



2022/23 ANNUAL REPORT



COUNCILLORS



Cr Elizabeth SUDLOW
Shire President, Northampton Ward
Post Office, Binnu 6532
Phone: 0427362025
Email: cr.sudlow@northampton.wa.gov.au
Elected: 2019 Term expires: 2023



Cr Robert HORSTMAN
Deputy President, Northampton Ward
PO Box 430, Northampton 6535
Phone: (08) 99372425
Email: cr.horstman@northampton.wa.gov.au
Elected: 2021 Term expires: 2025



Cr Roslyn SUCKLING
Northampton Ward
PO Box 129 Northampton 6535
Phone: (08) 99341177
Email: cr.suckling@northampton.wa.gov.au
Elected: 2019 Term expires: 2023



Cr Tim HAY
Northampton Ward
PO Box 142 Northampton 6535
Phone (08) 99351052
Email: cr.hay@northampton.wa.gov.au
Elected: 2021 Term expires: 2025



Cr Des Pike
Kalbarri Ward
PO Box 676, Kalbarri 6536
Phone: (08) 99372894
Email: cr.pike@northampton.wa.gov.au
Elected: 2019 Term Expires: 2023



Cr Peter Stewart
Kalbarri Ward
PO Box 85, Kalbarri 6536
Phone: 0407371430
Email: cr.stewart@northampton.wa.gov.au
Elected: 2019 Retired: 31 January 2023



Cr Trevor Gibb

Kalbarri Ward
PO Box 323, Kalbarri 6536
Phone: 0417920125
Email: cr.gibb@northampton.wa.gov.au
Elected: 2021 Term expires: 2025



Cr Richard Burges

Kalbarri Ward
PO Box 65, Kalbarri 6536
Phone: 0417912901
Email: cr.burges@northampton.wa.gov.au
Elected: 2021 Term expires: 2023

COUNCIL & COMMITTEE MEETINGS

COUNCIL MEETINGS

Council Meetings are held on the third Friday of each month. All Council meetings are held in the Northampton Council Chambers except for the February, May, August, and November meetings held at the Allen Centre in Kalbarri.

The Council and Committee meetings are open to the public and there is public question time at the beginning of Council and meetings at which time the public may ask questions on any Local Government matter.

Meeting dates and times are subject to change and if this does occur, notice of such change is advertised as per the requirements of the *Local Government Act 1995*.

COMMITTEE MEETINGS

Council has two operational advisory committees, the Audit Committee and Senior Staff Performance Review Committee. Other committees, as listed below, have been retained and meet on an as needs basis. The members listed are those at 30 June 2023.

None of the following committees have delegated power which requires all committee recommendations having to be put before Council for final determination.

Audit Committee

Cr's Sudlow, Hay, Suckling & Horstman

Disability Services Committee

Cr's Gibb, Suckling, Principal Building Surveyor

Senior Staff Employment Performance Review Committee

Cr's Sudlow, Horstman, Suckling & CEO

COUNCILLOR TRAINING UNDERTAKEN

Training undertaken by current Councillors is follows:

Councillor	Unit Name	Competency Outcome Description	Competency Achieved Date
Trevor Gibb	Conflicts of Interest	Competent	15-05-2022
	Understanding Local Government	Competent	29-05-2022
	Serving on Council	Competent	05-08-2022
	Meeting Procedures	Competent	17-08-2022
	Understanding Financial Reports and Budgets	Competent	25-09-2022
Robert Horstman	Understanding Local Government	Competent	15-05-2022
	Conflicts of Interest	Participating but studies not finished (NO evidence)	
Desmond Pike	Understanding Local Government	Competent	22-04-2020
	Conflicts of Interest	Competent	11-05-2020
	Meeting Procedures	Competent	01-07-2020
	Serving on Council	Competent	29-09-2020
	Understanding Financial Reports and Budgets	Competent	12-10-2020
Peter Stewart	Understanding Local Government	Competent	09-08-2022
	Conflicts of Interest	Competent	09-08-2022
	Serving on Council	Competent	11-08-2022
	Meeting Procedures	Competent	12-08-2022
	Understanding Financial Reports and Budgets	Competent	13-08-2022
Roslyn Suckling	Meeting Procedures	Competent	16-05-2020
	Understanding Financial Reports and Budgets	Competent	15-07-2020
	Understanding Local Government	Competent	19-09-2020
	Conflicts of Interest	Competent	22-09-2020
	Serving on Council	Competent	01-10-2020
Liz Sudlow	Understanding Local Government	Competent	17-09-2020
	Meeting Procedures	Competent	12-11-2020
	Conflicts of Interest	Competent	12-11-2020
	Serving on Council	Competent	13-11-2020
	Understanding Financial Reports and Budgets	Competent	13-11-2020

Councillor	Unit Name	Competency Outcome Description	Competency Achieved Date
Tim Hay	No "Council Member Essentials" Training Completed	N/A	N/A
Richard Burgess	No "Council Member Essentials" Training Completed	N/A	N/A

Parker Road Construction 2022/23



2022/23 COUNCILLOR MEETING ATTENDANCE REGISTER			
COUNCILLOR	Ordinary Meetings (11)	Special Meetings (3)	Committee Meetings
Cr Elizabeth Sudlow (Shire President)	10	3	3
Cr Robert Horstman (Deputy President)	11	3	2
Cr Peter Stewart	5	2	1
Cr Trevor Gibb	9	2	
Cr Des Pike	10	3	
Cr Roslyn Suckling	11	1	3
Cr Tim Hay	5	2	
Cr Richard Burges	10	3	

2022/23 COUNCILLOR REMUNERATION				
POSITION	Annual Allowance	Sitting Fees	IT Allowance	Travel Payment
President	\$ 15,000	\$ 7,000	\$ 500	\$ 1,099
Deputy President	\$ 4,000	\$ 5,400	\$ 500	\$ 613
Councillors		\$ 20,950	\$ 3,000	\$ 3,475

Other details	Number	Australian Origin
Between 35 and 44 years	1	1
Between 45 and 54 years	2	2
Between 55 and 64 years	2	2
Over the age of 64 years	3	3

- Council numbers reduced to 7 with approval of the Minister for Local Government following the resignation of Cr Peter Stewart on 31 January 2023.
- Cr Tim Hay was granted a Leave of Absence from meetings of Council 18 November 2022 to 17 March 2023 inclusive.
- There are no Aboriginal or Torres Strait Islander elected members.
- No remuneration or allowance was paid by the Council to members of a standards panel under Schedule 5.1 and Clause 9 during the financial year.
- There was no amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year.

PRESIDENTS REPORT – CR LIZ SUDLOW

I am pleased to present the Shire of Northampton's Annual Report for the 2022 – 2023 financial year.

The year has proved to be a particularly challenging one for Council and staff, as we learned in August 2022 of the ill-health of long-serving CEO, Mr Garry Keeffe. Mr Keeffe was on leave from this time until his resignation in December. During the nine-month period until the commencement of Mr Andrew Campbell as CEO on May 22nd 2023, I would sincerely like to thank Mr Maurice Battilana, who kindly stepped in to assist the shire as Acting CEO at short notice, for some of this time. My particular thanks to Executive Managers Mr Grant Middleton and Mr Neil Broadhurst, and also to Ms Michelle Allen, for going above and beyond their normal duties during the period. I acknowledge that during this time, in some areas, the organisation has been in somewhat of a 'holding period'. The last few years have included some unprecedented situations including Covid, Cyclone Seroja recovery and the absence of a substantive CEO and I would also like convey my genuine thanks to all staff for their commitment to the organisation. Most are long-serving employees who have a deep connection to the local communities across the Shire.

A retirement function was held in July for Mr Garry Keeffe where staff and Councillors attended and all past Presidents who served during Mr Keeffe's 26-year service, contributed. On behalf of Council and staff and the whole community, I thank Garry for his unwavering commitment to the Shire of Northampton and wish him the very best for his future.

Council was pleased to secure the tenure of Mr Andrew Campbell and acknowledge that his commencement date was only five weeks prior to the end of the 2022 – 2023 financial year. Looking forward, I am very confident that Mr Campbell will strategically and successfully lead our organisation.

The continuing recovery process from the devastation caused by Tropical Cyclone Seroja dominated much of the year. Repairs to access roads and carparks at the major beach precincts in Kalbarri have proved to be challenging, due to coastal erosion caused by the cyclone. In most cases it has been impossible to build back exactly as things were prior, which has resulted in extra planning regulation and ensuing time delays. I'd like to thank GHD Geraldton and the DFES DRFA team for their willingness to assist the Shire of Northampton to achieve favourable outcomes.

Cost of materials, difficulties obtaining contractors and workforce shortages continued to have had an impact on repairs to heritage buildings and budgeted projects.

Key components of the 2022 – 2023 Budget include Local Roads and Community Infrastructure (LRCI) projects: Kalbarri Aerodrome reseal (completed April 2023), Grey St Kalbarri reseal (completed June 2023) and new ablutions at the Northampton Recreation Centre (completed November 2022). Other projects include a reseal of a 10km section of the Kalbarri Road and a reconstruct of Parker and Wundi Rd junction, including a 3.3km seal of Parker Rd, adjacent to NWC Highway.

In December we received the resignation of Cr Peter Stewart due to the sale of his business in Kalbarri and his relocation away from the area. I wish to acknowledge his valuable service to the Shire.

I'd like to sincerely thank all Councillors, with particular mention of Deputy President Cr Horstman, for their unwavering service and contribution, in what has been a year of significant challenge and change. Finally, special thanks to my husband Tony, whose support has been essential to my leadership.

CHIEF EXECUTIVE OFFICERS REPORT

As the newly commenced Chief Executive Officer on 22 May 2023 with only effectively five weeks of employment during the 2023 Annual Report period, it is difficult to produce a comprehensive report on the performance of the Shire of Northampton.

I would like to take this opportunity to sincerely thank Mr Garry Keefe as the long serving Chief Executive Officer for a period of 26 years who retired from the organisation on 7 December 2022. Garry has left a considerable legacy of achievement for which now forms the platform for the future aspirations of the Shire and community.

My first weeks at the organisation during the reporting period were spent getting to know Councillors, employees, the community, and other stakeholders whilst developing an understanding about the district and the internal systems of the organisation. Whilst this was challenging, I have been buoyed by the potential that exists in the district but recognising very early on in my employment that there was significant work still to be done to capitalise on those opportunities.

Since commencing, my priority has been finalising Tropical Cyclone Seroja recovery works primarily for Kalbarri coastal infrastructure under the care and control of the Shire of Northampton. I understand the enormous effort of the Councillors and employees embarking on the Seroja recovery activities in 2022/23 and everyone is to be congratulated for this whilst trying to maintain steady state operations of the organisation.

STAFFING

Under s.5.37 of the *Local Government Act 1995* Council is to declare Senior Employees that form the administration of the entity. The designated Senior Employees of the Shire of Northampton are as follows:

Chief Executive Officer

Mr Garry Keefe retired 7 December 2022

Mr Grant Middleton (A/CEO period from 30 August 2022 to 11 September 2022 and 1 April 2023 to 21 May 2023)

Mr Maurice Battilana (A/CEO from 12 September 2022 to 31 March 2023)

Mr Andrew Campbell 22 May 2023 onward.

Deputy Chief Executive Officer

Mr Grant Middleton

Manager Works and Technical Services

Mr Neil Broadhurst

Staffing levels remained steady during the period with the Shire of Northampton employing 38.36 Full Time Equivalent (FTE) employees.

BUDGETING

The Shires budgeting process commences in February/March of each year with the preparation of a draft budget based on previously adopted works and capital

expenditure programs and issues identified to elected members and staff by residents of the Shire.

Residents are encouraged to provide budgetary requests either to their Councillors or to the management employees. The draft budget is presented at a special meeting of Council, normally held within the last two weeks of July of each year, where it is refined until a suitable balance between required works and an acceptable rate level is achieved.

FINANCE

The Shire had a surplus cash position at 30 June 2023 of \$3,032,626. This surplus cash position includes the following pre-payments and restricted cash items:

Prepaid Financial Assistance Grant	\$2,494,171
LRCI Grant prepaid	\$ 490,300
Bike Network Grant not expended	\$ 20,000

Major Sources of Income

Apart from the General Purpose Grant the other major sources of income required to match the expenditure of Council are:

Rates	\$4,761,193
General Purpose Grant	\$1,495,253
Road Grants (FAG's)	\$ 842,282
Refuse Charges	\$ 934,838
Direct Road Grants	\$ 766,520
Fees/Charges, reimbursements	\$1,312,661
Interest on Investments	\$ 161,672
Asset Sales	\$ 265,253
Insurance	\$1,750,000
Loan Funds Utilised	\$ 0
Self Supporting Loan Payments	\$ 271,188

MAJOR PROJECTS ACHIEVED IN 2022/23

Council received Federal Government Funding through the Local Roads and Community Infrastructure Program with the following projects being achieved in 2022/23:

- Kalbarri Airport runway and apron re-seal
- Grey Street Kalbarri – Asphalt Resurfacing
- Northampton Community Centre – Public Ablutions

Other major projects were:

- Completion of the Northampton Stud Breeders Shed
- Completion of the Kalbarri Camp Kitchen building
- Install shelter Kalbarri Foreshore
- Outdoor showers various locations

Road Works Projects undertaken:

- Kalbarri Road – reseal SLK 38.0 to SLK 48.0
- Horrocks Dump Point access road
- Gwalla & Brooke Street's – install drainage and construct seal
- Parker & Wundi Roads – reconstruct and seal 3.3KM
- Mary Street – surface correction
- Essex Street – reseal

Footpaths constructed:

- Melaleuca Trail – replace damaged section's

Road Plant & Vehicle Changeovers:

- Construction Grader
- 3 x Utilities
- 1 Executive Vehicle

Kalbarri Airport Resealing



Kalbarri Airport Line Marking



Northampton Recreation Ground Public Ablutions



Grey Street Resurfacing - Kalbarri



STRATEGIC COMMUNITY PLAN AND CORPORATE BUSINESS PLAN REPORTING REQUIREMENTS

REPORT ON THE SHIRE OF NORTHAMPTON STRATEGIC COMMUNITY PLAN AND CORPORATE BUSINESS PLAN – LOCAL GOVERNMENT ACT 1995 - SECTION 5.53(2)(E)

In accordance with legislation the Shire completed the process of full review of its Integrated Planning & Reporting (IPR) documents in 2022/23 to complement the Plan for the Future requirements of the *Local Government Act, 1995*, (Section 5.53(2)(e)) and associated legislation. The Long Term Financial Plan forms part of the adopted Corporate Business Plan. This plan and supporting documents outline the long term direction of the Council.

The Corporate Business Plan is made up of a number of informing strategies for a four year period with Asset Management Plans for a period of ten years and is the basis of formulating future budgets.

- The plan identifies and prioritises the principal strategies and activities Council will undertake in response to the aspirations and objectives stated in the Strategic Community Plan.
- The plan states the services, operations and projects that Council will endeavor to deliver over the period of the plan, method for delivering these and the associated cost.
- The plan references resourcing considerations such as asset management plans, finances and workforce plans.
- The plan is reviewed annually.

The Corporate Business Plan also has the following supporting documents:

Asset Management Plans (AMP) – AMP's have been developed for buildings, recreation infrastructure, transportation infrastructure and plant /equipment, footpaths and other community amenities.

Workforce Plan (WFP) – This plan has been developed and there are no foreseeable major changes to staffing levels.

The Corporate Business Plan will link all of the informing strategies relating to the next 4 years and provides details on how Council will deliver and resource the projects set out.

The operations of the Strategic Community Plan and Corporate Business Plan are to be reported on. Reporting required is to include an overview, what major initiatives are to continue into the next financial year, any modifications made to the Strategic Community Plan and any significant modifications made to the Corporate Business Plan.

A review of the Plans was undertaken by Council on the 16 June 2023 meeting and the following changes were made:

Buildings Renewal and New

- Deferred consideration to construct the Kalbarri Multi-Purpose Evacuation Centre building
- Deferred consideration to replacement PCYC Hall destroyed by cyclone Seroja in Kalbarri

Roadworks

2023/2024

- Land Back Wharf- Seal unsealed parking and access road areas
- Jakes Beach – Seal access road & car park
- Back Beach - Seal access road & car park
- Porter Street - Skate Park Car Park

2024/2025

- Siphons Beach - Access road & car park
- Essex Street - Car parking on north of Hampton

Footpaths

All projects listed in the 2023/24 budget were carryover projects from the 2022/2023 budget process.

A major review of the Strategic Community Plan is due in 2024.

MAJOR TRADING AND MAJOR LAND TRANSACTIONS

In accordance with the *Local Government Act 1995* the Shire of Northampton did not undertake any Major Trading or Major Land transactions.

PUBLIC INTEREST DISCLOSURE

In the year under review, Council received no items for the reporting period under the *Public Interest Disclosure Act 2003*.

REGISTER OF COMPLAINTS

In accordance with section 5.121 and of the *Local Government Act 1995* states the following:

5.121. *Register of certain complaints of minor breaches*

- (1) *The complaints officer for each local government is required to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c).*
- (2) *The register of complaints is to include, for each recorded complaint*
 - (a) *the name of the council member about whom the complaint is made;*
 - (b) *the name of the person who makes the complaint;*
 - (c) *a description of the minor breach that the standards panel finds has occurred; and*
 - (d) *details of the action taken under section 5.110(6)(b) or (c).*

Section 5.53 (2) (hb) of the *Local Government, 1995*, stipulates the following details needs to be reported:

Number of complaints recorded in the register	How complaints were dealt with	Other details that the regulations require
0	N/A	Nil

PAYMENTS TO EMPLOYEES (SECTION 5.53(2)(G) LOCAL GOVERNMENT ACT 1995)

In accordance with section 5.53(2)(g) of the *Local Government Act 1995* and Clause 19B of the *Local Government (Administration) Regulations 1996*, employee's payments equal to, or more than \$130,000.00 (cash component) are required to be recognised in the Annual Report.

Range in increments of \$10,000	Number of Employees within each range
\$220,000 - \$230,000	1
\$150,000 - \$160,000	1
\$140,000 - \$150,000	1

For the purpose of reporting in accordance with *Local Government (Administration) Regulations 19B(e)* the remuneration paid to the Chief Executive Officer at the end 2022/2023 was \$221,750.

NATIONAL COMPETITION POLICY

In accordance with the National Competition Policy - Clause 7 Statement the following relevant details are reported.

Principle CN.10

Details of the application and implementation of competitive neutrality principles to the activities and functions of the Shire of Northampton.

None of Council's business activities received in excess of \$200,000 revenue per annum, therefore Council has not applied the competitive neutrality principle to the National Competition Policy during the year under review.

Principle SR.4

The application and implementation of structural reform principles regarding Public Monopolies to the activities and principles of the Shire of Northampton.

Council does not consider any of its activities being monopolistic and will continually review all its activities and functions to ensure the following:

- Efficient and effective utilisation of Council's resources, (ie financial, human, plant and equipment, etc.) to the benefits of its electors.
- Ensure that the social ramification or alteration to any specific activity or function, are clearly identified.

Council does outsource some of its activities and has adopted the concept of resource sharing.

Principle LR.8

The application and implementation of a legislative review of its Local Laws.

A comprehensive review was undertaken in 2016/17 with many obsolete local laws repealed and additional and revised local laws adopted.

DISABILITY SERVICES

In accordance with section 29(2) of the *Disability Service Act 1993*, it is a requirement for the Shire of Northampton to report on outcome-based activities highlighted in the Disability Service Plan (now known as the Disability Access and Inclusion Plan-DAIP) in 2021/22 Management undertook a desktop review with no changes being made or required.

Council aims to progressively improve access to facilities for people with disabilities over time. Significant progress has been made in recent years to improving access, and all new facilities or upgrades to existing facilities have access for those with a disability.

STATE RECORDS ACT 2000 – STANDARD 2/PRINCIPAL 6

In accordance with the requirements of Standard 2, Principal 6 of the *State Records Act 2000*, I hereby report on how the Shire of Northampton employees are complying with the Shire's Records Keeping Plan:

Item 6.1 - Staff Training, Information Sessions, Publications.

Activities to ensure staff awareness and compliance are under process of being implemented in accordance with Council's endorsed Record Keeping Plan and will be an ongoing requirement of the organisation.

In addition, training has been undertaken and continues to be reviewed to ensure Council's electronic filing system and hard copy system is utilised fully and correctly. The electronic system and hard copy filing system work in conjunction with each other ensuring correct record keeping procedures.

Item 6.2 – Performance Indicators in place

The following performance indicators have been developed to measure the efficiency and effectiveness of the Shire of Northampton's record keeping system:-

A register is to be maintained by the Administration staff responsible for filing all records of:-

- Records that cannot be located
- Files that are missing and unable to be located

With the administration centre being relatively small the issue of missing files has not been encountered with the exception of files that were archived some years prior and these too have been very minimal.

Item 6.3 – Agency Evaluation

The Shire of Northampton's record keeping system is fully reviewed annually and will be continually reviewed and improved where possible in order to pursue best practice for the organisation. The current record keeping systems are assessed as being efficient and effective for the requirements of the organisation.

CONCLUSION

I would like to thank Councillors and employees for their effort in 2022/23 particularly whilst managing the recovery arising from Tropical Cyclone Seroja.

Working relationships between Councillors and employees are clearly defined and continue to be productive. It is considered that these relationships remain open at all times to assist the organization to deliver the best results for the community in line with the Strategic Community Plan and Corporate Business Plan.

Whilst the times ahead are expected to be challenging, significant ability exists to grow and sustain the communities of the district and I look forward to working with Council, employees, community, and other stakeholders to deliver expectations and perhaps provide additional leadership insight into opportunities that will undoubtedly arise in the future.

Finally on behalf of the organization I wish to express our thanks to the retired Chief Executive Officer, Mr Garry Keefe who provided many years of dedicated service to the organisation and community.

PART 2

AUDIT REPORT

&

ANNUAL FINANCIAL STATEMENTS

SHIRE OF NORTHAMPTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	39

The Shire of Northampton conducts the operations of a local government with the following community vision:

A proud and unique community recognising the past and creating the future.

Principal place of business:
199 Hampton Road Northampton

**SHIRE OF NORTHAMPTON
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

STATEMENT BY CEO

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

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

Signed on the 7th day of December 2023



Chief Executive Officer

Andrew Campbell
Name of Chief Executive Officer

SHIRE OF NORTHAMPTON
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),24	4,820,333	4,770,499	4,630,284
Grants, subsidies and contributions	2(a)	4,068,237	1,133,783	4,705,484
Fees and charges	2(a)	1,312,661	1,345,971	1,519,592
Interest revenue	2(a)	187,546	40,000	34,748
Other revenue	2(a)	1,753,869	1,468,540	2,798,726
		12,142,646	8,758,793	13,688,834
Expenses				
Employee costs	2(b)	(4,069,191)	(4,033,035)	(3,924,007)
Materials and contracts		(3,706,224)	(2,681,458)	(4,464,345)
Utility charges		(377,999)	(339,634)	(370,343)
Depreciation		(2,560,707)	(2,382,850)	(2,408,508)
Finance costs	2(b)	(64,573)	(53,237)	(58,613)
Insurance		(223,935)	(227,456)	(201,345)
Other expenditure	2(b)	(629,010)	(542,031)	(590,031)
		(11,631,639)	(10,259,701)	(12,017,192)
		511,007	(1,500,908)	1,671,642
Capital grants, subsidies and contributions	2(a)	1,467,803	1,096,786	804,611
Profit on asset disposals		173,241	137,500	14,501
Loss on asset disposals		(1,799)	0	(634,888)
		1,639,245	1,234,286	184,224
Net result for the period		2,150,252	(266,622)	1,855,866
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	43,030,151	0	7,700,841
Total other comprehensive income for the period	16	43,030,151	0	7,700,841
Total comprehensive income for the period		45,180,403	(266,622)	9,556,707

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

**SHIRE OF NORTHAMPTON
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	4,889,424	4,178,912
Trade and other receivables	5	666,933	422,409
Other financial assets	4(a)	16,353	35,627
Inventories	6	13,407	11,568
Assets classified as held for sale	7	180,000	180,000
TOTAL CURRENT ASSETS		5,766,117	4,828,516
NON-CURRENT ASSETS			
Trade and other receivables	5	84,959	95,432
Other financial assets	4(b)	376,315	624,184
Property, plant and equipment	8	36,474,104	36,097,634
Infrastructure	9	142,050,748	97,232,944
TOTAL NON-CURRENT ASSETS		178,986,126	134,050,194
TOTAL ASSETS		184,752,243	138,878,710
CURRENT LIABILITIES			
Trade and other payables	11	1,830,363	717,614
Other liabilities	12	20,000	497,341
Borrowings	13	138,610	202,649
Employee related provisions	14	744,555	732,724
TOTAL CURRENT LIABILITIES		2,733,528	2,150,328
NON-CURRENT LIABILITIES			
Borrowings	13	807,407	1,179,735
Employee related provisions	14	25,367	63,089
Other provisions	15	1,506,164	986,184
TOTAL NON-CURRENT LIABILITIES		2,338,938	2,229,008
TOTAL LIABILITIES		5,072,466	4,379,336
NET ASSETS		179,679,777	134,499,374
EQUITY			
Retained surplus		87,855,087	85,375,453
Reserve accounts	27	653,221	982,603
Revaluation surplus	16	91,171,469	48,141,318
TOTAL EQUITY		179,679,777	134,499,374

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

**SHIRE OF NORTHAMPTON
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		83,662,580	839,610	40,440,477	124,942,667
Comprehensive income for the period					
Net result for the period		1,855,866	0	0	1,855,866
Other comprehensive income for the period	16	0	0	7,700,841	7,700,841
Total comprehensive income for the period		1,855,866	0	7,700,841	9,556,707
Transfers from reserve accounts	27	16,790	(16,790)	0	0
Transfers to reserve accounts	27	(159,783)	159,783	0	0
Balance as at 30 June 2022		85,375,453	982,603	48,141,318	134,499,374
Comprehensive income for the period					
Net result for the period		2,150,252	0	0	2,150,252
Other comprehensive income for the period	16	0	0	43,030,151	43,030,151
Total comprehensive income for the period		2,150,252	0	43,030,151	45,180,403
Transfers from reserve accounts	27	360,335	(360,335)	0	0
Transfers to reserve accounts	27	(30,953)	30,953	0	0
Balance as at 30 June 2023		87,855,087	653,221	91,171,469	179,679,777

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

**SHIRE OF NORTHAMPTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		4,814,636	4,673,185
Grants, subsidies and contributions		3,432,391	5,132,599
Fees and charges		1,312,661	1,519,592
Interest revenue		187,546	34,748
Goods and services tax received/(paid)		(76,644)	17,024
Other revenue		1,753,869	2,812,984
		11,424,459	14,190,132
Payments			
Employee costs		(4,071,168)	(3,902,157)
Materials and contracts		(2,612,433)	(4,312,959)
Utility charges		(377,999)	(370,343)
Finance costs		(64,573)	(58,613)
Insurance paid		(223,935)	(201,345)
Other expenditure		(629,010)	(590,031)
		(7,979,118)	(9,435,448)
Net cash provided by operating activities		3,445,341	4,754,684
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(1,424,738)	(2,228,646)
Payments for construction of infrastructure	9(a)	(3,393,903)	(1,637,436)
Capital grants, subsidies and contributions		1,987,783	804,611
Proceeds from financial assets at amortised cost - self supporting loans		271,188	35,627
Proceeds from financial assets at fair values through profit and loss		(4,045)	(3,997)
Proceeds from sale of property, plant & equipment		265,253	125,795
Net cash used in investing activities		(2,298,462)	(2,904,046)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(436,367)	(196,293)
Net cash used in financing activities		(436,367)	(196,293)
Net increase in cash held		710,512	1,654,345
Cash at beginning of year		4,178,912	2,524,567
Cash and cash equivalents at the end of the year	3	4,889,424	4,178,912

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

**SHIRE OF NORTHAMPTON
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES			
Revenue from operating activities			
General rates	24 4,765,753	4,717,499	4,580,082
Rates excluding general rates	24 54,580	53,000	50,202
Grants, subsidies and contributions	4,068,237	1,133,783	4,705,484
Fees and charges	1,312,661	1,345,971	1,519,592
Interest revenue	187,546	40,000	34,748
Other revenue	1,753,869	1,468,540	2,798,726
Profit on asset disposals	173,241	137,500	14,501
	<u>12,315,887</u>	<u>8,896,293</u>	<u>13,703,335</u>
Expenditure from operating activities			
Employee costs	(4,069,191)	(4,033,035)	(3,924,007)
Materials and contracts	(3,706,224)	(2,681,458)	(4,464,345)
Utility charges	(377,999)	(339,634)	(370,343)
Depreciation	(2,560,707)	(2,382,850)	(2,408,508)
Finance costs	(64,573)	(53,237)	(58,613)
Insurance	(223,935)	(227,456)	(201,345)
Other expenditure	(629,010)	(542,031)	(590,031)
Loss on asset disposals	(1,799)	0	(634,888)
	<u>(11,633,438)</u>	<u>(10,259,701)</u>	<u>(12,652,080)</u>
Non-cash amounts excluded from operating activities	25(a) 2,881,996	2,245,350	3,029,380
Amount attributable to operating activities	<u>3,564,445</u>	<u>881,942</u>	<u>4,080,635</u>
INVESTING ACTIVITIES			
Inflows from investing activities			
Capital grants, subsidies and contributions	1,467,803	1,096,786	804,611
Proceeds from disposal of assets	265,253	244,000	125,795
Proceeds from financial assets at amortised cost - self supporting loans	26(a) 271,188	37,470	35,627
	<u>2,004,244</u>	<u>1,378,256</u>	<u>966,033</u>
Outflows from investing activities			
Purchase of property, plant and equipment	8(a) (1,424,738)	(1,603,020)	(2,228,646)
Purchase and construction of infrastructure	9(a) (3,393,903)	(3,381,244)	(1,637,437)
	<u>(4,818,641)</u>	<u>(4,984,264)</u>	<u>(3,866,083)</u>
Amount attributable to investing activities	<u>(2,814,397)</u>	<u>(3,606,008)</u>	<u>(2,900,050)</u>
FINANCING ACTIVITIES			
Inflows from financing activities			
Proceeds from borrowings	26(a) 0	200,000	0
Transfers from reserve accounts	27 360,335	205,000	16,790
	<u>360,335</u>	<u>405,000</u>	<u>16,790</u>
Outflows from financing activities			
Repayment of borrowings	26(a) (436,367)	(202,648)	(196,293)
Transfers to reserve accounts	27 (30,953)	(490,100)	(159,783)
	<u>(467,320)</u>	<u>(692,748)</u>	<u>(356,076)</u>
Amount attributable to financing activities	<u>(106,985)</u>	<u>(287,748)</u>	<u>(339,286)</u>
MOVEMENT IN SURPLUS OR DEFICIT			
Surplus or deficit at the start of the financial year	25(b) 2,389,563	3,011,814	1,548,264
Amount attributable to operating activities	3,564,445	881,942	4,080,635
Amount attributable to investing activities	(2,814,397)	(3,606,008)	(2,900,050)
Amount attributable to financing activities	(106,985)	(287,748)	(339,286)
Surplus or deficit after imposition of general rates	25(b) <u><u>3,032,626</u></u>	<u><u>0</u></u>	<u><u>2,389,563</u></u>

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

**SHIRE OF NORTHAMPTON
FOR THE YEAR ENDED 30 JUNE 2023
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Trade and Other Payables	22
Note 12	Other Liabilities	23
Note 13	Borrowings	24
Note 14	Employee Related Provisions	25
Note 15	Other Provisions	26
Note 16	Revaluation Surplus	27
Note 17	Restrictions Over Financial Assets	28
Note 18	Undrawn Borrowing Facilities and Credit Standby Arrangements	28
Note 19	Contingent Liabilities	29
Note 20	Capital Commitments	29
Note 21	Related Party Transactions	30
Note 22	Events Occurring After the End of the Reporting Period	32
Note 23	Other Significant Accounting Policies	33
Information required by legislation		
Note 24	Rating Information	34
Note 25	Determination of Surplus or Deficit	35
Note 26	Borrowing and Lease Liabilities	36
Note 27	Reserve accounts	37
Note 28	Bonds and Deposits Held in Trust	38

SHIRE OF NORTHAMPTON NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by Council resolution	None	When rates notice is issued
Rates - specified area rates	Rates charge for specified defined purpose	Over time	Payment dates adopted by Council resolution	None	When rates notice is issued
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - miscellaneous	Lease, Hire, Printing etc	Single point in time	In full in advance or on normal trading terms if credit provided	None	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates		0	4,820,332	1	4,820,333
Grants, subsidies and contributions	4,238,543	0	0	(170,306)	4,068,237
Fees and charges	1,312,661	0	0	0	1,312,661
Interest revenue	0	0	0	187,546	187,546
Other revenue	0	1,753,869	0	0	1,753,869
Capital grants, subsidies and contributions	0	1,317,497	0	150,306	1,467,803
Total	5,551,204	3,071,366	4,820,332	167,547	13,610,449

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	4,630,284	0	4,630,284
Grants, subsidies and contributions	4,705,484	0	0	0	4,705,484
Fees and charges	1,519,592	0	0	0	1,519,592
Interest revenue	0	0	0	34,748	34,748
Other revenue	0	2,798,726	0	0	2,798,726
Capital grants, subsidies and contributions	0	804,611	0	0	804,611
Total	6,225,076	3,603,337	4,630,284	34,748	14,493,445

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Interest revenue		
Interest on reserve account funds	25,953	3,259
Trade and other receivables overdue interest	135,718	23,460
Other interest revenue	25,875	8,029
	187,546	34,748
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$0		
The 2023 original budget estimate in relation to: Charges on instalment plan was \$15,000		

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	38,000	40,800
- Other services – grant acquittals	2,350	3,700
	40,350	44,500
Employee Costs		
Employee benefit costs	4,069,191	3,924,007
	4,069,191	3,924,007
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	64,573	58,613
	64,573	58,613
Other expenditure		
Sundry expenses	629,010	590,031
	629,010	590,031

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

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	4,236,203	3,196,309
Term deposits	653,221	982,603
Total cash and cash equivalents	4,889,424	4,178,912
Held as		
- Unrestricted cash and cash equivalents	4,216,203	2,698,968
- Restricted cash and cash equivalents	17 673,221	1,479,944
	4,889,424	4,178,912

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable

Held as

- Unrestricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit or loss

Financial assets at amortised cost

Self supporting loans receivable

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Units in Local Government House Trust - closing balance

	2023	2022
	\$	\$
Financial assets at amortised cost	16,353	35,627
	16,353	35,627
Other financial assets at amortised cost		
Self supporting loans receivable	25(b) 16,353	35,627
	16,353	35,627
Held as		
- Unrestricted other financial assets at amortised cost	16,353	35,627
	16,353	35,627
Financial assets at amortised cost	294,466	546,380
Financial assets at fair value through profit or loss	81,849	77,804
	376,315	624,184
Financial assets at amortised cost		
Self supporting loans receivable	294,466	546,380
	294,466	546,380
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	77,804	73,807
Movement attributable to fair value increment	4,045	3,997
Units in Local Government House Trust - closing balance	81,849	77,804

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 26(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	170,852	161,477
Trade receivables	328,839	186,022
GST receivable	76,644	0
Other receivables - Rubbish	35,440	22,638
Emergency Services Levy	55,158	52,272
	666,933	422,409
Non-current		
Rates and statutory receivables	84,959	95,432
	84,959	95,432

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Fuel and materials	13,407	11,568
	13,407	11,568
The following movements in inventories occurred during the year:		
Balance at beginning of year	11,568	11,568
Additions to inventory	1,839	
Balance at end of year	13,407	11,568

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

7. ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets held for sale

Land	180,000	180,000
	180,000	180,000

Land classified as held for sale

The Shire has three blocks of land currently being marketed for sale in the Northampton townsite. The three land parcels are comprised of lot 22, 24 and 29 Rake Place.

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

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

Land held for resale

Land held for development and resale 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.

Borrowing 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 onto the buyer at this point.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$
Balance at 1 July 2021	4,128,177	20,260,206	24,388,383	24,388,383	128,336	2,715,258	27,231,977
Additions	0	1,499,018	1,499,018	1,499,018	24,404	705,224	2,228,646
Disposals	0	(35,295)	(35,295)	(35,295)	0	(119,749)	(155,044)
Revaluation increments / (decrements) transferred to revaluation surplus	2,419,873	5,280,969	7,700,842	7,700,842	0	0	7,700,842
Depreciation	0	(394,982)	(394,982)	(394,982)	(28,072)	(485,733)	(908,787)
Balance at 30 June 2022	6,548,050	26,609,916	33,157,966	33,157,966	124,668	2,815,000	36,097,634
Comprises:							
Gross balance amount at 30 June 2022	6,548,050	26,609,916	33,157,966	33,157,966	226,929	5,103,923	38,488,818
Accumulated depreciation at 30 June 2022	0	0	0	0	(102,261)	(2,288,923)	(2,391,184)
Balance at 30 June 2022	6,548,050	26,609,916	33,157,966	33,157,966	124,668	2,815,000	36,097,634
Additions	0	587,811	587,811	587,811	0	836,927	1,424,738
Disposals	0	(1,799)	(1,799)	(1,799)	0	(92,012)	(93,811)
Depreciation	0	(494,857)	(494,857)	(494,857)	(28,123)	(517,920)	(1,040,900)
Transfers	0	86,443	86,443	86,443	0	0	86,443
Balance at 30 June 2023	6,548,050	26,787,514	33,335,564	33,335,564	96,545	3,041,995	36,474,104
Comprises:							
Gross balance amount at 30 June 2023	6,548,050	27,280,170	33,828,220	33,828,220	226,929	5,602,358	39,657,507
Accumulated depreciation at 30 June 2023	0	(492,656)	(492,656)	(492,656)	(130,384)	(2,560,363)	(3,183,403)
Balance at 30 June 2023	6,548,050	26,787,514	33,335,564	33,335,564	96,545	3,041,995	36,474,104

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2/3	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per hectare/ market borrowing rate
Buildings	2/3	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Replacement cost, residual value, short life/long life split, pattern of consumption and consumption score.
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		Not applicable	Cost	Not applicable	Not applicable
Plant and equipment		Not applicable	Cost	Not applicable	Not applicable

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Other infrastructure - Footpaths and Carparks	Other infrastructure - Drainage	Other infrastructure - Parks & Ovals	Other infrastructure - Airport	Other infrastructure - Water & Sewer Reticulation	Other infrastructure - Waste Site Remediation	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	80,588,550	3,422,909	5,492,273	5,345,314	1,824,264	41,130	971,926	97,686,366
Additions	1,149,578	192,528	0	288,714	0	6,617	0	1,637,437
(Disposals)	0	0	0	(591,138)	0	0	0	(591,138)
Depreciation	(1,118,786)	(69,312)	(71,328)	(178,394)	(42,737)	(911)	(18,253)	(1,499,721)
Balance at 30 June 2022	80,619,342	3,546,125	5,420,945	4,864,496	1,781,527	46,836	953,673	97,232,944
Comprises:								
Gross balance at 30 June 2022	84,877,936	3,779,195	5,706,258	5,390,933	1,951,487	49,937	971,926	102,727,672
Accumulated depreciation at 30 June 2022	(4,258,594)	(233,070)	(285,313)	(526,437)	(169,960)	(3,101)	(18,253)	(5,494,728)
Balance at 30 June 2022	80,619,342	3,546,125	5,420,945	4,864,496	1,781,527	46,836	953,673	97,232,944
Additions	2,157,998	12,330	0	37,718	680,345	0	505,512	3,393,903
Revaluation increments / (decrements) transferred to revaluation surplus	37,264,402	2,946,721	(929,299)	3,599,980	152,233	(3,886)	0	43,030,151
Depreciation	(1,155,839)	(71,853)	(71,328)	(158,798)	(42,737)	(999)	(18,253)	(1,519,807)
Transfers	0	0	0	(86,443)	0	0	0	(86,443)
Balance at 30 June 2023	118,885,903	6,433,323	4,420,318	8,256,953	2,571,368	41,951	1,440,932	142,050,748
Comprises:								
Gross balance at 30 June 2023	118,885,903	6,433,323	4,420,318	8,256,953	2,571,368	41,951	1,477,438	142,087,254
Accumulated depreciation at 30 June 2023	0	0	0	0	0	0	(36,506)	(36,506)
Balance at 30 June 2023	118,885,903	6,433,323	4,420,318	8,256,953	2,571,368	41,951	1,440,932	142,050,748

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	All assets inspected with inventory and condition survey results applied to industry replacement costs unit rates.	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Footpaths and Carparks	3	All assets inspected with inventory and condition survey results applied to industry replacement costs unit rates.	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Drainage	3	All assets inspected with inventory and condition survey results applied to industry replacement costs unit rates.	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Parks & Ovals	3	Recurring and non-recurring fair value measurements based on physical inspection of assets capturing asset age, type and condition.	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Airport	3	Recurring and non-recurring fair value measurements based on physical inspection of assets capturing asset age, type and condition.	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Water & Sewer Reticulation	3	Recurring and non-recurring fair value measurements based on physical inspection of assets capturing asset age, type and condition.	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Waste Site Remediation	3	Recurring and non-recurring fair value measurements based on physical inspection of assets capturing asset age, type and condition.	Management Valuation	June 2023	Value reflects the future value of rehabilitation costs to remediate the waste sites.

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

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

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 20 years
Road Formation	Not Depreciated
Road Pavement	40 - 50 years
Bituminous Seal	20 -30 years
Asphalt Seal	20 - 30 Years
Gravel Road Formation	Not Depreciated
Gravel Road Pavement	40 - 50 Years
Gravel Sheet	10 - 20 Years
Infrastructure - footpaths/carparks	20 to 30 years
Infrastructure - drainage	50 to 80 years
Infrastructure - parks and ovals	20 to 75 years
Infrastructure - airport	10 to 50 Years
Other infrastructure - Water & Sewer Reticulation	20 to 75 Years
Other infrastructure - Waste Site Remediation	25 to 50 Years

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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

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

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

Revaluation

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

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

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

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

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

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

Impairment

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 or losses on disposal

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

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

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
Bonds and deposits held
Accrued Expenditure
Accrued Interest on Long term Borrowings

	2023	2022
	\$	\$
	1,439,252	311,772
	97,868	104,663
	111,244	87,330
	149,787	168,160
	26,224	38,343
	5,988	7,346
	1,830,363	717,614

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

Financial liabilities are derecognised where the related profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise payments in respect of the purchase of these goods and services. The amounts are unsecured, paid within 30 days of recognition. The carrying amounts of trade and other payables are occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises income for the prepaid rates that have

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

12. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

Revenue from contracts with customers included as a contract liability at the start of the period

	2023	2022
	\$	\$
	20,000	497,341
	20,000	497,341
	497,341	200,441
	20,000	497,341
	(497,341)	(200,441)
	20,000	497,341

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$20,000 (2022 = \$497,341)

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

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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

13. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank loans		138,610	807,407	946,017	202,649	1,179,735	1,382,384
Total secured borrowings	26(a)	138,610	807,407	946,017	202,649	1,179,735	1,382,384

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Northampton. Other loans relate to transferred receivables. Refer to Note 5.

The Shire of Northampton has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 26(a).

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

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Employment on costs

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Employment on costs

Total non-current employee related provisions

Total employee related provisions

	2023	2022
	\$	\$
Annual leave	226,451	226,001
Long service leave	419,715	409,801
Employment on costs	98,389	96,922
	744,555	732,724
Total current employee related provisions	744,555	732,724
Long service leave	22,252	55,341
Employment on costs	3,115	7,748
	25,367	63,089
Total non-current employee related provisions	25,367	63,089
Total employee related provisions	769,922	795,813

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

Other long-term employee benefits

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

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire 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 FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

15. OTHER PROVISIONS

	Provision for Waste Site Remediation	Total
	\$	\$
Opening balance at 1 July 2022		
Non-current provisions	986,184	986,184
	<u>986,184</u>	<u>986,184</u>
Additional provision	519,980	519,980
Balance at 30 June 2023	<u>1,506,164</u>	<u>1,506,164</u>
Comprises		
Non-current	1,506,164	1,506,164
	<u>1,506,164</u>	<u>1,506,164</u>
Provision for remediation costs are split as follows	2023	2022
	\$	\$
Northampton Landfill Site	398,328	282,093
Kalbarri Landfill Site	734,401	455,406
Port Gregory Landfill Site	181,229	128,428
Binnu Landfill Site	192,205	120,257
	<u>1,506,164</u>	<u>986,184</u>

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Make good provisions

Under the licence for the operation of the Shire's waste landfill site, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Provisions

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

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

SHIRE OF NORTHAMPTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

16. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land & Buildings	18,732,209		18,732,209	11,031,368	7,700,841	18,732,209
Revaluation surplus - Infrastructure - roads	21,121,451	37,264,402	58,385,853	21,121,451		21,121,451
Revaluation surplus - Other infrastructure - Footpaths and Carparks	774,377	2,946,721	3,721,098	774,377		774,377
Revaluation surplus - Other infrastructure - Drainage	5,673,060	(929,299)	4,743,761	5,673,060		5,673,060
Revaluation surplus - Other infrastructure - Parks & Ovals	634,182	3,599,980	4,234,162	634,182		634,182
Revaluation surplus - Other infrastructure - Airport	1,206,039	152,233	1,358,272	1,206,039		1,206,039
Revaluation surplus - Other infrastructure - Water & Sewer Reticulation	0	(3,886)	(3,886)			0
	48,141,318	43,030,151	91,171,469	40,440,477	7,700,841	48,141,318

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

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	673,221	1,479,944
		673,221	1,479,944
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	653,221	982,603
Contract liabilities	12	20,000	497,341
Total restricted financial assets		673,221	1,479,944

**18. UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

Bank overdraft limit		0	0
Bank overdraft at balance date		0	0
Credit card limit		20,000	10,000
Credit card balance at balance date		(3,051)	(5,886)
Total amount of credit unused		16,949	4,114
Loan facilities			
Loan facilities - current		138,610	202,649
Loan facilities - non-current		807,407	1,179,735
Total facilities in use at balance date		946,017	1,382,384

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

19. CONTINGENT LIABILITIES

The Shire of Northampton did not have any contingent liabilities for 2022/2023.

20. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects

Payable:

- not later than one year

	2023	2022
	\$	\$
	39,880	0
	39,880	0
	39,880	0

The Shire has one Capital Commitment of \$39,880 as at 30.June 2023. This commitment is associated with the improvements to the Northampton Community Centre womens changerooms.

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

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	15,000	15,000	14,000
President's meeting attendance fees	7,000	4,750	5,350
President's annual allowance for ICT expenses	500	500	500
President's travel and accommodation expenses	1,099		802
	<u>23,599</u>	<u>20,250</u>	<u>20,652</u>
Deputy President's annual allowance	4,000	4,000	3,500
Deputy President's meeting attendance fees	5,400	3,500	2,250
Deputy President's annual allowance for ICT expenses	500	500	500
Deputy President's travel and accommodation expenses	614		
	<u>10,514</u>	<u>8,000</u>	<u>6,250</u>
All other council member's meeting attendance fees	20,950	21,000	22,250
All other council member's annual allowance for ICT expenses	3,000	3,000	3,500
All other council member's travel and accommodation expenses	3,474		5,329
	<u>27,424</u>	<u>24,000</u>	<u>31,079</u>
21(b)	<u>61,537</u>	<u>52,250</u>	<u>57,981</u>

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	426,986	572,831
Post-employment benefits	61,043	80,494
Employee - other long-term benefits	34,715	18,436
Employee - termination benefits	97,012	0
Council member costs	61,537	57,981
21(a)	<u>681,293</u>	<u>729,742</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

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

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2023 Actual	2022 Actual
	\$	\$
Purchase of goods and services	965	34,281
Amounts outstanding from related parties:		
Loans to key management personnel	0	254,837

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b)

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire of Northampton did not have any subsequent events or events occurring after the end of the reporting period for 2022/2023.

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

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

The Shire 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 Shire are consistent with one or more of the following valuation approaches:

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

24. RATING INFORMATION

(a) General Rates

RATE TYPE			2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
General GRV	Gross rental valuation	0.82000	1,389	18,432,632	1,628,624	0	1,628,624	1,583,482	0	1,583,482	1,574,659
General UV	Unimproved valuation	0.09907	434	298,259,414	2,401,109	0	2,401,109	2,397,997	0	2,397,997	2,339,853
Total general rates			1,823	316,692,046	4,029,733	0	4,029,733	3,981,479	0	3,981,479	3,914,512
Minimum payment		\$									
General GRV	Gross rental valuation	580	1,207	5,325,590	700,060	0	700,060	694,260	0	694,260	636,755
General UV	Unimproved valuation	580	62	1,655,142	35,960	0	35,960	41,760	0	41,760	28,815
Total minimum payments			1,269	6,980,732	736,020	0	736,020	736,020	0	736,020	665,570
Total general rates and minimum payments			3,092	323,672,778	4,765,753	0	4,765,753	4,717,499	0	4,717,499	4,580,082
Specified Area Rates		Rate in \$									
Port Gregory Water Supply		0.040955	55	568,762	23,286	0	23,286	23,000	0	23,000	21,000
Kalbarri Tourism Rate		0.001866	1,759	16,805,309	31,294	0	31,294	30,000	0	30,000	29,202
Total amount raised from rates (excluding general rates)			1,814	17,374,071	54,580	0	54,580	53,000	0	53,000	50,202
Total Rates							4,820,333			4,770,499	4,630,284

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

*Rateable Value at time of raising of rate.

SHIRE OF NORTHAMPTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

25. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals	(173,241)	(137,500)
	Add: Loss on disposal of assets	1,799	0
	Add: Depreciation	2,560,707	2,382,850
10(a)			2,408,508
Non-cash movements in non-current assets and liabilities:			
	Financial assets at amortised cost	0	0
	Pensioner deferred rates	10,473	0
	Assets held for sale	0	0
7			(5,154)
	Employee benefit provisions	(37,722)	0
	Other provisions	519,980	0
			(8,619)
			14,258
	Non-cash amounts excluded from operating activities	2,881,996	2,245,350
			3,029,380
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
	Less: Reserve accounts	(653,221)	(1,267,703)
27			(982,603)
	Less: Financial assets at amortised cost - self supporting loans	(16,353)	(37,470)
4(a)			(35,627)
	Less: Current assets not expected to be received at end of year		
	- Land held for resale	(180,000)	(235,000)
6			(180,000)
	- Other liabilities - Adjustment to current non current liabilities	(33,554)	39,605
	Add: Current liabilities not expected to be cleared at end of year		
	- Current portion of borrowings	138,610	402,648
13			202,649
	- Employee benefit provisions	744,555	718,085
			706,956
	Total adjustments to net current assets	37	(379,835)
			(288,625)
Net current assets used in the Statement of Financial Activity			
	Total current assets	5,766,117	2,164,068
	Less: Total current liabilities	(2,733,528)	(1,784,233)
	Less: Total adjustments to net current assets	37	(379,835)
			(288,625)
	Surplus or deficit after imposition of general rates	3,032,626	0
			2,389,563

SHIRE OF NORTHAMPTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal			Principal at 30 June 2022	Principal			Principal at 1 July 2022	Principal		
		Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22		New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023		New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Housing		153,741	0	(36,586)	117,155	0	(37,792)	79,363	117,155	0	(37,792)	79,363
RSL Hall Development		408,025	0	(47,420)	360,605	0	(48,403)	312,202	360,605	0	(48,402)	312,203
Plant Purchases		90,884	0	(44,538)	46,346	0	(46,346)	0	46,346	0	(46,346)	0
Plant Purchases		308,386	0	(32,122)	276,264	0	(32,638)	243,626	276,264	0	(32,638)	243,626
Plant Purchases		0	0	0	0	0	0	0	0	200,000	0	200,000
Total		961,036	0	(160,666)	800,370	0	(165,179)	635,191	800,370	200,000	(165,178)	835,192
Self Supporting Loans												
Pioneer Lodge		342,903	0	(15,726)	327,177	0	(16,353)	310,824	327,177	0	(16,353)	310,824
Staff Housing		274,738	0	(19,901)	254,837	0	(254,835)	2	254,835	0	(21,117)	233,718
Total Self Supporting Loans		617,641	0	(35,627)	582,014	0	(271,188)	310,826	582,012	0	(37,470)	544,542
Total Borrowings	13	1,578,677	0	(196,293)	1,382,384	0	(436,367)	946,017	1,382,382	200,000	(202,648)	1,379,734

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Staff Housing		154	WATC	3.27%	29/05/25	(4,233)	(4,344)	(5,665)
RSL Hall Development		156	WATC	2.06%	12/06/29	(9,552)	(9,604)	(10,870)
Plant Purchases		153	WATC	4.02%	18/01/23	(762)	(1,606)	(2,976)
Plant Purchases		157	WATC	1.60%	16/04/30	(6,012)	(6,120)	(6,757)
Total						(20,559)	(21,674)	(26,268)
Self Supporting Loans Finance Cost Payments								
Pioneer Lodge		155	WATC	3.95%	16/02/37	(14,740)	(14,983)	(15,489)
Staff Housing		152	NAB	6.73%	Completed	(29,274)	(16,580)	(16,856)
Total Self Supporting Loans Finance Cost Payments						(44,014)	(31,563)	(32,345)
Total Finance Cost Payments						(64,573)	(53,237)	(58,613)

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

27. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	236,560	11,360	(155,335)	92,585	236,560	6,250	0	242,810	230,764	5,796	0	236,560
(b) Roadworks Reserve	29,456	2,530	0	31,986	29,456	500	0	29,956	29,140	316	0	29,456
(c) Kalbarri Airport Reserve	205,535	510	(205,000)	1,045	205,535	100	(205,000)	635	105,473	100,062	0	205,535
(d) Building/Housing Reserve	114,710	2,530	0	117,240	114,710	480,500	0	595,210	131,364	136	(16,790)	114,710
(e) Computer Office Equipment Reserve	33,861	1,275	0	35,136	33,861	250	0	34,111	33,698	163	0	33,861
(f) Land Development Reserve	355,506	12,748	0	368,254	355,506	2,500	0	358,006	309,171	46,335	0	355,506
(g) Specified Area Rate Reserve	6,975	0	0	6,975	6,975	0	0	6,975	0	6,975	0	6,975
	982,603	30,953	(360,335)	653,221	982,603	490,100	(205,000)	1,267,703	839,610	159,783	(16,790)	982,603
	982,603	30,953	(360,335)	653,221	982,603	490,100	(205,000)	1,267,703	839,610	159,783	(16,790)	982,603

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	To be used to fund annual and long service leave requirements
(b) Roadworks Reserve	To be used to fund major reseals of bitumen roads and other major road construction works including footpath construction
(c) Kalbarri Airport Reserve	To be used for the maintenance and construction of the Kalbarri Airport
(d) Building/Housing Reserve	To be used for the construction of new housing and upgrades to buildings under Council control
(e) Computer Office Equipment Reserve	To be used to for the purchase and upgrade of office equipment and computers
(f) Land Development Reserve	To be used for the development of Council land for sale on the open market.
(g) Specified Area Rate Reserve	To be used for Kalbarri Tourism advertising

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

28. BONDS AND DEPOSITS HELD IN TRUST

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Transportable House Bonds	4,500	12,500	0	17,000
Footpath Bonds	28,007	5,000	(10,000)	23,007
Building Levies (BCITF & BRB)	265	42,169	(42,088)	346
Community Bus Bond	5,200	800	(600)	5,400
Unclaimed Monies - Rates	5,179	0	0	5,179
RSL Hall Key Bond	430	230	(230)	430
Special Series Plates	3,520	2,790	(1,800)	4,510
Northampton Child Care Association	23,654	85	0	23,739
Horrocks Memorial Wall	515	1,750	(1,067)	1,198
One Life	940	0	0	940
Rubbish Tip Key Bond	1,800	0	0	1,800
Horrocks - Skate/Pump Park	0	2,000	0	2,000
RSL - Kalbarri Memorial	16,130	15,754	0	31,883
DOT - Department of Transport	0	295,225	(295,225)	0
Cyclone Seroja Donations	47,259	100	(47,359)	0
Rates - Overpaid	30,761	0	0	30,761
Horrocks Lookout	0	7,500	(6,147)	1,353
Miscellaneous Deposits	0	240	0	240
	168,160	386,143	(404,516)	149,787



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Northampton

To the Council of the Shire of Northampton

Opinion

I have audited the financial report of the Shire of Northampton (Shire) which comprises:

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Northampton for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Tim Sanya
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 December 2023