	106,970
Specified Area Rate Reserve	0	460	3,760
Land Development Reserve	0	516,553	521,789
Kalbarri Tennis, Netball & Basketball Courts Reserve	<u>169,078</u>	<u>162,853</u>	<u>90,000</u>
	<u>1,025,921</u>	<u>1,564,619</u>	<u>1,520,147</u>

**(b)****Reconciliation of Net Cash Provided By Operating Activities to Net Result**

Net Result	1,092,691	1,063,431	460,240
Depreciation	1,888,665	1,919,665	1,663,515
(Profit)/Loss on Sale of Asset	58,000	345,001	18,000
(Increase)/Decrease in Receivables	53,479		123,000
(Increase)/Decrease in Inventories	870		234
Increase/(Decrease) in Payables	63,285		50,000
Grants/Contributions for the Development of Assets	<u>(2,531,210)</u>	<u>(924,414)</u>	<u>(1,011,024)</u>
<b>Net Cash from Operating Activities</b>	<u>625,780</u>	<u>2,403,683</u>	<u>1,303,965</u>

**(c)****Undrawn Borrowing Facilities****Credit Standby Arrangements**

Bank Overdraft Limit	500,000	500,000	500,000
Bank Overdraft at Balance Date			
Credit Card Limit	10,000	10,000	5,000
Credit Card Balance at Balance Date			
<b>Total Amount of Credit Unused</b>	<u>510,000</u>	<u>510,000</u>	<u>505,000</u>

**Loan Facilities**

Loan Facilities in use at Balance Date	<u>1,195,577</u>	<u>1,501,689</u>	<u>1,725,724</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>	<u>0</u>

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**16. 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 1-Jul-15 \$	Estimated Amounts Received \$	Estimated Amounts Paid (\$)	Estimated Balance 30-Jun-16 \$
Town Planning - Security Bonds	5,000			5,000
Galena Donations	0			0
Transportable Housing Bond	10,755		(10,755)	0
Footpath Deposits	59,820	10,000	(15,000)	54,820
Horrocks Retention Fee - Parking/Stage 2	1,818			1,818
Retentions - Subdivisions	85,592			85,592
Building Levies (BCITF & BRB)	16,390	10,000	(26,390)	0
Community Bus Bond	5,000	1,200	(1,200)	5,000
Safer WA Funds	0			0
Northampton Cemetery Funds	0			0
Unclaimed Monies - Rates	4,178	1,000	(5,178)	0
Nomination Deposits	0			0
DOLA - Parks & Gardens Development	0			0
Aged Unit Bond	1,806			1,806
Council Housing Bonds	1,460			1,460
BROC - Management Funds	0			0
Kalbarri Youth Space Project Funds	0			0
Burning Off Fees	0			0
RSL Hall Key Bond	1,090	660	(660)	1,090
Peet Park Donations	0			0
Willa Guthurra	0			0
Special Series Plates	460		(460)	0
Auction	0			0
Kidsport	14,946		(5,000)	9,946
Public Open Space	0			0
ReDone (Kalbarri Park/Beach Shelters)	0			0
NCCA	50,539			50,539
Horrocks Memorial Wall	3,209			3,209
One Life	3,963		(3,963)	0
	<u>266,027</u>	<u>22,860</u>	<u>(68,606)</u>	<u>220,281</u>

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2016**

**17. MAJOR LAND TRANSACTIONS**

Northampton Light Industrial Subdivision

**(a) Details**

Land owned freehold by Council, has been subdivided on the northern side of Lot 74 Seventh Avenue, Northampton. The construction of 4 industrial units was completed during 2014/2015. The future sale of this land is subject to compliance with grant funding conditions which stipulate that Council is unable to sell for a period of 5 years from the date of completion. All units are currently being leased for a period of 5 years.

	<b>2015/16 Budget \$</b>	<b>2014/15 Actual \$</b>
<b>(b) Current year transactions</b>		
<b>Operating Revenue</b>		
- Profit on sale	0	0
<b>Capital Revenue</b>		
- Sale Proceeds	0	0
<b>Capital Expenditure</b>		
- Purchase of Land	0	0
- Development Costs	0	502,609
	<b>0</b>	<b>502,609</b>
	<b>0</b>	<b>502,609</b>

**(c) Expected Future Cash Flows**

	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	Total \$
<b>Cash Outflows</b>						
- Development Costs	0	0	0	0	0	0
- Loan Repayments	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Cash Inflows</b>						
- Grant Funding	0	0	0	0	0	0
- Lease Fees	0	25,000	25,625	26,000	26,650	103,275
	0	25,000	25,625	26,000	26,650	103,275
<b>Net Cash Flows</b>	<b>0</b>	<b>25,000</b>	<b>25,625</b>	<b>26,000</b>	<b>26,650</b>	<b>103,275</b>

**18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated any trading undertakings or major trading undertakings will occur in 2015/16.