



General Purpose & Special Purpose Financial Statements

For the Year Ended 30 June 2015



DRAFT

Camden Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Camden, the Best of Both Worlds



Camden Council

General Purpose Financial Statements

for the financial year ended 30 June 2015

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Camden Council.
- (ii) Camden Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

- (iii) All figures presented in these financial statements are presented in Australian Currency.
- (iv) These financial statements were authorised for issue by the Council on 27 October 2015. Council has the power to amend and reissue these financial statements.
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Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their Council & Community.

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2015.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting & reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

About the Councillor/Management Statement

The financial statements must be certified by Senior staff as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for & ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income & expenses.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

Primarily records changes in the fair values of Council's Infrastructure, Property, Plant & Equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & "Net Wealth".

4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "Net Wealth".

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance & position, &
2. Their observations on the conduct of the Audit including commentary on the Council's financial performance & financial position.

Who uses the Financial Statements ?

The financial statements are publicly available documents & must be presented at a Council meeting between 7 days & 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

Executive Summary – 2014/15 Annual Financial Statements

Camden continues to be one of the fastest growing areas in New South Wales. This growth places substantial pressure on Council's finances and resources as we plan for an additional 150,000 people by 2036. The cost of planning for growth is an up front cost that is required before additional rate income is realised through growth.

Council works closely with all levels of Government and the community to ensure there is a balance between providing for existing residents and those we welcome to Camden in the future.

The information below provides a snap shot of Council's financial performance over the past 12 months, more detailed information is provided within the Financial Statements.

Financial Performance

The following table highlights the 'financial performance' comparison between 2014/15 and 2013/14:

Income Statement	2014/15 \$'000	2013/14 \$'000
Total Income from Continuing Operations	\$158,657	\$117,695
Total Expenses from Continuing Operations	\$78,459	\$78,283
Surplus Operating Result from Continuing Operations	\$80,198	\$39,412
Grants and Contributions provided for Capital Purposes	\$84,392	\$52,844
Net Operating Result before Grants and Contributions provided for Capital Purposes (deficit)	(\$4,194)	(\$13,432)

Local Government Accounting - Operating Result

It is important to note that the operating result shown in the Income Statement is not Council's budget or cash position. The Income statement complies with the International Financial Reporting Standards and is required to be reported on an accruals basis, and considers non-cash entries and the timing of the receipt or payment of money. Council's budget is done on cash basis. The reported surplus of \$80.20 million (after capital items) does not mean Council has additional funds of \$80.20 million to spend. Alternatively the fact that Council's Income Statement has a reported deficit of \$4.19 million (before capital items) does not mean

Council's budget is over spent or Council's liquidity position is poor.

Council continues to balance its budget annually and its liquidity position is strong as demonstrated by the financial indicators in Note 13 to the Financial Statements.

Operating Result (after capital items)

The 2014/15 Operating Result after accounting for capital income is a surplus of \$80.20 million (\$39.41 million 2013/14). This surplus is primarily due to non-cash contributions made by developers for infrastructure such as roads, drainage and open space. The value of these non-cash dedications for 2014/15 was \$72.3 million (\$36.9 million 2013/14). Accounting standards require the dedication of assets to be brought to account as income which inflates the surplus reported.

The increase in the operating surplus (after capital items) from \$39.41 million in 2013/14 to \$80.20 million in 2014/15 is predominately a result of an increase in non-cash dedications received by Council (as detailed above). In 2013/14 Council was also required to bring to account one-off extraordinary operational expenditure for the upgrade of Springs Road (\$5.1 million) and the establishment of a provision for the repayment of Section 94 contributions (\$1.4 million). As these were one-off entries in 2013/14 this improved the 2014/15 result.

The 2014/15 result has also been improved by an increase in the Financial Assistance Grant paid to Council predominately due to the Federal Governments decision to no longer pay Local Government the grant in advance by up to 50%. As a result this correction meant that no advance payment was received in 2013/14 and the amount paid in 2014/15 brought the amount paid back to the normal distribution amount resulting in the increase. Overall Council has not received less in the payment of this grant only the timing has changed.

Operating Result (before capital items)

Council's operating result before capital items is a deficit of \$4.19 million. This result excludes capital income of \$84.39 million. In comparing this result to the previous year deficit of \$13.43 million the improvement in the operating deficit of \$9.24 million is predominately a result of a decrease in extraordinary operational expenditure (as detailed above) and a change in the timing of payment of the Financial Assistance Grant. Furthermore, recognition of additional income of \$1.65 million for Land Compensation under the Infrastructure Funding Agreement in 2014/15 has improved the result from last year.

Council continues to monitor its operating result and whilst Council's liquidity position is strong, Council recognises that longer term, operating deficits are not sustainable and that sustained reported deficits will ultimately reduce Council's ability to maintain or replace its asset base over time.

Measures that Council has adopted to improve and ensure that its long term financial position remains sustainable include:

✓ **Balanced Budget**

Council annually adopts and maintains a balanced budget position and does not spend beyond its means.

✓ **Loan Reduction Program**

Council has adopted a loan reduction program for recurrent loan borrowings which part funds the road reconstruction program. With no reliance on re-current loan borrowings by 2017/18.

✓ **Long-Term Financial Planning (LTFP)**

Council has a 10 year LTFP which is updated quarterly. The LTFP is critical to Council's planning and monitoring of its immediate and future financial sustainability. It is central to correcting the reported operating deficit in the Income Statement by containing expenditure and allowing natural growth in Council's income base to achieve a balanced or reported operating surplus. It allows Council to make informed decisions about sustainable levels of debt and reserves (liquidity) it also forms part of a suite of resourcing plans that support Council's Integrated Planning and Reporting Package.

✓ **Asset Management Planning**

Sound asset management and the correct allocation of resources are central to Council's sustainability. As part of Council's adopted adaptive organisational framework and Organisational Improvement Plan, an asset management section has been created dedicated to understanding the financing and resourcing needs of our current and future asset base. A review is also underway to consider Council's current depreciation expense. This review may result in a decrease in depreciation expense which will improve Council's Operating result and performance ratio.

✓ **Cash Reserves and Investing in the Future**

Council has established reserves for asset replacement and technology improvements, funds are also being placed in reserve to assist in funding future projects such as the new administration building and town centre upgrade.

✓ **Community Infrastructure Renewal Program**

Council realises that ageing infrastructure will continue to be an issue for the residents of Camden. In 2013 IPART approved a special rate variation for a \$6 million (over 6 years) Community Infrastructure Renewal Program aimed at addressing those assets in poor condition. Council has also taken advantage of successfully accessing low interest loans under the Local Infrastructure Renewal Schemes (LIRS) providing Council with further funding to address our immediate asset management needs.

✓ **Building Partnerships**

Council continues to actively pursue both State and Federal funding opportunities to fund infrastructure and service requirements when made available. Examples

include accessing the low interest rate loans under Local Infrastructure Renewal Schemes.

✓ **Organisational Improvement Plan**

As part of demonstrating Council is "fit for the future" an organisational improvement plan has been implemented that addresses all areas of the organisation both financial and non-financial that will allow Council to demonstrate a modern contemporary organisation that is financially sound and able to service its community now and into the future.

Statement of Financial Position

The net value of assets owned by our community is \$1.019 billion (\$934 million in 2013/14). The majority of this equity relates to the ownership of land and infrastructure assets such as roads, stormwater drainage, footpaths and bridges. Council's equity will continue to grow as more assets are handed over by developers from new land releases.

Council's debt is now \$19.8 million with a net decrease of \$292,000 from 2013/14; Council borrowed an additional \$2.250 million in the 2014/15 year and repaid \$2.542 million. The additional loan of \$2,250 million was borrowed under the Local Infrastructure Renewal Scheme (Round 3) to part fund a \$4.73 million works program. The LIRS is attractive as it provides savings to Council in the form of a 3% loan interest rate subsidy.

Council is committed to building a new administration building to accommodate the workforce that will be required to service its growing community. This project is expected to cost \$35.6 million. It is expected that loan borrowings of up to \$23 million will be required to part fund this project. Council has continued to limit loan borrowings to ensure it has the capacity to fund this major project.

Financial Health Indicators

The financial health indicators for the 2014/15 financial year can be found in Note 13 (financial health) and Special Schedule 7 (asset management health). These sections of the financial statements provide a detailed explanation of each indicator and any unique considerations which need to be taken into account when assessing Council's financial performance. Overall, the indicators provide a positive outlook for Council's continued financial sustainability.

2014/15 & Beyond

Council continues to apply prudent financial practices and policy to ensure the future needs of our community are met. Through long term financial planning, asset management planning, workforce planning, Council will continue to address its infrastructure renewal backlog and provide for the expected growth over the next 20-30 years.

The adoption of an Organisational Improvement Plan and Council's recent submission to IPART all demonstrate and support Council's title of being "fit for the future".

Manager Finance & Corporate Planning
Responsible Accounting Officer

Camden Council

General Purpose Financial Statements for the financial year ended 30 June 2015

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these Financial Statements:

- present fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

We are not aware of any matter that would render the Reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 27 October 2015.

Cr Lara Symkowiak
MAYOR

Cr Theresa Fedeli
COUNCILLOR

Ron Moore
GENERAL MANAGER

Paul Rofe
RESPONSIBLE ACCOUNTING OFFICER

Camden Council

Income Statement

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
Income from Continuing Operations				
Revenue:				
45,094	Rates & Annual Charges	3a	46,113	42,482
12,940	User Charges & Fees	3b	14,851	12,864
1,941	Interest & Investment Revenue	3c	3,219	2,814
1,540	Other Revenues	3d	3,158	1,553
5,889	Grants & Contributions provided for Operating Purposes	3e,f	6,846	5,138
42,813	Grants & Contributions provided for Capital Purposes	3e,f	84,392	52,844
Other Income:				
-	Net Share of interests in Joint Ventures & Associates using the equity method	19	78	-
110,217	Total Income from Continuing Operations		158,657	117,695
Expenses from Continuing Operations				
32,568	Employee Benefits & On-Costs	4a	31,098	28,158
647	Borrowing Costs	4b	1,250	1,250
19,965	Materials & Contracts	4c	22,853	19,913
16,042	Depreciation & Amortisation	4d	16,336	15,732
5,658	Other Expenses	4e	6,352	12,247
-	Net Losses from the Disposal of Assets	5	570	983
74,880	Total Expenses from Continuing Operations		78,459	78,283
35,337	Operating Result from Continuing Operations		80,198	39,412
35,337	Net Operating Result for the Year		80,198	39,412
35,337	Net Operating Result attributable to Council		80,198	39,412
(7,476)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(4,194)	(13,432)

¹ Original Budget as approved by Council - refer Note 16

² Financial Assistance Grants for 13/14 were lower reflecting one off timing differences due to a change in how the grant was paid in prior years - refer Note 3 (e)

Camden Council

Statement of Comprehensive Income for the financial year ended 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
Net Operating Result for the year (as per Income statement)		80,198	39,412
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of Stormwater Drainage	20b (ii)	(4,036)	-
Gain (loss) on revaluation of Roads	20b (ii)	15,082	-
Gain (loss) on revaluation of Bridges	20b (ii)	14,992	-
Gain (loss) on revaluation of Land Under Roads	20b (ii)		2,987
Gain (loss) on revaluation of Foothpaths	20b (ii)	13,116	-
Correction of Error		(33,791)	-
Total Items which will not be reclassified subsequently to the Operating Result		5,363	2,987
Total Other Comprehensive Income for the year		5,363	2,987
Total Comprehensive Income for the Year		85,561	42,399
Total Comprehensive Income attributable to Council		85,561	42,399

Camden Council

Statement of Financial Position as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	7,875	5,428
Investments	6b	43,500	45,150
Receivables	7	5,978	5,215
Inventories	8	442	493
Other	8	431	264
Non-current assets classified as "held for sale"	22	-	2,680
Total Current Assets		58,226	59,230
Non-Current Assets			
Investments	6b	33,200	23,200
Receivables	7	1,545	143
Infrastructure, Property, Plant & Equipment	9	975,297	887,271
Investments accounted for using the equity method	19	78	-
Total Non-Current Assets		1,010,120	910,614
TOTAL ASSETS		1,068,346	969,844
LIABILITIES			
Current Liabilities			
Payables	10	9,988	8,822
Borrowings	10	3,173	2,543
Provisions	10	8,539	7,841
Total Current Liabilities		21,700	19,206
Non-Current Liabilities			
Payables	10	11,746	1,114
Borrowings	10	14,610	14,903
Provisions	10	416	308
Total Non-Current Liabilities		26,772	16,325
TOTAL LIABILITIES		48,472	35,531
Net Assets		1,019,874	934,313
EQUITY			
Retained Earnings	20	649,629	603,222
Revaluation Reserves	20	370,245	331,091
Council Equity Interest		1,019,874	934,313
Total Equity		1,019,874	934,313

Camden Council

Statement of Changes in Equity for the financial year ended 30 June 2015

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2015						
Opening Balance (as per Last Year's Audited Accounts)		603,222	331,091	934,313	-	934,313
Revised Opening Balance (as at 1/7/14)		603,222	331,091	934,313	-	934,313
a. Net Operating Result for the Year		80,198	-	80,198	-	80,198
b. Other Comprehensive Income						
- Revaluations : Asset Revaluation Reserve	20b (ii)	-	39,154	39,154	-	39,154
- Correction of Error	20a	(33,791)	-	(33,791)	-	(33,791)
Other Comprehensive Income		(33,791)	39,154	5,363	-	5,363
Total Comprehensive Income (c&d)		46,407	39,154	85,561	-	85,561
e. Distributions to/(Contributions from) Non-controlling Interests				-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		649,629	370,245	1,019,874	-	1,019,874

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2014						
Opening Balance (as per Last Year's Audited Accounts)		563,810	328,104	891,914	-	891,914
Revised Opening Balance (as at 1/7/13)		563,810	328,104	891,914	-	891,914
a. Net Operating Result for the Year		39,412	-	39,412	-	39,412
b. Other Comprehensive Income						
- Revaluations: Land Under Roads	20b (ii)	-	2,987	2,987	-	2,987
Other Comprehensive Income		-	2,987	2,987	-	2,987
Total Comprehensive Income (c&d)		39,412	2,987	42,399	-	42,399
Equity - Balance at end of the reporting period		603,222	331,091	934,313	-	934,313

Statement of Cash Flows

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
Cash Flows from Operating Activities				
Receipts:				
45,329	Rates & Annual Charges		46,184	43,120
12,940	User Charges & Fees		14,845	12,730
1,722	Investment & Interest Revenue Received		2,958	2,318
9,912	Grants & Contributions		18,620	21,355
-	Bonds, Deposits & Retention amounts received		5,110	2,377
1,214	Other		5,829	4,879
Payments:				
(30,768)	Employee Benefits & On-Costs		(30,509)	(27,564)
(18,706)	Materials & Contracts		(21,902)	(19,542)
(647)	Borrowing Costs		(623)	(585)
-	Bonds, Deposits & Retention amounts refunded		(4,122)	(1,132)
(5,129)	Other		(11,042)	(13,885)
15,867	Net Cash provided (or used in) Operating Activities	11b	25,348	24,071
Cash Flows from Investing Activities				
Receipts:				
35,018	Sale of Investment Securities		77,650	108,350
206	Sale of Infrastructure, Property, Plant & Equipment		104	222
Payments:				
(26,400)	Purchase of Investment Securities		(86,000)	(124,950)
(21,698)	Purchase of Infrastructure, Property, Plant & Equipment		(14,363)	(6,447)
(12,874)	Net Cash provided (or used in) Investing Activities		(22,609)	(22,825)
Cash Flows from Financing Activities				
Receipts:				
2,250	Proceeds from Borrowings & Advances		2,250	4,300
Payments:				
(5,548)	Repayment of Borrowings & Advances		(2,542)	(2,035)
(3,298)	Net Cash Flow provided (used in) Financing Activities		(292)	2,265
(305)	Net Increase/(Decrease) in Cash & Cash Equivalents		2,447	3,511
5,428	plus: Cash & Cash Equivalents - beginning of year	11a	5,428	1,917
5,123	Cash & Cash Equivalents - end of the year	11a	7,875	5,428
Additional Information:				
	plus: Investments on hand - end of year	6b	76,700	68,350
Total Cash, Cash Equivalents & Investments			84,575	73,778

Please refer to Note 11 for additional cash flow information

Camden Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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n/a - not applicable

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Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards (AASBs), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

(a) Basis of preparation

(i) Background

These financial statements are general purpose financial statements which have been prepared in accordance with;

- Australian Accounting Standards and Australian Accounting Interpretations issued by the Australian Accounting Standards Board,
- the Local Government Act (1993) & Regulations, and
- the Local Government Code of Accounting Practice and Financial Reporting.

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

(ii) Compliance with International Financial Reporting Standards (IFRSs)

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) specifically exclude application by Not for Profit entities.

Accordingly, in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

Under the Local Government Act (LGA), Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

(iii) New and amended standards adopted by Council

During the current year, the following relevant accounting standards became mandatory and have been adopted by Council:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosures of Interests in Other Entities

AASB 10 introduced a new definition of control based on the substance of the relationship and required Councils to consider their involvement with other entities regardless of whether there was a financial interest.

AASB 11 classified joint arrangements into either joint ventures (equity accounting) or joint operations (accounting for share of assets and liabilities).

AASB 12 has increased the level of disclosures required where Council has any interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities.

(iv) Early adoption of Accounting Standards

Council has early adopted the relief provision in AASB 13 to reduce the quantitative and sensitivity disclosure in Note 27 for level 3 hierarchy assets.

(v) Basis of Accounting

These financial statements have been prepared under the **historical cost convention** except for:

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of non current assets (eg. Infrastructure, Property, Plant & Equipment and

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Investment Property) that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

(vi) Changes in Accounting Policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated.

(vii) Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. Accordingly this requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Camden Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the estimated fair values of infrastructure, property, plant and equipment.

Critical judgements in applying Council's accounting policies

- (i) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17 of these financial statements

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to it and specific criteria have been met for each of the Council's activities as described below.

Council bases any estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for the impairment on rates receivables has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Revenue from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, (i) it is probable that the economic benefits comprising the contribution will flow to the Council and (ii) the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

3(g). This note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consent Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant and accordingly would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules.

A detailed Note relating to developer contributions can be found at Note 17.

User Charges, Fees and Other Income

User charges, fees and other income (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided as at balance date.

Sale of Infrastructure, Property, Plant and Equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest and Rents

Rental income is accounted for on a straight-line basis over the lease term. Interest Income from Cash & Investments is accounted for using the

effective interest rate at the date that interest is earned.

Dividend Income

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income

Other income is recorded when the payment is due, the value of the payment is notified or the payment is received, whichever occurs first.

(c) Principles of Consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30 June 2015) and (ii) all the related operating results (for the financial year ended the 30 June 2015).

Detailed information relating to the entities that Council Controls can be found at Note 19 (a).

(i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The Consolidated Fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following entities have been included as part of the Consolidated Fund:

- Camden Bicentennial Equestrian Park Committee
- Camden Town Farm Committee
- Camden Seniors Programs Committee
- Camden International Friendship Association

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of or in accordance with, the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these statements. Trust monies and property held by Council, but not subject to the control of Council, have been excluded from these statements.

A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

(iii) Joint Ventures

It should be noted that Council is a Shareholder in the Southern Phone Company for two shares at \$1.00 each being one A class share and one in the B to ZZ class.

Also, Camden Council from 1 July 2014 became a member of the Westpool and United Independent Group

Joint Ventures represent operational arrangements where the parties joint control parties have rights to the net assets of the arrangement.

Any interests in Joint Ventures are accounted for using the equity method and are carried at cost.

Under the equity method, Council's share of the operation's profits/(losses) are recognised in the income statement, and its share of movements in retained earnings & reserves are recognised in the balance sheet.

Detailed information relating to Council's Joint Ventures can be found at Note 19 (b).

(iv) Associates

Camden Council does not currently have any associated entities, i.e. entities where Council has the power to participate in the financial and operating decisions of the entity.

(v) County Councils

Council is not a member of any County Councils.

(d) Leases

Finance Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership, are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge. The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of each leased asset's useful life and the lease term.

Council currently holds no finance lease.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(e) Cash and Cash Equivalents

For Statement of Cash Flows (and Statement of Financial Position) presentation purposes, cash and cash equivalents includes;

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

- cash on hand,
- deposits held **at call** with financial institutions,
- 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, and
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(f) Investments and Other Financial Assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss,**
- **loans and receivables,**
- **held-to-maturity investments,** and
- **available-for-sale financial assets.**

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are "held for trading".

A financial asset is classified in the "held for trading" category if it is acquired principally for the purpose of selling in the short term.

Assets in this category are primarily classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the "Loans & Receivables" classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Financial Assets – Reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Council may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

General Accounting & Measurement of Financial Instruments:

Initial Recognition

Investments are initially recognised (and measured) at fair value, plus, in the case of investments not at "fair value through profit or loss", directly attributable transactions costs

Purchases and sales of investments are recognised on trade-date - the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as "**fair value through profit or loss**" category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as "**available-for-sale**", are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as "**available-for-sale**" are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

Assets Carried at Amortised Cost

If there is evidence of impairment for any of Council's financial assets carried at amortised cost (eg. loans and receivables), the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Investment Policy

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the Policy, and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order.

Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives, exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. Certain investments that Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

(g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment (ie. an allowance account) relating to receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognised in the Income Statement within other expenses.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

Raw materials and stores, work in progress and finished goods in respect of business undertakings are all stated at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average costs. 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.

Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential.

Land Held for Resale/Capitalisation of Borrowing Costs

Land held for resale is stated at the lower of cost and net realisable value.

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(j) Infrastructure, Property, Plant and Equipment (I,PP&E)

Acquisition of assets

Council's non current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Office of Local Government.

At balance date, the following classes of I,PP&E were stated at their Fair Value;

- **Operational land** (External Valuation)
- **Buildings – Specialised/Non Specialised** (External Valuation)
- **Plant and equipment** (as approximated by depreciated historical cost)
- **Roads assets - roads, bridges and footpaths** (Internal Valuation)
- **Drainage assets** (Internal Valuation)
- **Bulk earthworks** (Internal Valuation)
- **Community land** (Internal Valuation – Valuer General)
- **Land improvements** (External and Internal Valuation)
- **Other structures** (External and Internal Valuation)
- **Other assets** (External and Internal Valuation)

Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (ie. date of exchange) of the asset to arrive at fair value.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Asset Revaluations (including Indexation)

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

- Increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following;

Land	
- Council land	100% Capitalised
- open space	100% Capitalised
- land under roads	100% Capitalised

Plant & Equipment	
Office Furniture	> \$2,000
Office Equipment	> \$2,000
Other Plant & Equipment	> \$2,000

Buildings & Land Improvements	
Park Furniture & Equipment	100% Capitalised
Building	
- construction/extensions	100% Capitalised
- renovations	100% Capitalised
Other Structures	100% Capitalised

Stormwater Assets	
Drains & Culverts	100% Capitalised
Other	100% Capitalised

Transport Assets	
Road construction & reconstruction	100% Capitalised
Reseal/Re-sheet & major repairs	100% Capitalised
Bridge construction & reconstruction	100% Capitalised

Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life. Land is not depreciated.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Estimated useful lives for Council's I,PP&E include:

Plant & Equipment	
- Office Equipment	5 years
- Office furniture	7 years
- Vehicles	5 to 7 years
- Heavy Plant/Road Making equip.	5 to 7 years
- Other plant and equipment	5 to 7 years
Other Equipment / Assets	
- Playground equipment	10 years
- Benches, seats etc	10 years
- Library Books	10 years
Buildings	
- Structure	40-50 years
- Roof Membrane & Air Conditioning	20 years
- Lift & Escalators	25 years
- Fire Services	30 years
- Floor Coverings	10 years
Stormwater Drainage	
- Drains	100 years
- Culverts	70 years
- Flood Control Structures	10 to 100 years
Transportation Assets	
- Sealed Roads: Surface	25 years
- Sealed Roads: Structure	85 years
- Bridge: Concrete	100 years
- Footpaths	55 year
Other Infrastructure Assets	
- Bulk earthworks	Infinite

All asset residual values and useful lives are reviewed and adjusted (if appropriate), at each reporting date.

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.

Gain and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

(k) Land

Land (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) classified as either Operational or Community.

This classification of Land is disclosed in Note 9(a).

(l) Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council elected not to recognise land under roads acquired before 1 July 2008 in accordance with the AASB 1051.

Although Land Under Roads acquired after 1 July 2008 should be recognised in accordance with AASB 116- Property, Plant and Equipment the industry was yet to determine a methodology for the valuation of Land Under Roads.

Council therefore initially recognised all land under roads in 2011. In accordance with AASB 116, as Council already owned the land under roads, the initial movements in valuation were recorded in the Asset Revaluation Reserve.

Land under roads dedicated to Council in the 2015 financial year has been recognised as additional assets, with the value being calculated according to the revised municipal rate.

(m) Intangible Assets

Council has not classified any assets as Intangible.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(n) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council.

While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Representations are currently being sought across State and Local Government to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

(o) Rural Fire Service assets

Under section 119 of the Rural Fires Act 1997, *"all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed"*.

At present, the accounting for such fire fighting equipment is not treated in a consistent manner across all Councils.

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to incorporate the assets, their values and depreciation charges within these financial.

(p) Investment property

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Council does not own any investment properties.

(q) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment - unless the assets are to be traded in after 30 June 2015 and the replacement assets were already purchased and accounted for as at 30 June 2015.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of Council that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

(r) Impairment of assets

All Council's I,PP&E is subject to an annual assessment of impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where an asset is not held principally for cash generating purposes (for example Infrastructure Assets) and would be replaced if the Council was deprived of it then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

Non-financial assets (other than goodwill) that suffered a prior period impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

(s) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer

settlement of the liability for at least 12 months after the balance sheet date.

In April 2010, Council secured an \$11.8 million interest free loan from the NSW Local Infrastructure Fund. In accordance with AASB 139 Financial Instruments: Recognition and Measurement, this loan has been recognised at fair value. Council indebtedness equates to \$19.773M as shown in Special Schedule 2 of the financial reports.

(u) Borrowing costs

Borrowing costs are expensed except to the extent that they are incurred during the construction of qualifying assets.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

(v) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

- Council has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(w) Employee benefits

(i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be wholly settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

All other short-term employee benefit obligations are presented as payables.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

(ii) Other Long Term Obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be wholly settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death.

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B"

This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

The last valuation of the Scheme was performed by Mr Martin Stevenson (BSc, FIA, FIAA) on 20 February 2013 and covers the period ended 30 June 2015.

Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2015 was \$646,206.

The amount of additional contributions included in the total employer contribution advised above is \$261,779.

Council has been advised that an additional contribution of \$261,779 will be required in 2015/16 financial year. However, the Trustee is considering extending this period to ensure that there is a sufficient contingency against weaker investment returns.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in these financial statements.

Council has, however, disclosed a contingent liability in Note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Defined Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Employee Benefit On-Costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30 June 2015.

(x) Self insurance

Council has determined to self-insure for various risks including public liability and professional indemnity.

On 1 July 2014, Camden Council became a member of Westpool and United Independent Pools. Westpool is a co-operative Local Government self – insurance scheme. Westpool was established to help stabilise insurance premiums costs and achieve significant cost savings and long term benefits for member Councils through effective risk management.

(y) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(z) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

Goods & Services Tax (GST)

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

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows, which are recoverable from or payable to the ATO, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO....

(aa) New accounting standards and interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

Council has not adopted any of these standards early. Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government:

AASB 9 - Financial Instruments (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- fair value and
- amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

AASB 15 - Revenue from contracts with customers and associated amending standards

AASB 15 will introduce a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

AASB 124 - Related Party Disclosures

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

AASB 2014 - 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

This standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate or joint venture.

AASB 2014 - 3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of

interests in joint operations in which the activity constitutes a business.

The amendments require:

- (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and
- (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This Standard also makes an editorial correction to AASB 11.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

(ab) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(ac) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(ad) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Camden Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 2(a). Council Functions / Activities - Financial Information

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 2(b).

Functions/Activities	Income from Continuing Operations						Expenses from Continuing Operations						Operating Result from Continuing Operations				Grants included in Income from Continuing Operations				Total Assets held (Current & Non-current)	
	Original Budget		Actual		Actual		Original Budget		Actual		Actual		Original Budget		Actual		Actual		Actual		Actual	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2014	
Managing Camden's Growth	10,603	8,708	42,617	5,908	8,361	5,426	6,313	2,242	3,282	2,242	3,282	(405)	-	-	-	36,063	11,218					
Urban and Natural Environments	37,922	42,617	25,294	25,294	21,235	20,589	18,620	16,687	22,028	16,687	22,028	6,674	442	371	442	229,563	212,909					
Prosperous Economy	9	36	87	87	541	488	590	(532)	(452)	(532)	(452)	(503)	-	-	-	282	448					
Sustainable Transport	10,869	51,463	37,124	37,124	17,104	19,553	23,980	(6,235)	31,910	(6,235)	31,910	13,144	559	665	559	489,388	426,823					
Enriched and Connected Community	7,364	8,086	7,133	7,133	11,277	14,588	13,254	(3,913)	(6,502)	(3,913)	(6,502)	(6,121)	1,675	1,675	1,666	285,749	288,940					
Strong Local Leadership (Governance)	3,150	4,529	3,568	3,568	16,362	17,815	15,526	(13,212)	(13,286)	(13,212)	(13,286)	(11,958)	180	180	879	27,223	29,506					
Total Functions & Activities	69,917	115,439	79,114	79,114	74,880	78,459	78,283	(4,963)	36,980	(4,963)	36,980	831	2,891	2,891	3,546	1,068,268	969,844					
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	78	-	-	-	-	-	-	78	-	78	-	-	-	-	-	78	-	-	-	-	
General Purpose Income ¹	40,300	43,140	38,581	38,581	-	-	-	40,300	43,140	40,300	43,140	38,581	3,492	3,492	1,996	-	-	-	-	-	-	
Operating Result from Continuing Operations	110,217	158,657	117,695	117,695	74,880	78,459	78,283	35,337	80,198	35,337	80,198	39,412	6,383	6,383	5,542	1,068,346	969,844					

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), United General Purpose Grants & Unrestricted Interest & Investment Income.

Camden Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 2(b). Council Functions / Activities - Component Descriptions

Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:

ACTIVELY MANAGING CAMDEN'S GROWTH

Managing growth determined under the State Government's Metropolitan Strategy while retaining Camden's rural setting, country town feel and the lifestyle of the community.

Costs relating to the delivery of this strategic outcome include: Development Control, Heritage Protection and Urban and Rural Planning.

HEALTHY URBAN AND NATURAL ENVIRONMENTS

A Camden in which its unique natural systems have been protected and enhanced and are enjoyed and valued by the community.

Costs relating to the delivery of this strategic outcome include: Regulating the Use of Public Areas, Public Health, Protecting Natural Environment, Parks and Playgrounds, Environmental Activities, Enforcement of Legislation and Policies and Appearance of Public Areas.

A PROSPEROUS ECONOMY

A Camden which is characterised by vibrant town and commercial centres, thriving local businesses, stable and diverse employment opportunities, skilled local residents and a thriving tourist/visitor market.

Costs relating to the delivery of this strategic outcome include: Economic development, tourism and the management of significant places.

EFFECTIVE AND SUSTAINABLE TRANSPORT

A Camden that provides an affordable, convenient and integrated public transport system for equitable access to services, facilities and places for all members of the community.

Costs relating to the delivery of this strategic outcome include: Transport Options, Road Safety, Local Traffic Management, Construction and Maintenance of Local Roads, Footpath and Kerbing.

AN ENRICHED AND CONNECTED COMMUNITY

A Camden which has achieved a broad range of opportunities for a prosperous and complete lifestyle.

Costs relating to the delivery of this strategic outcome include: Recreational Services and Facilities, Community and Cultural Development & Planning, Community Support Facilities and Services, Community Safety, Community Events and Library Services.

STRONG LOCAL LEADERSHIP (GOVERNANCE)

A Camden which has strong leadership who are responsible to the community and who are working together to achieve the community's vision for the future.

Costs relating to the delivery of this strategic outcome include: Strong Local Democracy, Stewardship of Community Resources, Community Engagement, Community Information, Management of Emergency Events, and Support Services.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		29,901	26,879
Farmland		730	664
Business		7,220	7,383
Total Ordinary Rates		37,851	34,926
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		7,814	7,141
Section 611 Charges		37	31
Stormwater Management Levy		411	384
Total Annual Charges		8,262	7,556
TOTAL RATES & ANNUAL CHARGES		46,113	42,482

Council has used 2013 year valuations provided by the NSW Valuer General in calculating its rates.

Camden Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Commercial Waste Management		686	414
Domestic Waste Management Services (additional services)		22	25
On Site Sewerage Annual Charges		165	158
On Site Sewerage Inspection		32	28
Total User Charges		905	625
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Building Services - Other		2,850	2,366
Private Works - Section 67		32	43
Section 149 Certificates (EPA Act)		381	314
Section 603 Certificates		238	215
Town Planning		3,916	3,065
Total Fees & Charges - Statutory/Regulatory		7,417	6,003
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Cemeteries		222	161
Child Care (Family Day Care Services)		247	234
Leaseback Fees - Council Vehicles		699	565
Library Services		61	56
Parks & Leisure Centres		4,203	4,145
Public Halls		1,021	1,044
Other		76	31
Total Fees & Charges - Other		6,529	6,236
TOTAL USER CHARGES & FEES		14,851	12,864

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		147	158
- Interest earned on Investments (interest & coupon payment income)		3,072	2,656
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>3,219</u>	<u>2,814</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		147	158
General Council Cash & Investments		1,650	1,500
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94 (under plans)		1,351	1,122
- Section 93F (under plans)		67	29
- Section 94 (not under plans)		4	5
<u>Total Interest & Investment Revenue Recognised</u>		<u>3,219</u>	<u>2,814</u>
(d) Other Revenues			
Fines		110	117
Legal Fees Recovery - Rates & Charges (Extra Charges)		87	133
Legal Fees Recovery - Other		94	199
Bushfire Services		91	55
Commissions & Agency Fees		105	199
Contributions to Long Service Leave - Other Councils		332	92
Domestic Waste Management		14	11
Easement Compensation		194	168
Employee Relations		113	35
Land Compensation (IFA Agreement)		1,650	-
Rental Income - Council Properties		21	26
Risk Mgmt Performance Incentive Rebates		60	133
Sales - General		19	40
State Road Grass Cutting & Rubbish Collection		-	153
Other		268	192
<u>TOTAL OTHER REVENUE</u>		<u>3,158</u>	<u>1,553</u>

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	2,082	1,126	-	-
Financial Assistance - Local Roads Component	1,023	512	-	-
Pensioners' Rates Subsidies - General Component	387	358	-	-
Total General Purpose	3,492	1,996	-	-
<small>¹ The Financial Assistance Grant for the comparative 13/14 year reflects a one off timing difference (reduction). This grant ceased being paid in advance in the 13/14 year by up to 50% as had occurred in previous years.</small>				
Specific Purpose				
Better Waste & Recycling Fund	167	186	-	-
Child Care (Family Day Care)	1,334	1,295	-	-
Community Services	151	132	20	-
Employment & Training Programs	-	13	-	-
Energy Efficient Program	-	24	-	-
Environment Education	-	43	-	-
Floodplain Management	54	104	-	-
Library	170	160	-	-
LIRS Subsidy	57	30	-	-
Noxious Weeds	25	27	-	-
Emergency Services	179	170	21	695
Recreational Services	102	-	-	139
Street Lighting	128	128	-	-
Transport (Other Roads & Bridges Funding)	-	-	483	400
Total Specific Purpose	2,367	2,312	524	1,234
Total Grants	5,859	4,308	524	1,234
Grant Revenue is attributable to:				
- Commonwealth Funding	4,460	2,958	200	400
- State Funding	1,399	1,350	324	834
	5,859	4,308	524	1,234

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
- Roadworks	-	-	1,044	2,878
- Roadworks (In kind)	-	-	148	5
- Drainage	-	-	1,330	2,306
- Drainage (In kind)	-	-	-	27
- Traffic Facilities	-	-	9	110
- Parking	-	-	-	198
- Open Space	-	-	3,482	3,346
- Recreational & Open Space (In kind)	-	-	-	953
- Community Facilities	-	-	4,297	3,866
- Other Section 94 Developer Contributions	401	320	17	245
- VPA - Dedicated Roads	-	-	555	115
- VPA - Dedicated Drainage	-	-	402	473
- VPA - Dedicated Open Space	-	-	-	2,240
- VPA - Other Cash Revenue	381	167	338	814
Total Developer Contributions	782	487	11,622	17,576
Other Contributions:				
Dedicated Land Under Roads	-	-	6,245	1,069
Dedicated Subdivision Roads	-	-	41,507	19,806
Dedicated Open Space	-	-	301	1,307
Dedicated Drainage	-	-	23,145	10,987
Planning Studies	128	278	-	-
Roads & Bridges	-	-	-	199
RMS Contributions (Regional Roads, Block Grant)	77	65	1,048	666
Total Other Contributions	205	343	72,246	34,034
Total Contributions	987	830	83,868	51,610
TOTAL GRANTS & CONTRIBUTIONS	6,846	5,138	84,392	52,844

Camden Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2015	Actual 2014
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	34,608	24,448
add: Grants & contributions recognised in the current period but not yet spent:	12,294	15,640
less: Grants & contributions recognised in a previous reporting period now spent:	(5,551)	(5,480)
Net Increase (Decrease) in Restricted Assets during the Period	6,743	10,160
Unexpended and held as Restricted Assets	41,351	34,608
Comprising:		
- Specific Purpose Unexpended Grants	789	307
- Developer Contributions	38,449	32,938
- Other Contributions - S93F Planning Agreements	2,113	1,363
	41,351	34,608

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Employee Benefits & On-Costs			
Salaries and Wages		23,259	20,603
Travelling		1,520	1,510
Employee Leave Entitlements (ELE)		3,133	2,761
Superannuation		2,788	2,425
Workers' Compensation Insurance		704	753
Fringe Benefit Tax (FBT)		174	141
Training Costs (other than Salaries & Wages)		217	220
Other		144	282
Total Employee Costs		31,939	28,695
less: Capitalised Costs		(841)	(537)
<u>TOTAL EMPLOYEE COSTS EXPENSED</u>		<u>31,098</u>	<u>28,158</u>
Number of "Equivalent Full Time" Employees at year end		342.2	320.2
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		621	623
Total Interest Bearing Liability Costs Expensed		621	623
(ii) Other Borrowing Costs			
Amortisation of Discounts and Premiums - Interest Free Loan		629	627
Total Other Borrowing Costs		629	627
<u>TOTAL BORROWING COSTS EXPENSED</u>		<u>1,250</u>	<u>1,250</u>

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Materials & Contracts			
Contractor & Consultancy Costs		518	291
Auditors Remuneration ⁽¹⁾		52	50
Legal Expenses:			
- Legal Expenses: Planning & Development		250	190
- Legal Expenses: Other		661	404
Agency Agreements		47	67
Building Maintenance		946	724
Community Support Programs		2,190	1,815
Companion Animal Control		95	90
Emergency Services		92	67
Environmental Education		28	31
Function Centre Administration		192	163
Information Technology		1,090	778
Infrastructure Maintenance and Repairs		2,896	1,672
Leisure Centre & Pools		4,121	4,086
Noxious Weeds Control		31	28
Office Administration		332	422
Parks & Gardens Maintenance		2,673	2,959
Plant Management		1,585	1,765
Traineeship Program		307	270
Tree Maintenance		379	344
Waste Management		3,659	3,196
Advertising - Recruitment Related		194	73
Other		515	428
TOTAL MATERIALS & CONTRACTS		22,853	19,913

1. Auditor Remuneration

During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):

Audit and Other Assurance Services

- Audit & review of financial statements: Council's Auditor	52	50
Remuneration for audit and other assurance services	52	50
Total Auditor Remuneration	52	50

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	1,284	1,337
Office Equipment		-	-	340	189
Furniture & Fittings		-	-	38	47
Land Improvements (depreciable)		-	-	249	203
Buildings - Non Specialised		-	-	2,299	2,193
Buildings - Specialised		-	-	53	34
Other Structures		-	-	909	899
Infrastructure:					
- Roads		-	-	7,990	8,253
- Bridges		-	-	485	230
- Footpaths		-	-	552	315
- Stormwater Drainage		-	-	2,369	2,306
Other Assets					
- Library Books		-	-	165	151
- Other		-	-	219	177
Total Depreciation & Impairment Costs		-	-	16,952	16,334
less: Capitalised Costs		-	-	(616)	(602)
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	16,336	15,732

Camden Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		254	223
Bad & Doubtful Debts		295	5
Bank Charges		152	135
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		597	713
Contribution Towards Upgrade of Utilities - Springs Rd		-	5,113
Emergency Services		54	54
Councillor Expenses - Mayoral Fee		34	34
Councillor Expenses - Councillors' Fees		140	140
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		51	43
Development Operating Expenses		84	29
Donations, Contributions & Assistance to other organisations (Section 356)		214	211
Electricity & Heating		419	456
Information Technology Expenses		206	146
Insurance		614	716
Postage		134	78
Printing & Stationery		172	86
Rates Collection Charges		172	194
Section 94 Contribution Refund Provision		-	1,392
Street Lighting		1,777	1,591
Telephone & Communications		366	299
Water Charges		243	232
Other		374	357
Total Other Expenses		6,352	12,247
TOTAL OTHER EXPENSES		6,352	12,247

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2015	Actual 2014
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		104	222
less: Carrying Amount of P&E Assets Sold		(15)	(63)
Net Gain/(Loss) on Disposal		89	159
Infrastructure			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Written Off		(614)	(1,104)
Net Gain/(Loss) on Disposal		(614)	(1,104)
Other Structures			
Proceeds from Disposal - Other Structures		-	-
less: Carrying Amount of Other Structures Written Off		(45)	(38)
Net Gain/(Loss) on Disposal		(45)	(38)
Financial Assets			
Proceeds from Disposal - Financial Assets		77,650	108,350
less: Carrying Amount of Financial Assets Sold		(77,650)	(108,350)
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(570)	(983)

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 6a. - Cash Assets and Note 6b. - Investments

\$ '000	Notes	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		525	-	448	-
Cash-Equivalent Assets ¹					
- Deposits at Call		7,350	-	4,980	-
Total Cash & Cash Equivalents		7,875	-	5,428	-
Investments (Note 6b)					
- Term Deposits		43,500	33,200	45,150	23,200
Total Investments		43,500	33,200	45,150	23,200
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		51,375	33,200	50,578	23,200

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"		7,875	-	5,428	-
--	--	--------------	----------	--------------	----------

Investments

a. "Held to Maturity"	6(b-i)	43,500	33,200	45,150	23,200
Investments		43,500	33,200	45,150	23,200

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of investments held.

Note 6(b-i)

Reconciliation of Investments classified as "Held to Maturity"

Balance at the Beginning of the Year		45,150	23,200	46,550	5,200
Additions		73,500	12,500	106,950	18,000
Disposals (sales & redemptions)		(75,150)	(2,500)	(108,350)	-
Balance at End of Year		43,500	33,200	45,150	23,200
Comprising:					
-Term Deposits		43,500	33,200	45,150	23,200
Total		43,500	33,200	45,150	23,200

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2015	2015	2014	2014
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	51,375	33,200	50,578	23,200
attributable to:				
External Restrictions (refer below)	16,989	33,200	19,575	23,200
Internal Restrictions (refer below)	30,723	-	29,375	-
Unrestricted	3,663	-	1,628	-
	51,375	33,200	50,578	23,200

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans (A)	3,110	122	(43)	3,189
Section 94- Works in Kinds (Refundable) (B)	1,887	95	(1,696)	286
External Restrictions - Included in Liabilities	4,997	217	(1,739)	3,475

External Restrictions - Other

Developer Contributions - General (C)	32,403	14,053	(6,202)	40,254
Specific Purpose Unexpended Grants (D)	307	598	(116)	789
Domestic Waste Management (E)	4,407	1,708	(961)	5,154
Stormwater Management (E)	438	428	(526)	340
Other	223	34	(80)	177
External Restrictions - Other	37,778	16,821	(7,885)	46,714
Total External Restrictions	42,775	17,038	(9,624)	50,189

- A Loan moneys which must be applied for the purposes for which the loans were raised.
- B Section 94 Developer Contribution to be refunded within the next 12 months by resolution of Council (refer note 10a).
- C Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- D Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- E Stormwater Management, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

Camden Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details (continued)

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	1,911	665	(297)	2,279
Employees Leave Entitlement	1,479	1,026	(637)	1,868
Deposits, Retentions & Bonds	5,321	1,166	(194)	6,293
Asset Renewal Reserve	323	383	(44)	662
Camden Parking Reserve	121	-	-	121
Camden Town Centre Reserve	1,100	145	(100)	1,145
Capital Works Reserve	1,799	-	(878)	921
Cemetery Improvements	629	161	(57)	733
Central Administration Building Reserve	4,851	2,266	(2,807)	4,310
Community Infrastructure Program (2014-19)	2,967	2,686	(2,918)	2,735
Commercial Waste Services	1,259	121	(190)	1,190
DOP Loan Repayment Reserve	3,156	-	(1,000)	2,156
Expenditure Revotes Reserve	2,333	2,427	(1,086)	3,674
Engineering Services Deposits	172	15	-	187
Elections Reserve	74	74	-	148
Family Day Care Trust	77	5	-	82
General Fund Stormwater Reserve	664	-	(23)	641
Information Technology Reserve	402	198	(35)	565
Public Appeals Reserve	36	-	-	36
Risk Management Reserve	243	-	-	243
Sec 355 Committee Reserve	370	65	-	435
Water Savings Action Plan Reserve	71	21	(4)	88
Working Funds Reserve	17	1,281	(1,108)	190
Other	-	50	(29)	21
Total Internal Restrictions	29,375	12,755	(11,407)	30,723
TOTAL RESTRICTIONS	72,150	29,793	(21,031)	80,912

Camden Council
Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		1,377	267	1,573	142
Interest & Extra Charges		227	88	172	-
Restoration & Private Works		4	-	14	-
Accrued Revenues					
- Interest on Investments		1,131	-	1,013	-
Commercial Waste		12	-	9	1
Community & Recreational Facilities		133	-	297	-
Employee Accounts		9	-	17	-
Gas Main Rating Charge		37	-	32	-
Government Grants & Subsidies		1,060	-	745	-
Health & Environment Inspections		40	-	42	-
Legal Cost Recovery		284	-	251	-
Leisure Centre Contracts		374	-	231	-
Net GST Receivable		472	-	348	-
Service Utilities - Cost Reimbursement		54	-	226	-
Section 94 Contributions		22	-	11	-
Workers Compensation		-	-	108	-
Land Compensation Urban Growth		625	1,190	-	-
Easement Compensation		155	-	-	-
Other Debtors		308	-	177	-
Total		6,324	1,545	5,266	143
less: Provision for Impairment					
Other Debtors		(346)	-	(51)	-
Total Provision for Impairment - Receivables		(346)	-	(51)	-
TOTAL NET RECEIVABLES		5,978	1,545	5,215	143
Externally Restricted Receivables					
Domestic Waste Management		347	63	316	78
Stormwater Management		16	1	15	3
Section 94 Contributions		22	-	11	-
Total External Restrictions		385	64	342	81
Internally Restricted Receivables					
Commercial Waste Reserve		12	-	9	1
Working Funds Reserve		1,000	-	3,848	-
Capital Works Reserve		2,000	-	-	-
Asset Renewal Reserve		904	-	-	-
Internally Restricted Receivables		3,916	-	3,857	1
Unrestricted Receivables		1,677	1,481	1,016	61
TOTAL NET RECEIVABLES		5,978	1,545	5,215	143

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 8.50% (2014 = 9.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 8. Inventories & Other Assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Inventories					
Stores & Materials		396	-	460	-
Trading Stock		46	-	33	-
Total Inventories		442	-	493	-
Other Assets					
Prepayments		356	-	242	-
Information Technology Holding Account		75	-	22	-
Total Other Assets		431	-	264	-
TOTAL INVENTORIES / OTHER ASSETS		873	-	757	-
Externally Restricted Assets					
Domestic Waste Management					
Stores & Materials		14	-	13	-
Total Domestic Waste Management		14	-	13	-
Total Externally Restricted Assets		14	-	13	-
Total Unrestricted Assets		859	-	744	-
TOTAL INVENTORIES & OTHER ASSETS		873	-	757	-

Camden Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2014				Asset Movements during the Reporting Period							as at 30/6/2015		
	At Cost	At Fair Value	Accumulated Dep'n	Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Adjustments & Transfers	Trfs from/(to) "Held for Sale" category	Revaluation Increments/ Decrements to Equity (ARR)	At Cost	At Fair Value	Accumulated Dep'n	Carrying Value
Capital Work in Progress	11,322	-	-	11,322	7,485	-	-	-	-	-	18,807	-	-	18,807
Plant & Equipment	-	13,411	9,451	3,960	1,085	(15)	(1,284)	-	-	-	-	13,514	10,216	3,298
Office Equipment	-	3,938	3,076	862	645	-	(340)	-	-	-	-	4,584	3,416	1,168
Furniture & Fittings	-	1,375	1,259	116	2	-	(38)	-	-	-	-	1,377	1,298	79
Land:														
- Operational Land	-	85,348	-	85,348	-	-	-	2,680	-	-	-	88,028	-	88,028
- Community Land	-	102,933	-	102,933	-	-	-	-	-	-	-	102,933	-	102,933
- Land under Roads (post 30/6/08)	-	41,507	-	41,507	6,246	-	-	-	-	-	-	47,752	-	47,752
Land Improvements - depreciable	-	42,463	6,087	36,376	363	(66)	(249)	-	-	-	-	42,702	6,280	36,422
Buildings - Non Specialised	-	83,362	38,415	44,947	451	-	(2,299)	22	-	-	-	83,834	40,715	43,119
Buildings - Specialised	-	2,101	1,056	1,045	21	-	(53)	(22)	-	-	-	2,101	1,109	992
Other Structures	-	2,731	2,408	323	1,499	(45)	(909)	-	-	-	-	4,123	3,255	868
Infrastructure:														
- Roads	-	405,195	80,544	324,651	42,350	(509)	(7,990)	(18,866)	-	15,082	-	465,763	111,045	354,718
- Bridges	-	16,965	4,716	12,249	1,453	-	(485)	(2,312)	-	14,992	-	36,133	10,235	25,898
- Footpaths	-	15,847	4,211	11,636	1,888	-	(552)	(575)	-	13,116	-	35,002	9,489	25,513
- Bulk Earthworks (non-depreciable)	-	15,952	-	15,952	-	-	-	-	-	-	-	15,952	-	15,952
- Stormwater Drainage	-	221,381	33,306	188,075	23,765	(39)	(2,369)	(1,711)	-	(4,036)	-	236,349	32,664	203,685
- Other Open Space/Recreational Assets	-	8,156	3,818	4,338	-	-	-	-	-	-	-	8,156	3,818	4,338
Other Assets:														
- Library Books	-	3,088	2,158	930	177	-	(165)	-	-	-	-	3,265	2,323	942
- Other	-	4,461	3,760	701	305	-	(219)	-	-	-	-	4,766	3,981	785
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	11,322	1,070,214	194,265	887,271	87,735	(674)	(16,952)	(23,464)	2,680	39,154	18,807	1,196,334	239,844	975,297

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$2.03M) and New Assets (\$76.01M).
Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).
Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other Infrastructure, Property, Plant & Equipment.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 9b. Externally Restricted Infrastructure, Property, Plant & Equipment

\$ '000 Class of Asset	Actual 2015				Actual 2014			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Domestic Waste Management								
Plant & Equipment	-	8,932	6,494	2,438	-	6,597	4,600	1,997
Land								
- Operational Land	-	1,657		1,657	-	1,657	-	1,657
Buildings	-	1,167	689	478	-	1,179	660	519
Total DWM	-	11,756	7,183	4,573	-	9,433	5,260	4,173
TOTAL RESTRICTED I,PP&E	-	11,756	7,183	4,573	-	9,433	5,260	4,173

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		3,174	-	2,274	-
Payments Received In Advance		176	-	192	-
Accrued Expenses:					
- Borrowings		36	-	38	-
- Salaries & Wages		199	-	416	-
Security Bonds, Deposits & Retentions		6,117	-	5,129	-
Section 94 - Works in Kind Agreements		286	11,746	773	1,114
Total Payables		9,988	11,746	8,822	1,114
Borrowings					
Loans - Secured ¹		3,173	14,610	2,543	14,903
Total Borrowings		3,173	14,610	2,543	14,903
Provisions					
Employee Benefits;					
Annual Leave		2,614	-	2,335	-
Long Service Leave		5,925	416	5,506	308
Total Provisions		8,539	416	7,841	308
Total Payables, Borrowings & Provisions		21,700	26,772	19,206	16,325
(i) Liabilities relating to Restricted Assets					
		2015		2014	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Domestic Waste Management		127	-	130	-
Section 94 -Works in Kind Agreements		286	11,746	773	1,114
Liabilities relating to externally restricted assets		413	11,746	903	1,114
Total Liabilities relating to restricted assets		413	11,746	903	1,114
Total Liabilities relating to Unrestricted Assets		21,287	15,026	18,303	15,211
TOTAL PAYABLES, BORROWINGS & PROVISIONS		21,700	26,772	19,206	16,325

¹ Loans are secured over the General Rating Income of Council

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	Actual 2015	Actual 2014
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(ii) Current Liabilities not anticipated to be settled within the next 12 months

The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Provisions - Employees Benefits	5,869	5,546
Payables - Security Bonds, Deposits & Retentions	5,380	4,766
	<u>11,249</u>	<u>10,312</u>

Note 10b. Description of and movements in Provisions

Class of Provision	2014		2015			Closing Balance as at 30/6/15
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	2,335	1,879	(1,600)	-	-	2,614
Long Service Leave	5,814	1,260	(726)	(7)	-	6,341
TOTAL	8,149	3,139	(2,326)	(7)	-	8,955

Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2015	Actual 2014
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	7,875	5,428
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		7,875	5,428
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		80,198	39,412
Adjust for non cash items:			
Depreciation & Amortisation		16,336	15,732
Net Losses/(Gains) on Disposal of Assets		570	983
Non Cash Capital Grants and Contributions		(72,303)	(36,982)
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest Exp. on Interest Free Loans received by Council (previously Fair Valued)		629	627
Share of Net (Profits) or Losses of Associates/Joint Ventures		(78)	-
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(2,460)	464
Increase/(Decrease) in Provision for Doubtful Debts		295	5
Decrease/(Increase) in Inventories		51	(86)
Decrease/(Increase) in Other Assets		(167)	364
Increase/(Decrease) in Payables		900	457
Increase/(Decrease) in accrued Interest Payable		(2)	36
Increase/(Decrease) in other accrued Expenses Payable		(217)	415
Increase/(Decrease) in Other Liabilities (excluding correction)		790	2,465
Increase/(Decrease) in Employee Leave Entitlements		806	179
NET CASH PROVIDED FROM/(USED IN)		25,348	24,071
OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		25,348	24,071

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Non-Cash Investing & Financing Activities			
S94 Contributions "in kind"		148	985
Other Dedications		72,155	35,997
Total Non-Cash Investing & Financing Activities		72,303	36,982
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		150	150
Credit Cards / Purchase Cards		450	450
Total Financing Arrangements		600	600

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

Loans are secured by a mortgage over future years Rate Revenue only.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2015	Actual 2014
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Infrastructure, Property, Plant & Equipment			
Buildings		28,070	1,602
Plant & Equipment		1,217	113
Infrastructure Assets		1,947	3,847
Other		63	138
Total Commitments		31,297	5,700
These expenditures are payable as follows:			
Within the next year		22,299	5,700
Later than one year and not later than 5 years		8,998	-
Total Payable		31,297	5,700
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		8,297	5,700
New Loans (to be raised)		23,000	-
Total Sources of Funding		31,297	5,700

Details of Capital Commitments

The above commitments represents contractual commitments for works which are currently in progress

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:

Within the next year	926	790
Later than one year and not later than 5 years	577	366
Total Non Cancellable Operating Lease Commitments	1,503	1,156

b. Non Cancellable Operating Leases include the following assets:

Motor Vehicles, Photocopiers and Other Equipment. These leases range from 1 to 5 years in length. Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to Operating Leases:

- All Operating Lease Agreements are secured only against the Leased Asset.
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts	Indicator	Prior Periods	
	2015	2015	2014	2013
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. Capital Grants & Contributions) - Operating Expenses	<u>(3,702)</u>	-4.99%	-19.20%	-10.94%
Total continuing operating revenue ⁽¹⁾ (excl. Capital Grants & Contributions)	<u>74,187</u>			
2a. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. ALL Grants & Contributions)	<u>67,341</u>	42.47%	50.74%	45.24%
Total continuing operating revenue ⁽¹⁾	<u>158,579</u>			
2b. Own Source Operating Revenue Ratio (less Non-cash Capital Dedications)				
Total continuing operating revenue ⁽¹⁾				
(excl. ALL Grants & Contributions)	<u>67,341</u>	78.05%	73.98%	75.43%
Total continuing operating revenue ⁽¹⁾ (excl. Non-cash Capital Dedications)	<u>86,276</u>			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	<u>40,838</u>	4.07x	4.92	2.87
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	<u>10,038</u>			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	<u>13,884</u>	3.66x	1.38	3.01
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)	<u>3,792</u>			
5a. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	<u>1,959</u>	4.06%	4.16%	6.10%
Rates, Annual and Extra Charges Collectible	<u>48,234</u>			
5b. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage (Excluding Pensioners)				
Rates, Annual and Extra Charges Outstanding (excl. Pensioners)	<u>1,529</u>	3.17%	3.15%	4.68%
Rates, Annual and Extra Charges Collectible	<u>48,234</u>			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents + All Term Deposits	<u>84,575</u>	14.35 mths	13.67	10.36
Payments from cash flow of operating and financing activities	<u>5,895</u>			

Notes

⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures & associates.

⁽²⁾ Refer Notes 6-8 inclusive.

Also excludes any real estate & land for resale not expected to be sold in the next 12 months

⁽³⁾ Refer to Note 10(a).

⁽⁴⁾ Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

Notes to the Financial Statements
for the financial year ended 30 June 2015

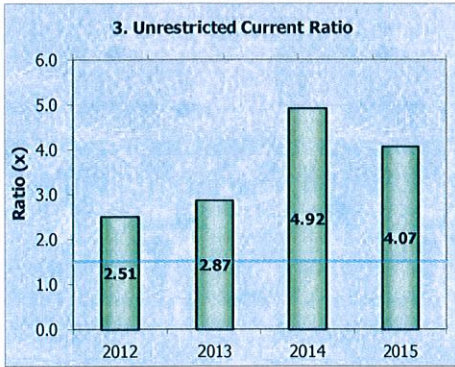
Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)

<p>1. Operating Performance Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>-4.25%</td> </tr> <tr> <td>2013</td> <td>-10.94%</td> </tr> <tr> <td>2014</td> <td>-19.20%</td> </tr> <tr> <td>2015</td> <td>-4.99%</td> </tr> </tbody> </table> <p>Benchmark: — Minimum >=0.00%</p> <p>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	Year	Ratio %	2012	-4.25%	2013	-10.94%	2014	-19.20%	2015	-4.99%	<p>Purpose of Operating Performance Ratio</p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio -4.99%</p> <p>The benchmark for this ratio is better than 0.00% or \$0.00. The deficit of \$4.19 million (before capital income) is below benchmark but better than a deficit of \$13.4 million in previous financial year 2014 which was primarily attributable to extraordinary expenses (Spring Farm Road Construction, Section 94 refund provision and timing of the Financial Assistance Grant). Reporting operating deficits is unsustainable over the long term, the 2014/15 deficit predominately relates to managing depreciation (non cash) expense and other expenditure incurred during council operations.</p> <p>Ratio is within Benchmark Ratio is outside Benchmark</p>
Year	Ratio %											
2012	-4.25%											
2013	-10.94%											
2014	-19.20%											
2015	-4.99%											
<p>2a. Own Source Operating Revenue Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>41.99%</td> </tr> <tr> <td>2013</td> <td>45.24%</td> </tr> <tr> <td>2014</td> <td>50.74%</td> </tr> <tr> <td>2015</td> <td>42.47%</td> </tr> </tbody> </table> <p>Benchmark: — Minimum >=60.00%</p> <p>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	Year	Ratio %	2012	41.99%	2013	45.24%	2014	50.74%	2015	42.47%	<p>Purpose of Own Source Operating Revenue Ratio</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio 42.47%</p> <p>The benchmark for this ratio is greater than 60%. The ratio as at 2015 was 42.47%. This ratio is less than 2014 ratio of 50.74% but consistent with financial year 2012 and 2013. The indicator is impacted by the high level of non cash income Council receives through dedication of non cash assets which distort the ratio. An additional ratio has been provided below (2b) which clearly demonstrates that Council meets this benchmark upon the removal of non cash income relating to the dedication of assets.</p> <p>Ratio is within Benchmark Ratio is outside Benchmark</p>
Year	Ratio %											
2012	41.99%											
2013	45.24%											
2014	50.74%											
2015	42.47%											
<p>2b. Own Source Operating Revenue Ratio (less Non-cash Capital Dedications)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>77.00%</td> </tr> <tr> <td>2013</td> <td>75.43%</td> </tr> <tr> <td>2014</td> <td>73.98%</td> </tr> <tr> <td>2015</td> <td>78.05%</td> </tr> </tbody> </table> <p>Benchmark: — Minimum >=60.00%</p> <p>Source for Benchmark: Code of Accounting Practice and Financial Reporting #23</p>	Year	Ratio %	2012	77.00%	2013	75.43%	2014	73.98%	2015	78.05%	<p>Purpose of Own Source Operating Revenue Ratio (Less Non Cash Capital Dedications)</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.</p>	<p>Commentary on 2014/15 Result</p> <p>2014/15 Ratio 78.05%</p> <p>The benchmark for this ratio is greater than 60% upon the removal of non cash income relating to the dedication of assets. This ratio has improved from 73.98% (2014) to 78.05% (2015). This additional ratio has been provided to ensure there is a fair comparison against benchmark as not all Councils in NSW experience high levels of growth that result in an extraordinary level of non cash income.</p> <p>Ratio is within Benchmark Ratio is outside Benchmark</p>
Year	Ratio %											
2012	77.00%											
2013	75.43%											
2014	73.98%											
2015	78.05%											

Camden Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



Benchmark: Minimum ≥ 1.50
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Purpose of Unrestricted Current Ratio

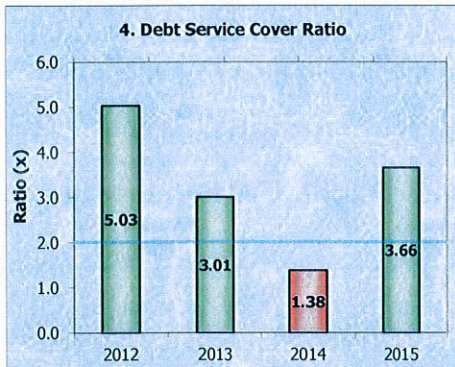
To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2014/15 Result

2014/15 Ratio 4.07x

The benchmark for this ratio is better than 1.50:1. The ratio is well above benchmark at 4.07:1 which indicates that for every \$1 of liability council has \$4.07 of assets to pay for that liability. This indicates that the Council is in a very strong liquidity position.

Ratio is within Benchmark
 Ratio is outside Benchmark



Benchmark: Minimum ≥ 2.00
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Purpose of Debt Service Cover Ratio

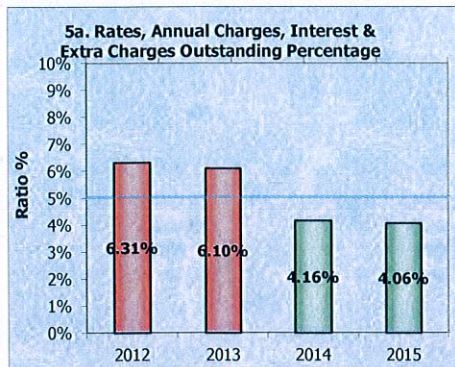
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2014/15 Result

2014/15 Ratio 3.66x

The benchmark for this ratio is better than 2x. This ratio is well above the benchmark at 3.66x which is significantly more than 1.38x in 2013/14 due to expenditure of the Springs Road contribution, Section 94 provision and changes in the timing of Financial Assistance Grant. It is expected that this ratio will be above the required benchmark in future years.

Ratio is within Benchmark
 Ratio is outside Benchmark



Benchmark: Maximum $< 5.00\%$
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Purpose of Rates & Annual Charges Outstanding Ratio

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2014/15 Result

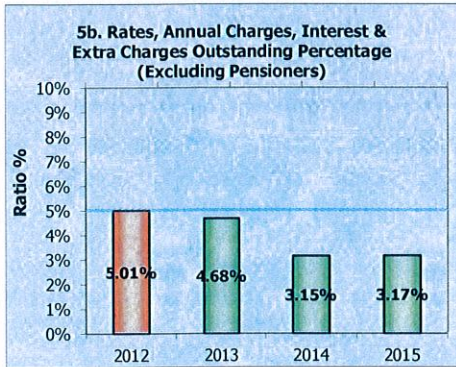
2014/15 Ratio 4.06%

The benchmark for this ratio is less than 5%. The ratio is better than the benchmark at 4.06% and better than previous year of 4.16% and has continuously improved from 2012/13 reported figure of 6.10%. As Council has a policy of not taking legal action against pensioners for the arrears of rates an additional ratio has been provided below 5(b) with the arrears relating to pensioners removed.

Ratio is within Benchmark
 Ratio is outside Benchmark

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



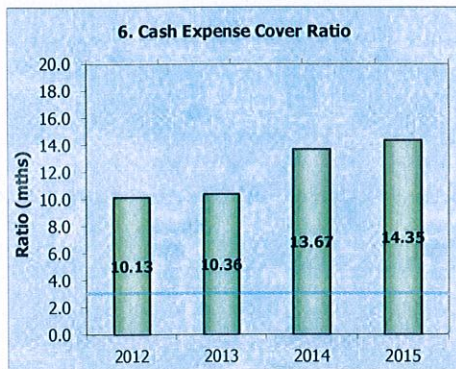
Benchmark: Maximum <5.00%
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Purpose of Rates & Annual Charges Outstanding Ratio (Excluding Pensioners)

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2014/15 Result	
2014/15 Ratio	3.17%
As can be clearly demonstrated this ratio further improves to 3.17% in 2014-15 with the removal of arrears relating to pensioners.	

Ratio is within Benchmark
 Ratio is outside Benchmark



Benchmark: Minimum >=3.00
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Purpose of Cash Expense Cover Ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2014/15 Result	
2014/15 Ratio	14.35 mths
The benchmark for this ratio is more than 3 months. The ratio is well above benchmark at 14.35 months representing Councils strong liquidity position.	

Ratio is within Benchmark
 Ratio is outside Benchmark

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 14. Investment Properties

\$ '000

Council has not classified any Land or Buildings as "Investment Properties"

Note 15. Financial Risk Management

Risk Management

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2015	2014	2015	2014
Financial Assets				
Cash and Cash Equivalents	7,875	5,428	7,875	5,428
Investments				
- "Held to Maturity"	76,700	68,350	76,700	68,350
Receivables	7,523	5,358	7,523	5,358
Total Financial Assets	92,098	79,136	92,098	79,136
Financial Liabilities				
Payables	21,558	9,744	21,558	9,744
Loans / Advances	17,783	17,446	17,783	17,446
Total Financial Liabilities	39,341	27,190	39,341	27,190

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) **"at fair value through profit & loss"** or (ii) **Available for Sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of financial assets & liabilities

Camden Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss' "Available-for-sale" financial assets & "Held-to-maturity" Investments

Council's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance area manages the Cash & Investments portfolio with the assistance of independent advisors.

Council has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This Policy is regularly reviewed by Council and its staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price Risk** - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest Rate Risk** - the risk that movements in interest rates could affect returns and income.
- **Credit Risk** - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in Cash Equivalents & Investments.

The following represents a summary of the sensitivity of Council's Income Statement and Accumulated Surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2015				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	846	846	(846)	(846)
2014				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	738	738	(738)	(738)

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates & annual charges at higher than market rates which further encourages the payment of debt.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	2015	2015	2014	2014
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	94%	0%	93%
Overdue	100%	6%	100%	7%
	100%	100%	100%	100%
(ii) Ageing of Receivables - value				
Rates & Annual Charges	Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
Current	-	5,577	-	3,286
< 1 year overdue	-	86	-	103
1 - 2 years overdue	-	18	-	56
2 - 5 years overdue	-	24	-	7
> 5 years overdue	1,959	205	1,887	70
	1,959	5,910	1,887	3,522
(iii) Movement in Provision for Impairment of Receivables			2015	2014
Balance at the beginning of the year			51	46
+ new provisions recognised during the year			295	5
Balance at the end of the year			346	51

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended & overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the maturity table below:

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2015									
Trade/Other Payables	6,117	3,871	3,737	3,052	4,307	400	250	21,734	21,558
Loans & Advances	-	3,173	3,354	3,401	3,251	3,289	3,304	19,772	17,783
Total Financial Liabilities	6,117	7,044	7,091	6,453	7,558	3,689	3,554	41,506	39,341
2014									
Trade/Other Payables	5,129	3,006	279	279	279	279	-	9,251	9,744
Loans & Advances	-	2,542	2,987	3,160	3,199	3,041	5,136	20,065	17,446
Total Financial Liabilities	5,129	5,548	3,266	3,439	3,478	3,320	5,136	29,316	27,190

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs & debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities & interest rate structures.

The following interest rates were applicable to Council's Borrowings at balance date:

	2015		2014	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Bank Overdraft	-	8.4%	-	8.9%
Trade/Other Payables	21,558	0.0%	9,744	0.0%
Loans & Advances - Fixed Interest Rate	17,783	6.7%	17,446	6.6%
	<u>39,341</u>		<u>27,190</u>	

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 14/15 was adopted by the Council on 24 June 2014.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act requires Council to review its Financial Budget on a Quarterly Basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual results for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

Note that for Variations* of Budget to Actual :

Material Variations represent those variances that amount to 10% or more of the original budgeted figure.

F = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2015 Budget	2015 Actual	2015 Variance*		
User Charges & Fees	12,940	14,851	1,911	15%	F
User fees and charges have exceeded budget expectations by \$1.91M (F). This is primarily due to additional development income which is associated with the ongoing development activity in Oran Park, Gregory Hills, Spring Farm and Elderslie \$1.91M (F).					
Interest & Investment Revenue	1,941	3,219	1,278	66%	F
Interest and investment revenue has exceeded budget expectations by \$1.28M (F). This is primarily a result of Council achieving higher interest rates than projected in the original budget, and an increase in Section 94 developer contributions cash receipts when compared to the original budget.					
Other Revenues	1,540	3,158	1,618	105%	F
Other revenues have exceeded budget expectations by \$1.6M (F). This is mainly due to income recognised during the year relating to one off Land compensation of \$1.6M (F).					
Operating Grants & Contributions	5,889	6,846	957	16%	F
Operating grants and contributions have exceeded original budget by \$957K (F). This increase is mainly due to cash contributions received as a result of the development process throughout the year.					
Capital Grants & Contributions	42,813	84,392	41,579	97%	F
Capital grants and contributions have exceeded original budget by \$41.6M (F). This increase is mainly due to infrastructure dedications which Council has received as a result of the development process throughout the year. Total dedications (non cash) received during the 2014/15 financial year totalled \$73M where original budget projections were \$36M. There was also a significant increase in the level of Section 94 cash contributions received during the 2014/15.					

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 16. Material Budget Variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----		
Borrowing Costs	647	1,250	(603)	(93%)	U
Actual borrowing costs were higher than the original budget by \$603K (U). This is primarily due to the amortisation of the Department of Planning interest free loan. This entry is required to recognise the fair value of the interest free loan and does not impact on Council's cash budget result.					
Materials & Contracts	19,965	22,853	(2,888)	(14%)	U
The Materials and Contracts expenses exceeded the budget by \$2.89 (U). This is predominately due to increase and focus on asset maintenance.					
Other Expenses	5,658	6,352	(694)	(12%)	U
Other expenses exceeded original budget expectations by \$694K (U). This variation is primarily due to increases in costs for Street Lighting \$290K, Communications Charges \$170K and an increase to doubtful debts.					
Net Losses from Disposal of Assets	-	570	(570)	0%	U
The net loss from the disposal of assets resulted in a variation to budget of \$570K (U). This is primarily due to the profit from the sale of plant and equipment \$89K (F) and disposal of infrastructure assets by \$547K (U) and disposal of Other Structures by \$112K (U).					

Budget Variations relating to Council's Cash Flow Statement include:

Cash Flows from Operating Activities	15,867	25,348	9,481	59.8%	F
The favourable variance of \$9.4M was a result of an increase in the Financial Assistant Grant by \$1.5M, Specific Purpose Grants \$1.6M, interest income \$405K, Town Planning \$1M, Contribution income \$3.8M and other operating activities by \$651K.					
Cash Flows from Investing Activities	(12,874)	(22,609)	(9,735)	75.6%	U
The Cash Flows from investing activities increased by \$9.7M (U) predominately due to an increase in the purchase of investments and growth in the portfolio.					
Cash Flows from Financing Activities	(3,298)	(292)	3,006	(91.1%)	F
Council had budgeted to repay unspent loan funds to the Department of Planning for the construction of Lodges Road. Council did not proceed with this payment with a view to redirecting these funds to other infrastructure projects. The approval for the redirection of these funds is waiting on a policy review by the Department of Planning.					

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions

\$ '000

Council recovers contributions, raises levies & enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are "restricted" in their future use.

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	10,719	1,330	-	442	(1,218)	(17)	11,256	139,894	(151,150)	-	-
Roads	3,712	1,044	148	(295)	(4,094)	4,467	4,982	133,150	(124,575)	13,557	(13,557)
Traffic Facilities	1,044	9	-	39	(34)	215	1,273	5,259	(6,967)	(435)	(215)
Parking	170	-	-	7	-	-	177	17,958	(18,135)	-	-
Open Space	7,513	3,482	-	740	(278)	(4,651)	6,806	71,110	(92,403)	(14,487)	14,487
Community Facilities	9,045	4,297	-	420	(712)	-	13,050	77,374	(90,424)	-	-
Other	622	418	-	(2)	(236)	(14)	788	10,390	(9,813)	1,365	(715)
S94 Contributions - under a Plan	32,825	10,580	148	1,351	(6,572)	-	38,332	455,135	(493,467)	-	-
Total S94 Revenue Under Plans	32,825	10,580	148	1,351	(6,572)	-	38,332				-
S94 not under Plans	113	-	-	4	-	-	117	-	(117)	-	-
S93F Planning Agreements	1,363	719	957	67	(993)	-	2,113	-	(2,113)	-	-
Total Contributions	34,301	11,299	1,105	1,422	(7,565)	-	40,562	455,135	(495,697)	-	-

Camden Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$'000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - MANAGEMENT & PROVISION OF INFRASTRUCTURE IN LGA

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	5,331	44	-	194	(1,218)	(17)	4,334	84,659	(88,993)	-	-
Roads	-	83	148	(470)	(4,094)	4,333	-	93,680	(80,123)	13,557	(13,557)
Traffic Facilities	1,114	5	-	43	(34)	-	1,128	5,175	(6,303)	-	-
Parking	170	-	-	7	-	-	177	17,958	(18,135)	-	-
Open Space	6,263	2,464	-	671	(278)	(4,436)	4,684	52,568	(71,524)	(14,272)	14,272
Community Facilities	6,655	3,252	-	305	(712)	-	9,500	72,590	(82,090)	-	-
Other	-	261	-	(29)	(218)	(14)	-	10,305	(9,590)	715	(715)
Total	19,533	6,109	148	721	(6,554)	(134)	19,823	336,935	(356,758)	-	-

CONTRIBUTION PLAN NO 3 - UPPER NARELLAN CREEK (TRUNK DRAINAGE & WATER QUALITY FACILITIES)

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	3,518	690	-	161	-	-	4,369	5,989	(10,358)	-	-
Total	3,518	690	-	161	-	-	4,369	5,989	(10,358)	-	-

CONTRIBUTION PLAN NO 5 - TRUNK DRAINAGE CATHERINE FIELD

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	102	11	-	5	-	-	118	231	(349)	-	-
Total	102	11	-	5	-	-	118	231	(349)	-	-

Camden Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NO 7 - ROAD MAINTENANCE - EXTRACTIVE INDUSTRIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	697	83	-	29	-	-	809	-	(809)	-	-
Total	697	83	-	29	-	-	809	-	(809)	-	-

CONTRIBUTION PLAN NO 11 - SMEATON GRANGE ROADWORKS

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	1,187	556	-	66	-	-	1,809	5,819	(7,628)	-	-
Total	1,187	556	-	66	-	-	1,809	5,819	(7,628)	-	-

CONTRIBUTION PLAN NO 16 - ELLIS LANE / GRASMERE DEVELOPMENT

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	513	38	-	20	-	134	705	-	(705)	-	-
Traffic Facilities	140	-	-	5	-	-	145	-	(145)	-	-
Community Facilities	93	6	-	4	-	-	103	-	(103)	-	-
Other	(54)	-	-	(2)	-	-	(56)	72	(16)	-	-
Total	692	44	-	27	-	134	897	72	(969)	-	-

Camden Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NO 17 - NARELLAN TOWN CENTRE

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Traffic Facilities	(210)	4	-	(9)	-	215	-	84	(519)	(435)	(215)
Open Space	950	12	-	38	-	(215)	785	1,353	(2,353)	(215)	215
Other	574	53	-	23	(13)	-	637	13	-	660	-
Total	1,314	69	-	52	(13)	-	1,422	1,450	(2,872)	-	-

CONTRIBUTION PLAN NO 18 - HARRINGTON PARK RELEASE AREA (COMMUNITY & RECREATION FACILITIES)

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	635	-	-	25	-	-	660	-	(660)	-	-
Community Facilities	(13)	-	-	-	-	-	(13)	13	-	-	-
Total	622	-	-	25	-	-	647	13	(660)	-	-

CONTRIBUTION PLAN - ORAN PARK AND TURNER ROAD PRECINCTS

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	1,768	585	-	82	-	-	2,435	49,015	(51,450)	-	-
Roads	1,315	284	-	60	-	-	1,659	33,651	(35,310)	-	-
Open Space	(335)	1,006	-	6	-	-	677	17,189	(17,866)	-	-
Community Facilities	2,310	1,039	-	111	-	-	3,460	4,771	(8,231)	-	-
Other	102	104	-	6	(5)	-	207	-	(207)	-	-
Total	5,160	3,018	-	265	(5)	-	8,438	104,626	(113,064)	-	-

Camden Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - NOT UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	19	-	-	1	-	-	20	-	(20)	-	-
Open Space	54	-	-	2	-	-	56	-	(56)	-	-
Community Facilities	40	-	-	1	-	-	41	-	(41)	-	-
Total	113	-	-	4	-	-	117	-	(117)	-	-

S93F Levies - Under a Planning Agreement

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	-	-	-	-	-	-	-	17,874	(17,874)	-	-
Roads	-	-	-	-	-	-	-	27,965	(27,965)	-	-
Open Space	419	26	-	17	-	-	462	70,834	(71,296)	-	-
Community Facilities	721	312	957	36	(957)	-	1,069	81,701	(82,770)	-	-
Other	223	381	-	14	(36)	-	582	181	(763)	-	-
Total	1,363	719	957	67	(993)	-	2,113	198,555	(200,668)	-	-

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge & disclosure is considered relevant to the users of Council's Financial Report.

**LIABILITIES NOT RECOGNISED:
Defined Benefit Superannuation
Contribution Plans**

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicates that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make significantly higher contributions in future years.

The position is monitored annually and the Actuary has estimated that as at 30 June 2015 a deficit still exists. The share of this deficit that can be broadly attributed to the Council was estimated to be in the order of \$262,000 as at 30 June 2015.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for Defined Contributions Plans.

Camden Council's Fit for the future (FFTF) submission

The Local Government Independent Review Panel has recommended "no change" for Camden Council and its current boundaries. Camden Council fully supports this recommendation. Council FFTF submission to IPART in June 2015 also clearly demonstrated that Council has the necessary scale and capacity to support this recommendation.

Section 94 Developer Contributions Plans

Council levies Section 94 Contributions upon various development across the Council area through the required Contributions Plans.

As part of these Plans, Council has received funds for which it will be required to expend the monies in accordance with those Plans.

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Councils intention to spend funds in the manner and timing set out in those Plans.

Land Credits

Council is currently negotiating the settlement of outstanding 'works in kind' credits with a major developer going back several decades. The outcome of this negotiation may result in Council needing to recognise a liability for these credits in the Statement of Financial Position.

Other Guarantees

Council has provided no other Guarantees other than those listed above.

Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services. Council as at 30 June 2015 did not have any significant contingent liability.

Camden Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 19. Interests in Other Entities

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities & operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other Councils, Bodies and other Outside Organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of Councils (i) interest and (ii) control and the type (form) of entity/operation, as follows;

Controlled Entities (Subsidiaries)

Note 19(a)

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

Joint Ventures & Associates

Note 19(b)

Joint Ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

Joint Operations

Note 19(c)

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

Unconsolidated Structured Entities

Note 19(d)

Unconsolidated Structured Entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a Subsidiary, Joint Arrangement or Associate. Attributes of Structured Entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

Subsidiaries, Joint Arrangements and Associates not recognised

Note 19(e)

Accounting Recognition:

(i) Subsidiaries disclosed under Note 19(a) and Joint Operations disclosed at Note 19(c) are accounted for on a "line by line" consolidation basis within the Income Statement and Statement of Financial Position.

(ii) Joint Ventures and Associates as per Notes 19(b)(i) & (ii) are accounted for using the Equity Accounting Method and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Joint Ventures	78	-	78	-
Total	78	-	78	-

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(a) Controlled Entities (Subsidiaries) - being entities & operations controlled by Council

Council has no interest in any Controlled Entities (Subsidiaries).

(b) Joint Ventures and Associates

Council has incorporated the following Joint Ventures and Associates into it's consolidated Financial Statements.

(a) Net Carrying Amounts - Council's Share

Name of Entity	Nature of Relationship	Measurement Method	2015	2014
Westpool	Self Insure PI	Equity	(26)	-
United Independent Pools	Self Insure MV	Equity	104	-
Total Carrying Amounts - Material Joint Ventures and Associates			78	-

(b) Details

Name of Entity	Principal Activity	Place of Business
Westpool	Liability Insurance and Risk Management	Penrith
United Independent Pools	General Insurance and Risk Management	Penrith

(c) Relevant Interests & Fair Values

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2015	2014	2015	2014	2015	2014
Westpool	-0.1%	-	-0.1%	-	10.0%	-
United Independent Pools	1.4%	-	1.4%	-	5.3%	-

Camden Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(d) Summarised Financial Information for Joint Ventures & Associates

Statement of Financial Position	Westpool		United Independent Pools	
	2015	2014	2015	2014
Current Assets				
Cash and Cash Equivalents	3,093	-	1,554	-
Other Current Assets	5,591	-	4,473	-
Total Current Assets	8,684	-	6,027	-
Non-Current Assets	48,488	-	5,761	-
Current Liabilities				
Financial Liabilities (excl. Accounts Payable)	4,442	-	1,539	-
Other Current Liabilities	300	-	269	-
Total Current Liabilities	4,742	-	1,808	-
Non-Current Liabilities	22,486	-	2,462	-
Net Assets	29,944	-	7,518	-
Reconciliation of the Carrying Amount				
Opening Net Assets (1 July)	28,013	-	6,906	-
Profit/(Loss) for the period	4,333	-	612	-
Other Adjustments to Equity	(2,402)	-	-	-
Closing Net Assets	29,944	-	7,518	-
Council's share of Net Assets (%)	-0.09%	0.0%	1.4%	0.0%
Council's share of Net Assets (\$)	(26)	-	104	-

Statement of Comprehensive Income	Westpool		United Independent Pools	
	2015	2014	2015	2014
Income	7,875	-	8,696	-
Interest Income	3,494	-	388	-
Depreciation & Amortisation	(16)	-	-	-
Interest Expense	(17)	-	-	-
Other Expenses	(7,003)	-	(8,472)	-
Profit/(Loss) from Continuing Operations	4,333	-	612	-
Council's share of Income (%)	-0.6%	0.0%	17.0%	0.0%
Council's share of Profit/(Loss) (\$)	(26)	-	104	-
Council's share of Comprehensive Income (\$)	(26)	-	104	-

Camden Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(c) Joint Operations

Council has no interest in any Joint Operations.

(d) Unconsolidated Structured Entities

Council has no Unconsolidated Structured Entities

(e) Subsidiaries, Joint Arrangements & Associates not recognised

Interests in subsidiaries

a) Composition of the group Subsidiaries	Principal place of business	2015 % owned	2015 % owned
Macarthur Regional Organization of Councils (MACROC)	Australia	33	33

The Macarthur Regional Organisation of Councils (MACROC) is an advisory body for the Macarthur region's three local government authorities:

Camden Council
Campbelltown City Council
Wollondilly Shire Council

Formed in 1986, MACROC's mission is to work at a regional level to advocate, lobby, promote regional cooperation and to leverage additional funding for a wide range of projects of regional significance.

MACROC works collaboratively with other organizations to achieve positive outcomes for the region.

b) Consolidated structured entities

MACROC is established under Section 355 of the Local Government Act 1993. Decisions of MACROC will not limit the individual integrity of the operation of each member of Council, nor affect the right of an individual Council acting in its own right on matters.

Member Councils are committed to MACROC being self funding. Member Council's shall contribute to an equal agreed sum as its financial contribution towards the operating cost of MACROC. Such funds are held and managed by Campbelltown City Council as are financial reporting obligations. Each member Council will contribute equally to the cost of managing the financial affairs of MACROC.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2015	Actual 2014
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		603,222	563,810
a. Correction of Error		(33,791)	-
b. Net Operating Result for the Year		80,198	39,412
Balance at End of the Reporting Period		<u>649,629</u>	<u>603,222</u>

- a. Correction of Error (\$10,327M) - Recognition of Section 94 Work in Kinds Agreements (Liabilities) – Council has recognised liabilities arising from additional works provided by developers under Section 94 Works in Kind Agreements. Under advice from Council's external auditor the error did not require a prior year adjustment and has been adjusted through retained earnings. This liability is also shown in Note 10 (a) and is externally restricted.
Correction of Error (\$23,464M) - As part of the revaluation process and condition assessment it was identified that some asset classes required accelerated depreciation in order to fairly represent the condition and fair value of the asset class.

(b) Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	370,245	331,091
Total	<u>370,245</u>	<u>331,091</u>

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve		
- Opening Balance	331,091	328,104
- Revaluations for the year	39,154	2,987
- Balance at End of Year	<u>370,245</u>	<u>331,091</u>

TOTAL VALUE OF RESERVES	<u>370,245</u>	<u>331,091</u>
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Revaluation – Roads	15,082
Revaluation – Bridges	14,992
Revaluation – Footpaths	13,116
Revaluation – Stormwater Drainage	(4,036)
	<u>39,154</u>

(iii) Nature & Purpose of Reserves

- Infrastructure, Property, Plant & Equipment Revaluation Reserve**
- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 21. Financial Result & Financial Position by Fund

\$ '000

Council utilises only a General Fund for its operations.

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

\$ '000	2015 Current	2015 Non Current	2014 Current	2014 Non Current
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(i) Non Current Assets & Disposal Group Assets

Non Current Assets "Held for Sale"

Land	-	-	2,680	-
Total Non Current Assets "Held for Sale"	-	-	2,680	-
TOTAL NON CURRENT ASSETS CLASSIFIED AS "HELD FOR SALE"	-	-	2,680	-

(ii) Details of Assets & Disposal Groups

Council previously held two parcels of land for sale with the intention to part fund the construction of a new central administration building. It was later decided by Council not to sell the two parcel of land and therefore were moved back in to Non Current Assets in note 9(a).

Refer to Note 27 - Fair Value Measurement for fair value measurement information.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 23. Events occurring after the Reporting Date

\$ '000

Events that occur between the end of the reporting period (ending 30 June 2015) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 27/10/15.

Note 24. Discontinued Operations

	Actual	Actual
\$ '000	2015	2014

Council has not classified any of its Operations as "Discontinued".

Note 25. Intangible Assets

Intangible Assets represent identifiable non-monetary asset without physical substance.

Council is unaware of any control over Intangible Assets that warrant recognition in the Financial Statements, including either internally generated and developed assets or purchased assets.

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

\$ '000

Council measures the following asset and liability classes at fair value on a recurring basis:
- Infrastructure, Property, Plant and Equipment

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured & recognised at fair values:

2015	Fair Value Measurement Hierarchy			Total
	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements				
Infrastructure, Property, Plant & Equipment				
Plant & Equipment	-	-	3,747	3,747
Office Equipment	-	-	1,168	1,168
Furniture & Fittings	-	-	79	79
Operational Land	-	-	88,028	88,028
Community Land	-	-	102,933	102,933
Land under Roads	30/06/14	-	47,752	47,752
Land Improvements	-	-	36,422	36,422
Buildings (Specialised & Non Specialised)	-	-	44,111	44,111
Other Structures	-	-	868	868
Roads	30/06/15	-	354,718	354,718
Bridges	30/06/15	-	25,898	25,898
Footpaths	30/06/15	-	25,513	25,513
Bulk Earthworks	30/06/15	-	15,952	15,952
Stormwater Drainage	30/06/15	-	203,685	203,685
Other Open Space / Recreational Assets	-	-	3,889	3,889
Library Books	-	-	942	942
Other Assets	-	-	785	785
Total Infrastructure, Property, Plant & Equipment	-	-	956,490	956,490

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured & recognised at fair values: (continued)

2014	Fair Value Measurement Hierarchy			Total
	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements				
Infrastructure, Property, Plant & Equipment				
Plant & Equipment	-	-	3,960	3,960
Office Equipment	-	-	862	862
Furniture & Fittings	-	-	116	116
Operational Land	-	-	85,348	85,348
Community Land	-	-	102,933	102,933
Land under Roads	-	-	41,507	41,507
Land Improvements	-	-	36,376	36,376
Buildings (Specialised & Non Specialised)	-	-	45,992	45,992
Other Structures	-	-	323	323
Roads	-	-	324,651	324,651
Bridges	-	-	12,249	12,249
Footpaths	-	-	11,636	11,636
Bulk Earthworks	-	-	15,952	15,952
Stormwater Drainage	-	-	188,075	188,075
Other Open Space / Recreational Assets	-	-	4,338	4,338
Library Books	-	-	930	930
Other Assets	-	-	701	701
Total Infrastructure, Property, Plant & Equipment	-	-	875,949	875,949
Non Current Assets classified as "Held for Sale"				
Real Estate Held for Sale	-	-	2,680	2,680
Total NCA's classified as "Held for Sale"	-	-	2,680	2,680

(2) Transfers between Level 1 & Level 2 Fair Value Hierarchies

During the year, there were no transfers between Level 1 and Level 2 Fair Value hierarchies for recurring fair value measurements.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. Council assumes that the carrying amount of the assets reflects fair value due to the nature of the items. Examples of assets included within these classes include:

Plant & Equipment - road construction plant, trucks, utility vehicles, streetsweeper, tractors, mowers and equipment

Office Equipment - computer equipment, staff amenities

Furniture & Fittings - office furniture

There has been no change to the valuation process for this asset class during this reporting period.

Operational Land

This asset class contains land defined as operational land in accordance with the NSW Local Government Act 1993. Council last valued operational land at fair value in June 2013. Operational land values were provided by an external valuer (Scott Fullarton Valuations Pty Ltd).

Generally fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that agency management would rationally pay to acquire the asset if it did not hold it, taking into account; quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, (if management intend to replace the asset), the remaining useful life and condition of the asset and cashflows from the future use and disposal.

There has been no change to the valuation process for this asset class during this reporting period. Council Operational land is being utilised for its highest and best use.

Community Land

This asset class contains land defined as community land in accordance with the NSW Local Government Act 1993. Community land is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access. Therefore there a number of restrictions on community land including that; it cannot be sold, cannot be leased for more than 21 years, and must have a plan of management.

Councils are permitted to use the NSW Valuer General's valuations to represent fair valuation for the revaluation of community land. Camden Council has adopted this approach for the valuation of its community land assets.

There has been no change to the valuation process for this asset class during this reporting period. Council Community Land is being utilised for its highest and best use.

Land under Roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips. Council initially recognised land under roads in 2011. All land under roads has been recognised on an englobo valuation basis, based upon a municipal rate. The englobo basis of valuation is based on the concept of developing a raw land value for land under roads.

Council elected not to recognise land under roads acquired before 1 July 2008 in accordance with the AASB 1051. Although Land Under Roads acquired after 1 July 2008 should be recognised in accordance with AASB 116- Property, Plant and Equipment the industry was yet to determine a methodology for the valuation of Land Under Roads. Land under roads were revalued as at 30 June 2014 financial year, the value being calculated according to the revised municipal rate. The next revaluation will be conducted as at 30 June 2019. There has been no change to the valuation process for this asset class during this reporting period.

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

Land Improvements

This asset class contains all works carried out on land to improve its utility, service potential or make it ready for an identified use. It includes playing courts, irrigation, and landscaping. Valuations were undertaken during 2011 and were completed by Council staff using the cost approach. This was completed with the assistance of specialist staff from an adjoining Council. The next revaluation will be conducted as at 30 June 2016.

The inputs used to value these assets, including estimates of residual value, patterns of consumption, asset condition and useful life required extensive professional judgement which have had a significant impact on the final determination of fair value.

There has been no change to the valuation process for this asset class during this reporting period.

Buildings (Specialised & Non Specialised)

Council's buildings (specialised and non-specialised) were valued by an external valuer in June 2013. The valuations were provided by Scott Fullarton Pty Ltd.

The gross value of each building was obtained by applying a unit rate to a structure, or a square meter rate to a building, based on its current replacement costs, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology. Whilst each building was physically inspected, the inputs used to value these assets, including estimates of residual value, patterns of consumption, asset condition and useful life required extensive professional judgement which have had a significant impact on the final determination of fair value.

There has been no change to the valuation process for this asset class during this reporting period. The next revaluation will be conducted as at 30 June 2018.

Other Structures

This asset class contains all other structures not included in the category of buildings that are controlled by Council and have been constructed for a variety of purposes. It includes park furniture, park signage, play equipment, fencing and retaining walls. Valuations were undertaken during 2011 and were completed by Council staff using the cost approach. This was completed with the assistance of specialist staff from an adjoining Council.

The inputs used to value these assets, including estimates of residual value, patterns of consumption, asset condition and useful life required extensive professional judgement which have had a significant impact on the final determination of fair value.

There has been no change to the valuation process for this asset class during this reporting period.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

Roads

This asset class comprises of the road structure (carriageway), kerb and gutter, traffic signs, road structures (such as roundabouts and medians) and road furniture (such as bus shelters and guardrails). The valuation of roads and road structures was undertaken as at 30 June 2015 using the cost approach (unit rate). The construction cost estimation was undertaken using 2014 Rawlinsons – Australian Construction Handbook standard rates.

The condition assessment for all Asset Classes under Roads Asset category was conducted using several methodologies:

1. External Data Collection by Pavement Management Services
2. Internal Asset Data collection by Camden Council – LGA wide sample testing

Currently the external data collection is being carried out throughout the LGA and is expected to complete in November, 2015. The internal data collection was undertaken to support the external data collection process as the contractor encountered various issues (due to weather and equipment failure) and was unable to complete the LGA wide data collection in FY15.

The level of componentisation adopted by Council is in accordance with AASB116, OLG Circular 09-09 and the Institute of Public Works Engineers International Infrastructure Management Manual (IIMM).

The written down value of each asset was determined based on asset remaining useful life and asset depreciation was calculated using straight-line depreciation methodology as described in AASB116. The component standard useful lives have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation and consumption pattern within Camden or in comparison with other Councils.

Bridges

Council has three main types of bridges which are culverts, footbridges and road bridges. The valuation of bridges was undertaken as at 30 June 2015 using the cost approach (unit rate). The construction cost estimation was based on actual project cost rates for footbridges and road bridges. The construction cost rate estimation for culverts was undertaken using 2014 Rawlinsons – Australian Construction Handbook standard rates.

The inputs used to value these assets, including estimates of residual value; patterns of consumption, asset condition and useful life have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation pattern in the Council and comparing the information with other Councils.

Condition assessments were conducted through in-house level 1 visual inspection. The assessment was conducted by internal Council staff. Condition assessments were based on four key components: superstructure, abutment, sub-structure and general/miscellaneous.

The written down value of each asset was determined based on asset remaining useful life and asset depreciation was calculated using straight-line depreciation methodology as described in AASB116. The component standard useful lives have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation and consumption pattern within Camden or in comparison with other Councils.

Camden Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

Footpaths

This asset class comprises footpaths and cycle ways. The valuation of footpaths was as at 30 June 2015 using the cost approach (unit rate). The construction cost estimation was undertaken using 2014 Rawlinsons – Australian Construction Handbook standard rates.

The condition assessment for all Asset Classes under Footpath asset class was conducted using several methodologies:

1. External Data Collection by Pavement Management Services
2. Internal Asset Data collection by Camden Council – LGA wide sample data collection

Currently the external data collection is being carried out throughout the LGA and is expected to complete in November, 2015. The internal data collection was undertaken to support the external data collection process to provide a comprehensive defect and condition assessment for footpath and cycleway assets.

The written down value of each asset was determined based on asset remaining useful life and asset depreciation was calculated using straight-line depreciation methodology as described in AASB116. The component standard useful lives have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation and consumption pattern within Camden or in comparison with other Councils.

Stormwater Drainage

Council has grouped its stormwater assets into four main types which are pits, pipes, headwalls and stormwater quality improvement devices. The valuation of stormwater drainage was as at 30 June 2015 using the cost approach (unit rate). The construction cost estimation was undertaken using 2014 Rawlinsons – Australian Construction Handbook standard rates.

The inputs used to value these assets, including estimates of pattern of consumption; asset condition and useful life have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation pattern in the Council and comparing the information with other Councils.

Condition assessments were conducted through in-house sample data collection by conducting visual inspections including collecting photographic evidence of sample assets. The assessment was conducted by internal Council staff. The written down value of each asset was determined based on asset remaining useful life and asset depreciation was calculated using straight-line depreciation methodology as described in AASB116. The component standard useful lives have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation and consumption pattern within Camden or in comparison with other Councils.

Library Books

Library books includes books, reference material, electronic resources and publications. Council assumes the carrying amount of these assets reflects fair value due to the nature of the items.

There has been no change to the valuation process for this asset class during this reporting period.

Open Space / Recreational Assets & Other Assets

This asset class includes irrigation systems, artificial tennis courts, various types of sports courts, fallzones and reserve borders and edging. Valuations were undertaken during 2011 and were completed by Council staff using the cost approach. This was completed with the assistance of specialist staff from an adjoining Council.

The inputs used to value these assets, including estimates of residual value, patterns of consumption, asset condition and useful life required extensive professional judgement which have had a significant impact on the final determination of fair value.

There has been no change to the valuation process for this asset class during this reporting period.

(4). Highest and best use

The current use of all assets above reflect the highest and best use.



The Camden Council

Independent auditor's report to the Council – s417(2) Report on the general purpose financial statements

Report on the financial statements

We have audited the accompanying financial statements of the Camden Council, which comprise the statement of financial position as at 30 June 2015 and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, accompanying notes to the financial statements and the Statement by Councillors and Management in the approved form as required by Section 413(2) of the Local Government Act 1993.

Councillors' responsibility for the financial statements

The Councillors of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993 and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Councillors, as well as evaluating the overall presentation of the financial statements.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial statements.

Our audit responsibility does not extend to the Original Budget Figures included in the Income Statement, Statement of Cash Flows and the Original Budget disclosures in notes 2(a) and 16 and the Projections disclosed in note 17 to the financial statements, nor the attached Special Schedules, and accordingly, we express no opinion on them.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Auditor's opinion:

In our opinion:

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2 (the Division); and
- (b) the financial statements:
 - (i) have been presented, in all material respects, in accordance with the requirements of this Division
 - (ii) are consistent with the Council's accounting records
 - (iii) present fairly, in all material respects, the Council's financial position as at 30 June 2015 and its Financial Performance and its Cash Flows for the year then ended in accordance with Australian Accounting Standards
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that have come to light during the course of the audit.

PricewaterhouseCoopers

PL Buchholz
Partner

Sydney
27 October 2015



The Mayor
Councillor Lara Symkowiak
Camden Council
DX 25807
CAMDEN

Dear Councillor Symkowiak

Report on the conduct of the Audit for year ended 30 June 2015 – Section 417(3)

We have completed our audit of the financial reports of the Council for the year ended 30 June 2015, in accordance with Section 415 of the Local Government Act 1993.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial reports are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial reports, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial reports are presented fairly in accordance with Australian Accounting Standards as well as statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations and its cash flows.

This report should be read in conjunction with our audit opinion on the general purpose financial statements provided under Section 417(2) of the Local Government Act 1993.

Flowing from our audit, there are a number of comments we wish to raise concerning the trends in Council's finances. These are set out below.

Operating result

Council's operating surplus improved from \$39 million in the previous year to \$80 million in the current period. The net operating result before Capital Contributions was a deficit of \$4 million against the previous year's deficit of \$13 million.

Cash position

Council's overall cash position increased from \$74 million to \$84 million during the period under review. The following table highlights the composition of cash.

	2014	2015
	\$m	\$m
Externally restricted	43	50
Internally restricted	29	31
Unrestricted	2	3
Total	74	84

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Working capital

Council's net current assets declined from \$40 million to \$37 million during the period under review. The value of net current assets needs to be adjusted in order to establish the available working capital position.

	2014 \$m	2015 \$m
Net current assets	40	37
Less: External restrictions	(20)	(17)
Internal restrictions	(29)	(31)
Add: Current liabilities deferred	12	13
Available working capital	<u>3</u>	<u>2</u>

The effective unrestricted or available working capital upon which Council could build its 2016 budget was \$2 million.

Performance indicators

The financial reports disclose of a number of indicators in Note 13 and these are detailed below:

	2014 %	2015 %
Operating Performance Ratio	(19)	(5)
Own Source Operating Revenue Ratio	51	42
Unrestricted Current Ratio	492	407
Debt Service Cover Ratio	138	366
Rates Outstanding Ratio	4.2	4.1
Cash Expense Cover Ratio	14	14

The Operating Performance Ratio improved but remained below the industry benchmark of 0%.

The Own Source Operating Revenue Ratio declined to 42% and remained below the industry benchmark of 60%. Higher Capital grants contributed to this and it is not a reflection on Council's financial sustainability.

The Unrestricted Current Ratio declined but remained above the industry benchmark of 150%.

The Debt Service Cover Ratio improved to be above the industry benchmark of 200%

The Rates Outstanding Ratio improved and remained better than the industry benchmark of 5%.

The Cash Expense Cover Ratio indicated that Council could continue to cover its operating costs for 14 months should cash inflows cease. This compares very favourably with the industry benchmark of 3 months.



Council is considered to be in a sound and stable financial position.

General

The books of accounts and records inspected by us have been kept in an accurate and conscientious manner. We thank the General Manager and his staff for the cooperation and courtesy extended to us during the course of our audit.

Yours faithfully

PricewaterhouseCoopers

P L Buchholz
Partner

Sydney
27 October 2015

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Camden Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Camden, the Best of Both Worlds



Camden Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

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2. Special Purpose Financial Statements:	
Income Statement - Other Business Activities	SP 3
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3. Notes to the Special Purpose Financial Statements	SP 5
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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

- (iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

Camden Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Office of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these Financial Statements:

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

We are not aware of any matter that would render these Statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 27 October 2015.

Cr Lara Symkowiak
MAYOR

Cr Theresa Fedeli
COUNCILLOR

Ron Moore
GENERAL MANAGER

Paul Rofe
RESPONSIBLE ACCOUNTING OFFICER

Camden Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2015

Commercial Waste

Category 2

\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
User charges	685	619
Total income from continuing operations	685	619
Expenses from continuing operations		
Employee benefits and on-costs	119	157
Materials and contracts	191	154
Depreciation and impairment	42	39
Other expenses	153	149
Total expenses from continuing operations	505	499
Surplus (deficit) from Continuing Operations before capital amounts	180	120
Surplus (deficit) from ALL Operations before tax	180	120
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(54)	(36)
SURPLUS (DEFICIT) AFTER TAX	126	84
plus Opening Retained Profits	1,677	1,557
- Corporate taxation equivalent	54	36
less:		
- Dividend paid	-	-
Closing Retained Profits	1,857	1,677
Required Return on Capital %	120.0%	69.4%
Subsidy from Council	-	-

Camden Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2015

Commercial Waste

Category 2

\$ '000	Actual 2015	Actual 2014
ASSETS		
Current Assets		
Cash and cash equivalents	1,699	1,496
Receivables	14	12
Total Current Assets	1,713	1,508
Non-Current Assets		
Receivables	-	1
Infrastructure, property, plant and equipment	150	173
Total Non-Current Assets	150	174
TOTAL ASSETS	1,863	1,682
LIABILITIES		
Current Liabilities		
Payables	6	5
Total Current Liabilities	6	5
Non-Current Liabilities		
Payables	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	6	5
NET ASSETS	1,857	1,677
EQUITY		
Retained earnings	1,857	1,677
Revaluation reserves	-	-
Council equity interest	1,857	1,677
Non-controlling equity interest	-	-
TOTAL EQUITY	1,857	1,677

Camden Council

Special Purpose Financial Statements for the financial year ended 30 June 2015

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	SP 6

Camden Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulations, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Office of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

Nil

Category 2

(where gross operating turnover is less than \$2 million)

Camden Commercial Waste Activity

Provide a diversified range of waste removal services to business operations in the Camden local government area.

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

Camden Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first **\$432,000** of combined land values attracts **0%**. From \$432,001 to \$2,641,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,641,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date.

Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all land assets owned or exclusively used by the Business Activity.

Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies.

Camden Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.02% at 30/6/15.

The actual rate of return achieved by each Business Activity is disclosed at the foot of each respective Income Statement.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.



The Camden Council

Independent auditor's report Report on the special purpose financial statements

Report on the financial statements

We have audited the accompanying financial statements, being the special purpose financial statements, of the Camden Council (the Council), which comprises the Statement of Financial Position by Business Activity for the year ended 30 June 2015, the Income Statements by Business Activity for the year then ended, Notes to the financial statements for the Business Activities identified by Council and the Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting for the year ended 30 June 2015.

Councillors' responsibility for the financial report

The Councillors of the Council are responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in note 1 to the financial statements which form part of the financial statements, are appropriate to meet the requirements of the Local Government Code of Accounting Practice and Financial Reporting. The Councillors responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Councillors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Auditor's opinion:

In our opinion, the financial statements presents fairly, in all material respects, the financial position by Business Activity of Camden Council as of 30 June 2015 and its financial performance by Business Activity for the year then ended in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 to the financial statements, and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Council.

PricewaterhouseCoopers

PL Buchholz
Partner

Sydney
27 October 2015

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Camden Council

SPECIAL SCHEDULES
for the year ended 30 June 2015

Camden, the Best of Both Worlds



Camden Council

Special Schedules

for the financial year ended 30 June 2015

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- Special Schedule No. 9	Permissible Income Calculation	SS 9

¹ Special Schedules are not audited (with the exception of Special Schedule 9).

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

Camden Council

Special Schedule No. 1 - Net Cost of Services
 for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	1,284	10	-	(1,274)
Administration	21,042	3,523	-	(17,519)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	777	283	21	(473)
Enforcement of Local Govt. Regulations	208	-	-	(208)
Animal Control	561	82	-	(479)
Total Public Order & Safety	1,546	365	21	(1,160)
Health	1,088	148	-	(940)
Environment				
Noxious Plants and Insect/Vermin Control	153	33	-	(120)
Other Environmental Protection	52	-	-	(52)
Solid Waste Management	8,155	8,992	-	837
Stormwater Management	2,954	412	33,326	30,784
Total Environment	11,314	9,437	33,326	31,449
Community Services and Education				
Administration & Education	218	25	-	(193)
Social Protection (Welfare)	2,504	1,797	-	(707)
Aged Persons and Disabled	(4)	-	-	4
Children's Services	131	-	-	(131)
Total Community Services & Education	2,849	1,822	-	(1,027)
Housing and Community Amenities				
Public Cemeteries	61	222	-	161
Street Lighting	1,780	-	-	(1,780)
Town Planning	2,847	1,656	-	(1,191)
Other Community Amenities	172	4	-	(168)
Total Housing and Community Amenities	4,860	1,882	-	(2,978)

Camden Council

Special Schedule No. 1 - Net Cost of Services (continued)
for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	2,202	243	-	(1,959)
Community Centres and Halls	1,701	1,153	20	(528)
Other Cultural Services	8	-	-	(8)
Swimming Pools	4,184	4,114	-	(70)
Parks & Gardens (Lakes)	6,761	242	787	(5,732)
Other Sport and Recreation	(7)	4	-	11
Total Recreation and Culture	14,849	5,756	807	(8,286)
Mining, Manufacturing and Construction				
Building Control	5,426	7,284	-	1,858
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	5,426	7,284	-	1,858
Transport and Communication				
Urban Roads (UR) - Local	13,075	34	47,780	34,739
Urban Roads - Regional	-	46	-	46
Bridges on UR - Local	33	-	-	(33)
Parking Areas	14	-	-	(14)
Footpaths	189	-	-	(189)
Other Transport & Communication	402	704	2,458	2,760
Total Transport and Communication	13,713	784	50,238	37,309
Economic Affairs				
Other Economic Affairs	488	36	-	(452)
Total Economic Affairs	488	36	-	(452)
Totals – Functions	78,459	31,047	84,392	36,980
General Purpose Revenues⁽²⁾		43,140		43,140
Share of interests - joint ventures & associates using the equity method	-	78		78
NET OPERATING RESULT⁽¹⁾	78,459	74,265	84,392	80,198

(1) As reported in the Income Statement

(2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) & Interest on overdue Rates & Annual Charges

Camden Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)
for the financial year ended 30 June 2015

Classification of Debt	Principal outstanding at beginning of the year		New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year	
	Current	Non Current		From Revenue	Sinking Funds			Current	Non Current
Loans (by Source)									
Financial Institutions	1,542	7,823	2,250	1,542	-	-	621	1,573	8,500
Dept of Planning (NSW Treasury)	1,000	9,700	-	1,000	-	-	-	1,600	8,100
Total Loans	2,542	17,523	2,250	2,542	-	-	621	3,173	16,600
Other Long Term Debt									
Total Debt	2,542	17,523	2,250	2,542	-	-	621	3,173	19,773

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.
This Schedule is prepared using the face value of debt obligations, rather than fair value (which are reported in the GPFS).

Special Schedule No. 7 - Report on Infrastructure Assets
as at 30 June 2015

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Buildings	Council Offices / Administration Centres		299	111	4,788	0%	0%	100%	0%	0%
	Council Works Depot	176	66	36	1,141	7%	5%	81%	7%	0%
	Council Public Halls	309	229	87	4,495	0%	23%	72%	5%	0%
	Libraries	-	-	79	8,298	0%	100%	0%	0%	0%
	Cultural Facilities	-	-	32	389	0%	100%	0%	0%	0%
	Council Other Buildings - Civic Centre	-	137	11	2,132	0%	0%	100%	0%	0%
	Council Other Buildings - Bushfire & SES Buildings	82	9	-	1,125	69%	5%	20%	6%	0%
	Council Other Buildings - Toilet Block & Amenities	328	252	50	11,383	30%	21%	47%	2%	0%
	Council Other Buildings - Leased Property	296	12	3	124	0%	0%	56%	44%	0%
	Council Other Buildings - Others including Swimming Pool	2,946	138	69	10,179	48%	6%	26%	20%	0%
	Specialised Buildings	164	5	56	57	0%	0%	56%	44%	0%
	sub total	4,301	1,147	534	44,111	20.6%	29.3%	44.0%	6.1%	0.0%
	Other Structures		110	190	868	31%	38%	30%	1%	0%
Land Improvements - Depreciable			34	-	36,422	7%	77%	16%	0%	0%
sub total	110	224	-	37,290	7.8%	75.8%	16.3%	0.1%	0.0%	
Roads	Sealed Roads Surface	559	946	2,955	55,665	66%	24%	9%	1%	0%
	Sealed Roads Structure & Formation	3,793	1,606	0	167,283	58%	21%	16%	4%	1%
	Bridges and Culverts	542	414	66	25,892	10%	32%	56%	2%	0%
	Footpaths	334	36	343	13,749	45%	18%	34%	3%	0%
	Cycle ways	20	18	11,745	11,745	43%	22%	33%	2%	0%
	Kerb and Gutter	808	266	184	106,561	39%	30%	30%	1%	0%
	Other Road Assets - Road Furniture	-	11	216	2,219	36%	61%	3%	0%	0%
	Other Road Assets - Road Structures	-	6	9,153	9,153	48%	38%	14%	0%	0%
	Carpark	532	107	2,354	2,354	15%	13%	50%	17%	5%
	Other Road Assets			11,508	11,508	48%	38%	14%	0%	0%
sub total	6,588	3,410	3,764	406,129	49.4%	25.5%	22.2%	2.5%	0.4%	

Camden Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2015

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV					
						1	2	3	4	5	
Stormwater Drainage	Retarding Basins	-	15	203	9,443	42%	57%	1%	0%	0%	
	Stormwater Conduits	-	135	10	134,953	66%	33%	1%	0%	0%	
	Inlet and Junction Pits	222	36	276	41,953	61%	24%	13%	2%	0%	
	Head Walls	-	5		1,496	47%	48%	5%	0%	0%	
	Outfall Structures	-	0		130	47%	48%	5%	0%	0%	
	Stormwater Converters	-	15		8,564	69%	26%	5%	0%	0%	
	Others - Channels	-	5		7,146	13%	84%	3%	0%	0%	
	sub total		222	211	489	203,685	62.1%	34.0%	3.5%	0.4%	0.0%
	Open Space Recreational Assets	Open Space Recreational Assets - Parks and Reserve	150	281	303	4,338	53%	21%	17%	9%	0%
		sub total	150	281	303	4,338	52.7%	21.4%	17.3%	8.6%	0.0%
TOTAL - ALL ASSETS		11,371	5,273	5,090	695,553	49.1%	30.9%	17.7%	2.0%	0.3%	

Notes:

- Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate". The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard. This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard."
- Actual Maintenance is what has been spent in the current year to maintain the assets. Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements
- Infrastructure Asset Condition Assessment "Key"**

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required

4	Poor	Renewal required
5	Very Poor	Urgent renewal/upgrading required

Camden Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2015

\$ '000	Amounts 2015	Indicator 2015	Prior Periods	
			2014	2013
Infrastructure Asset Performance Indicators Consolidated				
1. Building, Infrastructure & Other Structures				
Renewals Ratio				
Asset Renewals				
<u>(Building, Infrastructure & Other Structures) ⁽¹⁾</u>	<u>2,030</u>	13.85%	24.73%	31.69%
Depreciation, Amortisation & Impairment	14,657			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	<u>11,371</u>	1.63%	2.39%	1.74%
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	695,553			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	<u>5,090</u>	0.97	0.78	0.93
Required Asset Maintenance	5,273			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	<u>87,061</u>	5.14	2.70	4.36
Annual Depreciation	16,952			

Notes

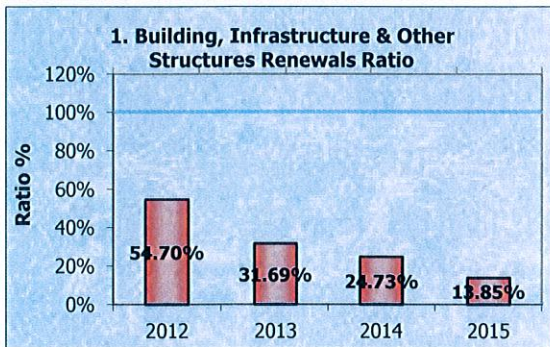
⁽¹⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

⁽²⁾ Written Down Value

Camden Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2015



Purpose of Asset Renewals Ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

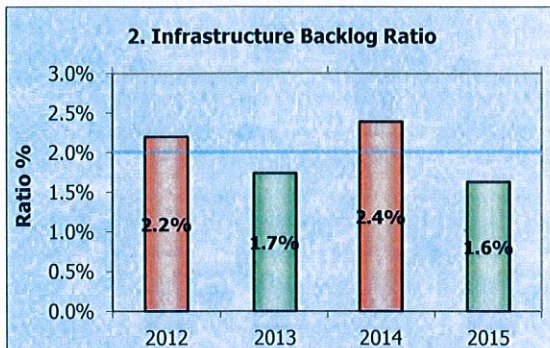
Commentary on 2014/15 Result

2014/15 Ratio 13.85%

The benchmark for this ratio is better than 100%. Although Council has put in place a number of renewal programs this ratio continues to decline more a result of increasing depreciation expense through growth in the asset base than a lack of programs to address the issue. It is difficult to justify a ratio of more than 100% for Camden Council when Council has a high proportion of new assets that at this point in their life cycle do not require renewal. This ratio does not allow the inclusion of transfers to the asset renewal reserve for future renewal purpose.

Benchmark: Minimum $\geq 100.00\%$
 Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Infrastructure Backlog Ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

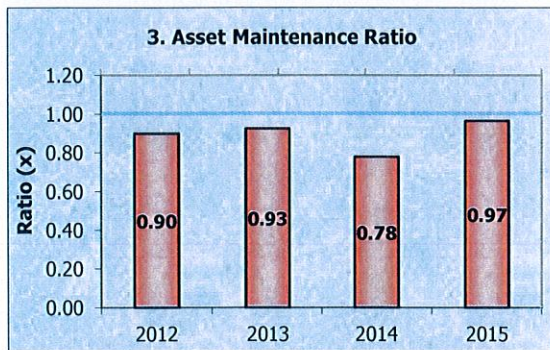
Commentary on 2014/15 Result

2014/15 Ratio 1.63%

The benchmark for this ratio is less than 2%. Councils current infrastructure backlog is below the allowable indicator of 2% meaning that Council's backlog is manageable and an indication with a continuation of current renewal programs that the backlog is being addressed. Special Schedule 7 of the Financial Statements indicates that 79% of Council's infrastructure assets base is in a good to excellent condition.

Benchmark: Maximum < 0.02
 Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Asset Maintenance Ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.

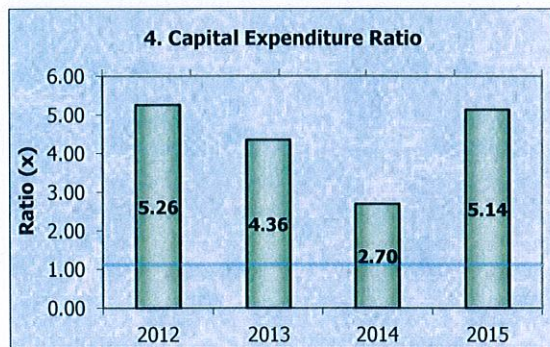
Commentary on 2014/15 Result

2014/15 Ratio 0.97 x

The benchmark for this ratio is better than 1.00. Councils current asset maintenance allocation is 0.97 which is just below the required expenditure to maintain assets at a good standard or to assist in further reducing the infrastructure backlog. This ratio is .19 higher than last year reflecting that Council is investing much more in the maintenance of its assets than in previous years.

Benchmark: Minimum > 1.00
 Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Capital Expenditure Ratio

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

Commentary on 2014/15 Result

2014/15 Ratio 5.14 x

The benchmark for this ratio is better than 1.10. Council current capital expenditure ratio is 5.14 which is 2.44 higher than last year and approximately 4.14 times higher than the benchmark. This provides a good indication how quickly Councils infrastructure asset base is growing and the challenges facing Council in the future. These challenges will be addressed by Council through the continuation of asset related programs, the use of leading asset management practices that is supported by a dedicated asset management team.

Benchmark: Minimum > 1.10
 Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark
 Ratio is outside Benchmark

Camden Council

Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2016

\$'000		Calculation 2014/15	Calculation 2015/16
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	34,774	36,918
Plus or minus Adjustments ⁽²⁾	b	1,360	2,515
Notional General Income	c = (a + b)	36,134	39,433
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
or Rate peg percentage	e	2.30%	2.40%
or Crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	h = d x (c-g)	-	-
or plus Rate peg amount	i = c x e	831	946
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	36,965	40,379
plus (or minus) last year's Carry Forward Total	l	(96)	58
less Valuation Objections claimed in the previous year	m	77	(30)
sub-total	n = (l + m)	(19)	28
Total Permissible income	o = k + n	36,946	40,407
less Notional General Income Yield	p	36,918	40,366
Catch-up or (excess) result	q = o - p	28	41
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	30	18
less Unused catch-up ⁽⁵⁾	s	-	-
Carry forward to next year	t = q + r - s	58	59

Notes

- The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
- The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from councils' Special Schedule 9 in the Financial Data Return (FDR) to administer this process.



The Camden Council

Independent auditor's report Report on the Special Schedule No. 9

Report on the Special Schedule No. 9

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of the Camden Council ("the Council") for the year ending 30 June 2015.

Councillors' responsibility for Special Schedule No. 9

The Councillors of the Council are responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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Audit Opinion

In our opinion, Special Schedule No. 9 of the Camden Council for the year ending 30 June 2015 is properly drawn up in all material respects in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Restriction on distribution

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of the total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the council and the Office of Local Government.

PricewaterhouseCoopers

PL Buchholz
Partner

Sydney
27 October 2015

DRAFT